

# FX CONSENSUS FORECAST

A LOOK AT THE MONTH AHEAD  
*December 2021*

moneycorp ✦

# TABLE OF CONTENTS

01	/ At a glance
02	/ Euro
03	/ Japanese Yen
04	/ Great British Pound
05	/ Swiss Franc
06	/ Canadian Dollar
07	/ Chinese Yuan
08	/ Brazilian Real
09	/ Mexican Peso

moneycorp US Inc. is a Rhode Island corporation (#000115949) and is federally registered as a money services business with the Financial Crimes Enforcement Network ("FinCen"), and maintains Money Transmitter Licenses.

## Contact Us

To learn more about our  
risk management options,  
call or email the team.

P: 800 239 2389

E: [usdealers@moneycorp.com](mailto:usdealers@moneycorp.com)

1 Park Row, Suite 403

Providence, Rhode Island 02903

Monday to Friday

8:30 am - 5:00 pm

# QUICK GLANCE



The US economy is passing through intensifying inflation pressure, widespread labor shortages, overwhelmed supply chains, and a newly discovered virus variant. It is worth wondering how the mighty superpower is holding its economic barometer in these times. The U.S. Gross Domestic Product, which measures the total output of the economy, grew by only 2.1% in November for a quarter-on-quarter annualized basis, against expectations of 2.3%. However, this is better than the previous print of 2.0% in October. The lower-than-expected growth is attributed to prevailing supply chain bottlenecks and rocketing inflation pressures. Fortunately, a pickup in the economy compared to the previous reading is owed to early signals of improvement in supply chain bottlenecks across a few sectors, and stagnant Delta variant cases. The recent spike in inflation levels in the U.S. economy, which reached 30-year highs, ignited calls for the Federal Reserve to shift gears on interest rate hikes earlier than expected. The analysis of the new Covid-19 variant's risk is currently still in progress. The Fed is calling this period of high inflation "transitory", but the Americans who feel this high price pain for the last six months are getting impatient around this transition period.

Inflation is pressuring the consumer sentiment index to its lowest level of the decade, while signs of supply chain alleviations are emerging. The core Personal Consumption Expenditure (PCE) index for October, an indicator used to gauge inflation trends, stands at 4.1% annualized, the same as expected, and it is higher than the previous reading of 3.7%, indicating a price surge over a monthly basis. The Michigan Consumer sentiment preliminary index for November stands at 66.8 vs expectations of 72, the lowest in the past ten years. On the supply chain front, there are signs which show alleviation in manufacturing and construction data. The price of Lumber stayed around 24% lower than the near-term peak of October and well below its May high, indicating demand from home inventories replenishment. Additionally, the Taiwan manufacturing backlog fell drastically, indicating that semiconductor production capacity is improving due to strong global demand. The market PMI composite index for October sets at 57.6, slightly higher than expectations of 57.3, and the retail sales figure for October surpasses expectations and prints at 1.7% against 1.4% expected. All in all, this shows that bottlenecks in the supply chain have started to improve at a modest pace.

There were fewer jobless claims and better employment data, but there were lower workers in the workforce. Jobless claims data in the latest release of November was released at 252,250, the lowest levels since the start of the pandemic, while the unemployment rate for October stumbled to 4.6% against expectations of 4.7%. Indeed, job postings have increased 50% compared to pre-pandemic base levels, but the gap between job postings and hires has risen as it's a worker-driven market. The labor participation rate is 61.5%, 1.7% lower than February 2020 levels. Looking ahead, the U.S. economy is estimated to see a drop in productivity in 2021 by almost 1%, due to the struggling labor market and slow recovery in supply chain disruptions.

Amid dynamics of high inflation, low consumer confidence, and modest supply chain recovery, there comes the new variant of Coronavirus called the Omicron, which is reported to have up to 30 mutations and has already shaken up global financial markets slightly in the past week. Fed chair Jerome Powell has expressed his concerns regarding the new virus and its effect on the economy amid the ongoing inflation time. Scientists are researching to understand the risk possessed by the virus, while pharma companies are looking to shift their gears towards developing vaccinations against it. On the monetary policy side, the Federal Reserve, acknowledging that unemployment levels are improving and inflation is well above the 2% target, is expected to begin its gradual process of reducing its bond purchase in November.

The Fed announced that it will start tapering by reducing asset purchases of \$15 billion each month, \$10 billion in treasury, and \$5 billion in mortgage-backed securities. This plan indicates that the Fed can execute its first hike in July, given that everything goes as planned. In our opinion, inflation has been aided by robust fiscal stimulus, which, although cannot be removed, can be settled by increasing the rates. Even if the Fed starts tapering in November and settles up in June 2022, they will continue to see the economy and assess it for at least a month or two before the first rate hike. However, Powell's agenda for his second term, for which he has been recently reappointed, will be focused on his mandate from the all-mighty Biden to control inflation, and we could see a faster pace of tapering than we previously anticipated.

The U.S. Dollar Index, which gauges the greenback against the basket of currencies, rallied high throughout November, mainly propelled by the strongest inflation readings in three decades in the U.S. economy. The dollar index increased by 2.12% during November, touching a 16-month high since July 2020, and putting it on a pace of the strongest annual gains in six years. A combination of factors has bolstered the upsurge of greenback during the month. These include Biden's infrastructure bill of USD 2 trillion to upgrade the nation's infrastructure, lower unemployment data, higher manufacturing PMI index, Powell's second nomination by Joe Biden, and most importantly, the Fed's hawkish tone during the month. However, a couple of things that provided headwinds for the greenback were low consumer sentiments index compared to the previous month, and tepid sliding in Treasury yields due to market sentiments. On the same note, the recent discovery of the Omicron virus has caused risk-averse market sentiment for the dollar, which has weakened the greenback against its peers as of 30th November. Looking forward, higher inflation reading, which provides strong prospects for an early Fed rate hike, and the effects of new virus strain, will drive the dollar dynamics.

The S&P index was on the rise in October and it continued with a tepid gain during November. The index started with \$4610.62 on November 1st and currently trades at \$4641 as of writing, gaining 0.67% over the month. The index started with a sharp surge in the first week and touched monthly high levels of \$4718, sponsored by Joe Biden's infrastructure bill and stronger than expected U.S. job reports. The Dollar Index sustained momentum following the renomination of Chairman Powell as head of the Federal Reserve. The index bounced back near the month's high levels amid signs of monetary policy continuity, solid recovery for the world's largest economy, and chatters of Fed tapering during record-high inflation times, causing a 0.2% intraday surge. The S&P index suffered a massive blow during last week's Friday session, where it fell by 2.3% due to the discovery of a new Covid-19 virus variant called Omicron. Today, as of November 29th, the S&P 500 index started regaining from the fall and rose by 0.3% as investors started reassessing the risks of the new variant. Over the past year, the S&P 500 index has risen 25% since the start and closed with record highs 65 times, which is the second-highest total recorded highs in history. Moving forward, we will see how this new variant affects global market sentiments.

Next year's menu has been decided, and we have got a rate hike and tapering on the platter. In the meantime, we will see how the Omicron virus develops and its repercussions on the economy in terms of dollar prices and stock indices. Furthermore, it is interesting to see at what pace the Fed starts tapering and when the first-rate hike is exercised. If the Fed starts tapering at a faster pace, then rate hike expectations are likely to be met and inflation pressure will ease starting in mid-2022. However, if not, the economy will heat up with high inflation pressure further and lower consumer sentiments.

# EUR/USD



The EUR fell over 3% against the dollar throughout the course of November driven by lockdowns in the Eurozone and monetary policy divergence weighing over the common currency. An increase in cases in Austria, triggered a renewed round of lockdowns while Germany considers.

The spike in coronavirus cases and the discovery of the Omicron variant kept the EUR under pressure. Moreover, U.S. rate hike expectations and sustained inflationary readings amid the recent outbreak keep the dollar on the front foot against most of its peers.

## What To Watch For This Month

### 12/09/2021 EU Gross Domestic Product

The Eurostat is due to release its annual Gross Domestic Product readings for Q3 to show economic progress amid inflationary pressures and the outbreak of the Omicron variant.

### 12/16/2021 EU interest rate decision

The EU will shed light on its interest rate decision and monetary policy on which they are continuously holding a dovish stance amid rising inflation and the outbreak of the Omicron variant.

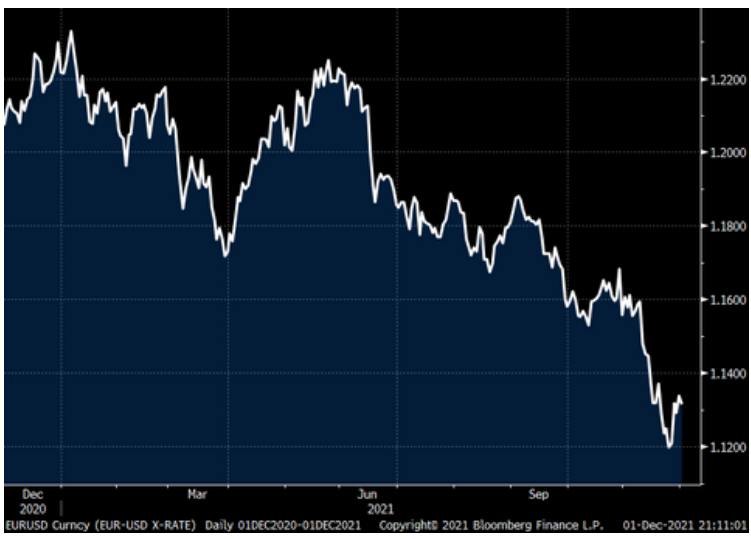
### 12/16/2021 EU interest rate decision

The European Commission will provide final readings for inflation, which previously soared to 4.9% annually, adding pressure to ECB policymakers to tighten financial conditions.

## Economic Indicators

### European Central Bank Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-6.4	5	4.6	2.1
CPI (YOY%)	0.25	2.2	1.7	1.5
Unemployment (%)	7.92	7.9	7.7	7.3



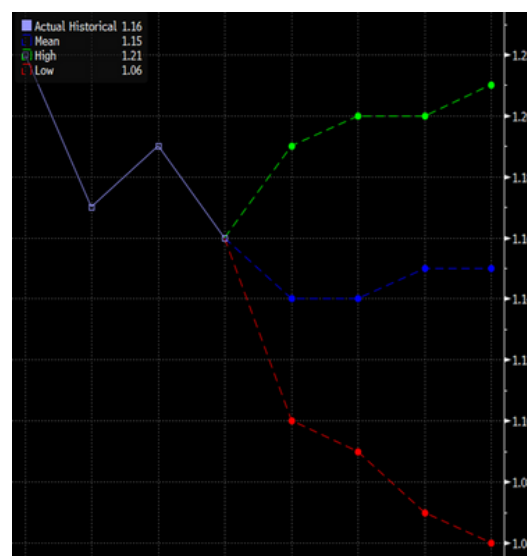
Historical Rates



# EUR/USD

## Market Consensus & Forecast

	Q4 21	Q1 22	Q2 22	Q3 22
Mean	1.14	1.14	1.15	1.15
High	1.19	1.2	1.2	1.21
Low	1.1	1.09	1.07	1.06



Consensus Forecast

## Forecast by Institution

	As of:	Q4 21	Q1 22	Q2 22	Q3 22
Commerzbank	11/30/21	1.11	1.1	1.09	1.08
Rabobank	11/26/21	1.14	1.13	1.13	1.12
Banco Santander	11/26/21	1.12	1.1	1.13	1.17
Nomura Bank International	11/25/21	1.1	1.11	1.14	1.16
JPMorgan Chase	11/24/21	1.14	1.1	1.09	1.09
BNP Paribas	11/23/21	1.15	1.13	1.12	1.11
Jyske Bank	11/22/21	1.1	1.1	1.12	1.14
Landesbank Baden-Wuertt.	11/22/21	1.18	1.16	1.15	1.15
Maybank Singapore	11/22/21	1.18	1.18	1.17	1.18
ABN Amro	11/19/21	1.1	1.09	1.07	1.06
CBA	11/19/21	1.13	1.14	1.16	1.18
Australia & NZ Banking Group	11/18/21	1.13	1.13	1.13	1.14
Credit Agricole CIB	11/18/21	1.15	1.15	1.15	1.16
Bank Millennium	11/18/21	1.15	1.15	1.15	1.16
DZ Bank	11/17/21	1.13	1.15	1.18	1.18
SEB	11/17/21	1.15	1.14	1.13	1.12
Barclays	11/16/21	1.15	1.16	1.18	1.19
Oversea-Chinese Banking Corp	11/16/21	1.15	1.16	1.17	1.19
United Overseas Bank	11/16/21	1.15	1.14	1.13	1.13
Danske Bank	11/15/21	1.14	1.13	1.12	1.1

# USD/JPY



The Yen declined significantly when Chairman Powell spurred expectations of faster policy tightening and a renewed focus on yield differentials and monetary policy divergence. However, the newly formed government will face its first wave of Covid, amid the discovery of the variant omicron which keeps the market

mood sour in global markets. Moreover, Prime Minister Kishida announced strict Covid-19 measures and travel bans amid the outburst of the Omicron variant. Japan confirmed its first case of Omicron variant a day after closing its borders.

## What To Watch For This Month

### **12/06/2021 Leading economic index**

Japanese Cabinet office will report how the economy is performing, with a previous release of 100.9. Several economists believe economic performance should pick up amid a weaker Yen.

### **12/06/2021 Japanese household spending**

Ministry of Internal affairs and Communication will publish overall housing spending, which will indicate consumer optimism amid a weak economic recovery and the outbreak of Omicron.

### **12/09/2021 Japan Gross Domestic Product**

Japanese authorities are set to deliver economic progress and output for Q3 on an annual basis, previously -0.8% quarterly and -3% annualized.

## Economic Indicators

Bank of Japan Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-4.65	3.4	2.9	1.3
CPI (YOY%)	-0.02	--	--	--
Unemployment (%)	2.79	2.8	2.8	2.8

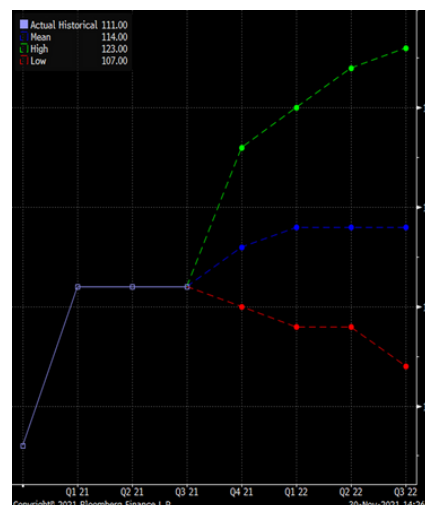


Historical Rates

# USD/JPY

## Market Consensus & Forecast

	Q4 21	Q1 22	Q2 22	Q3 22
Mean	113	114	114	114
High	118	120	122	123
Low	110	109	109	107



Consensus Forecast

## Forecast by Institution

	As of:	Q4 21	Q1 22	Q2 22	Q3 22
Commerzbank	11/30/21	115	116	117	118
Rabobank	11/26/21	114	114	115	115
Banco Santander	11/26/21	113	114	116	117
Nomura Bank International	11/25/21	115	116	117	116
JPMorgan Chase	11/24/21	112	116	117	117
BNP Paribas	11/23/21	114	115	116	117
Jyske Bank	11/22/21	115	115	116	114
Landesbank Baden-Wuerttt.	11/22/21	110	112	115	116
Maybank Singapore	11/22/21	111	112	111	110
ABN Amro	11/19/21	118	120	122	123
Commonwealth Bank of Australia	11/19/21	115	116	118	119
Wells Fargo	11/19/21	114	116	118	120
Australia & NZ Banking	11/18/21	112	112	112	112
Credit Agricole CIB	11/18/21	115	116	118	118
DZ Bank	11/17/21	114	113	112	111
Skandinaviska Enskilda Banken	11/17/21	113	113	114	114
Barclays	11/16/21	114	115	116	116
Oversea-Chinese Banking Corp	11/16/21	116	115	114	113
United Overseas Bank	11/16/21	115	116	117	117
Danske Bank	11/15/21	113	112	111	110

# GBP/USD

The Pound Sterling suffered severe losses on the last session of the month, amid PCE readings in the U.S., the Fed's favorite gauge of inflation, giving greenlight to policymakers to start tapering during its upcoming meeting this week. However, Fed officials are concerned over poor unemployment data.

If the results of job reports (NFP) on Friday come in soft, it may trigger alarms and raise concerns. On the other hand, the Bank of England remains a solid candidate to be the first major bank in hiking rates. However, major Brexit frictions and Covid cases remain an obstacle for policymakers.

## What To Watch For This Month

### **12/15/2021 Consumer price index**

Markets participants will get inflation data from the U.K. national statistics that previously stood at 4.2% urging policymakers to hike interest rates.

### **12/16/2021 Bank of England policy meeting**

Policymakers will provide their final verdict regarding interest rate hikes. Market participants expect 0.25% increase, although Brexit remains a cause of concern to tighten financial conditions.

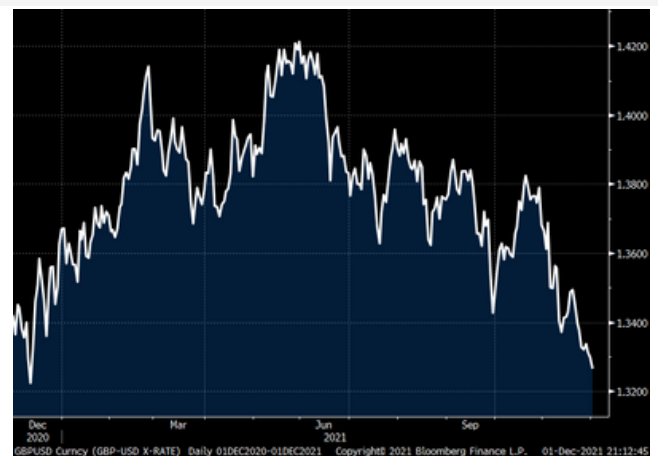
### **12/21/2021 U.K. Gross Domestic Product**

The Gross Domestic Product data will be released by the National Statistics Office, providing an overall economical growth picture, which previously stood at 1.3% annually in November.

## Economic Indicators

### Bank of England Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-9.7	7	5	1.5
CPI (YOY%)	0.85	4.25	3.5	2.25
Unemployment (%)	4.42	4.5	4	4.25



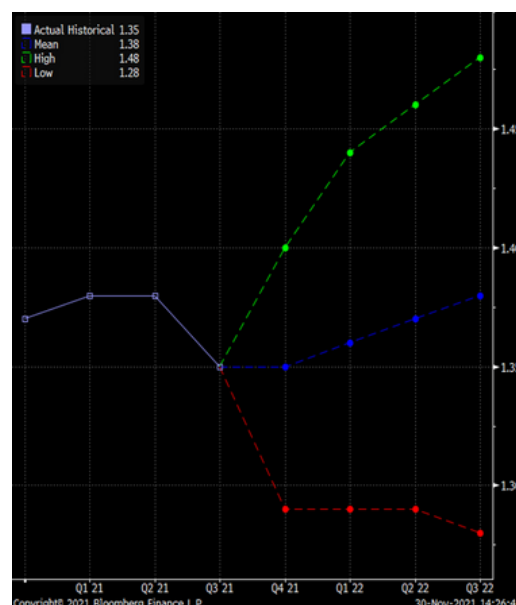
Historical Rates



# GBP/USD

## Market Consensus & Forecast

	Q4 21	Q1 22	Q2 22	Q3 22
Mean	1.35	1.36	1.37	1.38
High	1.4	1.44	1.46	1.48
Low	1.29	1.29	1.29	1.28



Consensus Forecast

## Forecast by Institution

	As of:	Q4 21	Q1 22	Q2 22	Q3 22
Commerzbank	11/30/21	1.32	1.33	1.33	1.33
Rabobank	11/26/21	1.34	1.35	1.34	1.33
Banco Santander	11/26/21	1.36	1.35	1.35	1.34
Nomura Bank International	11/25/21	1.33	1.32	1.38	1.4
JPMorgan Chase	11/24/21	1.35	1.31	1.3	1.31
BNP Paribas	11/23/21	1.35	1.35	1.35	1.35
Jyske Bank	11/22/21	1.29	1.29	1.32	1.34
Landesbank Baden Wuertt.	11/22/21	1.39	1.38	1.37	1.37
Maybank Singapore	11/22/21	1.37	1.38	1.4	1.4
ABN Amro	11/19/21	1.36	1.36	1.35	1.34
CBA	11/19/21	1.34	1.35	1.36	1.38
Australia & NZ Banking Group	11/18/21	1.34	1.35	1.35	1.36
Credit Agricole CIB	11/18/21	1.34	1.35	1.35	1.36
DZ Bank	11/17/21	1.35	1.38	1.4	1.4
SEB	11/17/21	1.37	1.37	1.38	1.37
Barclays	11/16/21	1.32	1.33	1.37	1.4
Oversea-Chinese Banking Corp	11/16/21	1.36	1.37	1.39	1.4
United Overseas Bank	11/16/21	1.4	1.41	1.42	1.43
Danske Bank	11/15/21	1.34	1.33	1.33	1.33
Morgan Stanley	11/15/21	1.35	1.34	1.34	1.36

# USD/CHF

The Swiss Franc depreciated 2.65% against the greenback before, the Omicron variant was announced the last Friday of November. The Covid news spooked significantly market participants with stock markets free falling on the announcement

and safe-haven currencies gaining momentum due to risk flows. The Swiss Franc bounced back 2.16% in a matter of days closing out the month with important gains against the greenback.

## What To Watch For This Month

### **12/01/2021 Consumer Price Index**

Swiss federal statistical office will announce CPI reading expected 1.4%, higher than it previous release at 1.2% driven by Swiss national bank monetary policy.

### **12/24/2021 Interest rate decision**

Swiss National Bank will announce its interest rate decision in order to ensure price stability. The figure previously stood at -0.75% and is expected to remain unchanged.

### **12/29/2021 ZEW survey**

Centre for European Economic Research will provide an indication for businesses condition for December, previous month showed bearish tone releasing a poor -10.8.

## Economic Indicators

### Swiss National Bank Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-2.5	3.4	3.6	--
CPI (YOY%)	-0.73	0.5	0.8	--
Unemployment (%)	3.24	3	2.7	--

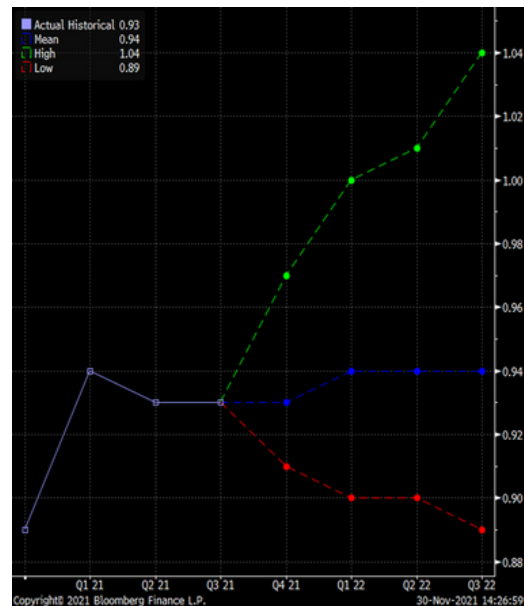


Historical Rates

# USD/CHF

## Market Consensus & Forecast

	Q4 21	Q1 22	Q2 22	Q3 22
Mean	0.93	0.94	0.94	0.94
High	0.97	1	1.01	1.04
Low	0.91	0.9	0.9	0.89



Consensus Forecast

## Forecast by Institution

	As of:	Q4 21	Q1 22	Q2 22	Q3 22
Commerzbank	11/30/21	0.94	0.95	0.95	0.96
Rabobank	11/26/21	0.93	0.94	0.95	0.97
Banco Santander	11/26/21	0.95	0.97	0.96	0.93
Nomura Bank International	11/25/21	0.97	1	0.97	0.97
JPMorgan Chase	11/24/21	0.95	0.95	0.94	0.94
BNP Paribas	11/23/21	0.93	0.96	0.97	0.99
Jyske Bank	11/22/21	0.97	0.96	0.96	0.95
Landesbank Baden-Wuertt.	11/22/21	0.93	0.95	0.97	0.97
Maybank Singapore	11/22/21	0.93	0.92	0.92	0.92
ABN Amro	11/19/21	0.96	0.98	1.01	1.04
CBA	11/19/21	0.94	0.94	0.93	0.92
Australia & NZ bank group	11/18/21	0.93	0.93	0.93	0.94
Credit Agricole CIB	11/18/21	0.93	0.94	0.96	0.96
DZ Bank	11/17/21	0.93	0.93	0.92	0.93
SEB	11/17/21	0.94	0.96	0.96	0.97
Barclays	11/16/21	0.91	0.91	0.9	0.9
Oversea-Chinese Banking	11/16/21	0.92	0.92	0.92	0.91
Danske Bank	11/15/21	0.93	0.95	0.96	0.98
Morgan Stanley	11/15/21	0.93	0.95	0.96	0.95
Swedbank	11/15/21	0.93	0.96	0.97	0.98

# USD/CAD



The Canadian Dollar endured severe losses during the course of November, sponsored by a stronger U.S. Dollar and retreating crude oil prices weighing on the commodities linked currency. Inflationary pressures in the U.S. urge policymakers to initiate its tightening

cycle as inflation hits a 30 year high. Additionally, the appearance of Omicron compromises Crude oil demand expectations and sustained supply chain disruptions in the months come, while President Biden released energy inventories to ease crude oil prices and inflation.

## What To Watch For This Month

### **12/03/2021 Unemployment Rate**

Canada's jobless rate is expected to record 6.6% in November, sustaining from its previous revised figures at 6.7%. Markets will assess the impact of the end of QE on unemployment.

### **12/08/2021 BoC Interest rate decision**

The Bank of Canada will provide an interest rate outlook, and a hawkish tone is expected, amid pick-up in economic indicators, although the recent outbreak of Omicron might shift results.

### **12/22/2021 Consumer Price Index**

The Bank of Canada Consumer Price index reading will provide a solid direction for the policymakers on price outlook.

## Economic Indicators

Bank of Canada Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-5.23	5.1	4.3	3.7
CPI (YOY%)	0.73	3.4	3.4	2.3
Unemployment (%)	9.6	--	--	--

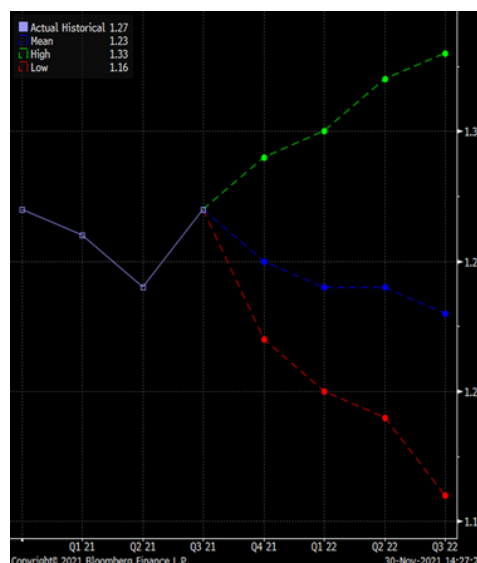


Historical Rates

# USD/CAD

## Market Consensus & Forecast

	Q4 21	Q1 22	Q2 22	Q3 22
Mean	1.25	1.24	1.24	1.23
High	1.29	1.3	1.32	1.33
Low	1.22	1.2	1.19	1.16



Consensus Forecast

## Forecast by Institution

	As of:	Q4 21	Q1 22	Q2 22	Q3 22
Commerzbank	11/30/21	1.26	1.27	1.28	1.29
Rabobank	11/26/21	1.23	1.26	1.27	1.26
Banco Santander	11/26/21	1.25	1.23	1.22	1.25
Nomura Bank International	11/25/21	1.24	1.23	1.22	1.22
JPMorgan Chase	11/24/21	1.26	1.24	1.24	1.24
BNP Paribas	11/23/21	1.25	1.25	1.25	1.24
Landesbank Baden-Wuertt.	11/22/21	1.24	1.25	1.25	1.25
Maybank Singapore	11/22/21	1.25	1.24	1.24	1.23
ABN Amro	11/19/21	1.24	1.23	1.22	1.21
CBA	11/19/21	1.26	1.24	1.22	1.21
Credit Agricole CIB	11/18/21	1.25	1.23	1.22	1.21
DZ Bank	11/17/21	1.26	1.26	1.25	1.25
SEB	11/17/21	1.24	1.24	1.23	1.22
Barclays	11/16/21	1.24	1.23	1.22	1.21
Oversea-Chinese Banking	11/16/21	1.24	1.25	1.24	1.23
Danske Bank	11/15/21	1.27	1.3	1.32	1.33
Morgan Stanley	11/15/21	1.23	1.23	1.19	1.16
Swedbank	11/15/21	1.23	1.21	1.2	1.2
NAB/BNZ	11/12/21	1.26	1.25	1.25	1.24
Silicon Valley Bank	11/10/21	1.24	1.25	1.26	1.25



# USD/CNY

The Chinese Yuan recorded its third consecutive month appreciating against the dollar, and market participants expect the Renminbi to remain resilient against the greenback. Developments in China-U.S. developments has underpinned the

The market sentiment and expected to sustain in the coming months. The easing of China-U.S. relations in areas of environmental protection and foreign trade has booked market sentiment underpinning momentum for the Yuan.

## What To Watch For This Month

### **12/09/2021 Producer Price Index**

Producer Price Index readings will be key in December as the previous readings jumped to 13.5% inducing fears that will push prices worldwide

### **12/21/2021 PBoC Interest Rate Decision**

People's Bank of China will publish interest rate decisions amid short-term economic progress. Market participants expect rates to remain unchanged, although we might see shifts in RRR.

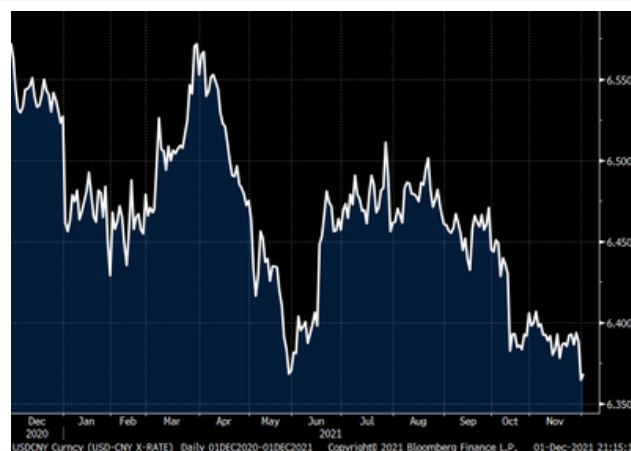
### **12/31/2021 NBS Manufacturing PMIs**

Amid current economic expansion, participants will wait for manufacturing PMI to assess economic momentum.

## Economic Indicators

People's Bank of China Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	2.3	8	5.3	5.31
CPI (YOY%)	2.51	1	2.2	2.2
Unemployment (%)	4.24	3.9	3.63	3.61

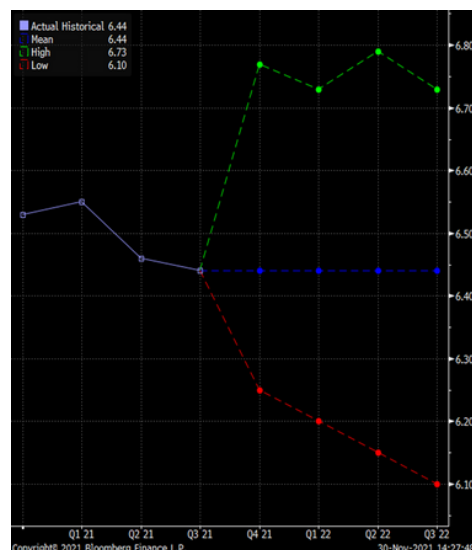


Historical Rates

# USD/CNY

## Market Consensus & Forecast

	Q4 21	Q1 22	Q2 22	Q3 22
Mean	6.44	6.44	6.44	6.44
High	6.77	6.73	6.79	6.73
Low	6.25	6.2	6.15	6.1



Consensus Forecast

## Forecast by Institution

	As of:	Q4 21	Q1 22	Q2 22	Q3 22
Commerzbank	11/30/21	6.5	6.55	6.6	6.65
Rabobank	11/26/21	6.65	6.55	6.55	6.57
Credit Agricole CIB	11/25/21	6.38	6.35	6.32	6.32
Nomura Bank International	11/25/21	6.4	6.35	6.3	6.35
JPMorgan Chase	11/24/21	6.5	6.35	6.35	6.45
BNP Paribas	11/22/21	6.55	6.6	6.5	6.55
Jyske Bank	11/22/21	6.77	6.73	6.79	6.67
Landesbank Baden-Wuertt.	11/22/21	6.4	6.47	6.48	6.52
Maybank Singapore	11/22/21	6.46	6.43	6.43	6.4
ABN Amro	11/19/21	6.4	6.3	6.3	6.2
CBA	11/19/21	6.45	6.4	6.32	6.25
Australia & NZ Banking Group	11/18/21	6.4	6.37	6.35	6.32
DZ Bank	11/17/21	6.41	6.47	6.5	6.5
SEB	11/17/21	6.4	6.38	6.35	6.33
Barclays	11/16/21	6.4	6.35	6.3	6.4
Oversea-Chinese Banking	11/16/21	6.38	6.36	6.34	6.32
United Overseas Bank	11/16/21	6.48	6.52	6.56	6.6
Danske Bank	11/15/21	6.41	6.5	6.61	6.73
Morgan Stanley	11/15/21	6.42	6.48	6.45	6.43
NAB/BNZ	11/12/21	6.55	6.47	6.42	6.34

# USD/BRL

The Brazilian economy is going through a polemic fiscal reform which might compromise the budget stability in the country. President Jair Bolsonaro managed to push forward his initiative of "Auxilio Brasil" which intends to provide cash subsidies to Brazilian nationals.

The Brazilian Real advanced significantly against the dollar the first two weeks of November after the BCB hiked rates 150 bps in October. Amid the fiscal reform and broader dollar strength, the Real retraced extending losses by month-end.

## What To Watch For This Month

### **12/02/2021 GDP Q3**

Market participants will get an idea of overall economic health for Q3 2021, which is expected at 4.2%.

### **11/29/2021 Interest rate decision**

The Central Bank of Brazil, which is expected to hike another 150 bps, as expectations are set that Selic rate will reach 11% by February.

### **11/30/2021 IPCA Inflation**

The recent monthly figures posted 1.25%, higher than its previous release.

## Economic Indicators

### Brazil's Central Bank Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-4.05	5	1.5	--
CPI (YOY%)	3.21	8.3	5.65	--
Unemployment (%)	2	9.2	10.95	--

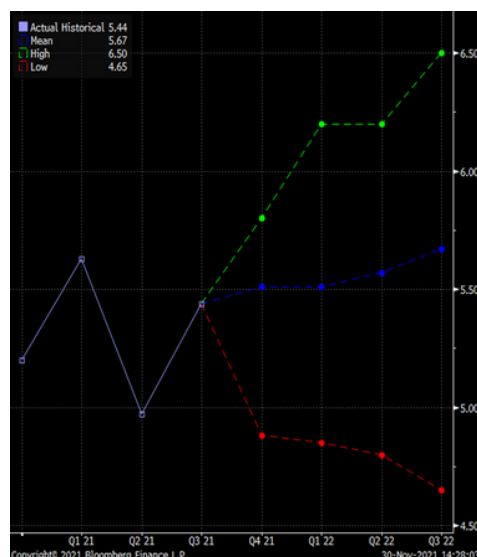


Historical Rates

# USD/BRL

## Market Consensus & Forecast

	Q4 21	Q1 22	Q2 22	Q3 22
Mean	5.51	5.51	5.57	5.67
High	5.8	6.2	6.2	6.5
Low	4.88	4.85	4.8	4.65



Consensus Forecast

## Forecast by Institution

	As of:	Q3 21	Q4 21	Q1 22	Q2 22
Rabobank	11/26/21	5.65	5.58	5.68	5.75
Banco Santander	11/25/21	5.65	5.6	5.7	5.9
Nomura Bank International	11/25/21	5.8	6.2	6.2	6.5
JPMorgan Chase	11/24/21	5.4	5.35	5.5	5.5
BNP Paribas	11/22/21	5.3	5.35	5.55	5.85
Landesbank Baden-Wuertt.	11/22/21	5.42	5.65	5.83	5.91
ABN Amro	11/19/21	5.5	5.5	5.5	5.5
DZ Bank	11/17/21	5.47	5.57	5.68	5.63
SEB	11/17/21	5.61	5.5	5.65	5.8
Barclays	11/16/21	5.45	5.3	5.4	5.7
Morgan Stanley	11/15/21	5.7	5.8	5.9	6.1
Mizuho Bank	11/11/21	5.7	5.75	5.85	5.9
Silicon Valley Bank	11/10/21	5.6	5.57	5.55	5.53
BBVA	11/04/21	5.53	5.35	5.5	5.8
Eurobank Cyprus	11/01/21	5.6	5.5	5.45	--
Mouvement Desjardins	10/29/21	5.4	5.2	5.1	5.3
Prestige Economics LLC	10/29/21	5.55	5.45	5.45	5.4
Standard Chartered	10/29/21	5.75	5.8	5.9	5.95
Scotiabank	10/28/21	4.88	4.85	4.81	4.85
PNC Financial	10/13/21	5.35	5.41	5.47	5.52

# USD/MXN

The Mexican Peso sustain big losses against the dollar amid a broader Yield strength driven by 30-year high inflation in the U.S. urging policymakers to hike interest rates. However, the Peso rebounded following a surprise announcement

The peso climbed 1.8% after Mexican authorities announced that Victoria Rodrigues would be nominated to head Mexico's Central Bank. however, fears around her ties with president Lopez Obrador keep participants alert.

## What To Watch For This Month

### 12/06/2021 Consumer Confidence Index

Consumer confidence is likely to tumble. Previously, the index stood at 43.6.

### 12/09/2021 Headline Inflation

Headline inflation hit 6.24% in its previous release, which pushed policymakers to hike rates, and they are likely to continue its tightening cycle in the upcoming meetings.

### 12/29/2021 Banxico Interest Rate Decision

Expectations suggest that Banxico will likely raise the benchmark interest rate by 5% amid high inflation.

## Economic Indicators

### Banco de Mexico Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-8.20	5.85	2.85	2.04
CPI (YOY%)	3.40	5.55	4.4	3.6
Unemployment (%)	4.43	4.2	4	3.93



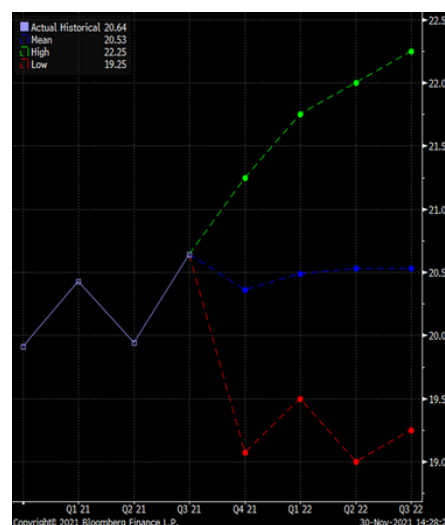
Historical Rates



# USD/MXN

## Market Consensus & Forecast

	Q4 21	Q1 22	Q2 22	Q3 22
Mean	20.36	20.49	20.53	20.53
High	21.25	21.75	22	22.25
Low	19.07	19.5	19	19.25



Consensus Forecast

## Forecast by Institution

	As of:	Q4 21	Q1 22	Q2 22	Q3 22
Rabobank	11/26/21	20	20.67	21	21.17
Nomura Bank International	11/25/21	20.5	20.5	20.2	20.2
JPMorgan Chase	11/24/21	21	21.3	21.5	21.8
BNP Paribas	11/22/21	20	20.5	20	19.6
Landesbank Baden-Wuertt.	11/22/21	19.07	19.83	20.43	20.87
DZ Bank	11/17/21	20.42	20.07	20.2	20.2
Barclays	11/16/21	20.2	20.4	20.3	20.1
Morgan Stanley	11/15/21	20.4	20.7	21	20.5
Mizuho Bank	11/11/21	20.3	20.5	20.7	20.8
Silicon Valley Bank	11/10/21	21	20.75	20.4	20.2
BBVA	11/04/21	20.2	20.15	20.5	20.75
Prestige Economics LLC	10/29/21	21.25	20.85	20.85	20.5
Standard Chartered	10/29/21	20	19.8	19.6	19.4
Scotiabank	10/28/21	20.54	20.76	21.03	21.27
Banorte	10/15/21	20.5	20.6	20.15	21
CIBC	10/13/21	20.5	20.7	20.8	20.9
ING Financial Markets	10/12/21	20	20.5	20.75	21
Commerzbank	10/08/21	20.5	20.5	21	21
RBC Capital Markets	10/07/21	19.5	20.26	20.67	19.81
Citigroup	10/04/21	20.2	20.3	20.5	20.6

---

# GET IN TOUCH

P: 800 239 2389

E: [usdealers@moneycorp.com](mailto:usdealers@moneycorp.com)

1 Park Row, Suite 403

Providence, Rhode Island 02903

Monday to Friday

8:30 am - 5:00 pm

