

# FX

# CONSENSUS FORECAST

A LOOK AT THE MONTH AHEAD  
*November 2021*

moneycorp 

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# QUICK GLANCE



The Federal Reserve is playing a dangerous game in their ability to ignore and constantly undermine high sustained inflation, referring to such price behaviour as transitory. Policymakers are now navigating between their own senses of patience and risk, and a U.S. economy stymied by disrupted supply chains, slow hiring, weaker consumer demand, and poor Q3 Gross Domestic Product (GDP) readings, raising concerns over the Fed's next move. The U.S. GDP, which measures the value of goods and services produced by the economy, grew two percent in the third quarter on an annualized basis, failing to impress market participants amid expectations set at 2.7% and previous results of 6.7% in June. The slower growth was attributed to the latest wave of covid-19 cases, sustained supply chain bottlenecks, surging inflation, and ebbing federal financial lifelines, downshifting the pace of the economic recovery from the pandemic.

Policymakers raised significant concerns around the sharp slowdown in consumer spending, which was one of the reasons behind the disappointing growth figures during this quarter. Personal consumption grew scant at 1.6% year over year in Q3, compared with a 12% growth achieved in Q2 this year. The deadly Delta variant kept consumers cautious during the course of the quarter, while supply chain constraints and shortages in raw material drove prices higher for businesses, many of which passed them on to consumers. However, it is worth mentioning that back in August, the combination of supply bottlenecks and a surge in household incomes fueled by pandemic-related government aid, pushed the personal consumption expenditure price index, a key measure of inflation, to a high 30-year high on an annualized basis.

Randal Quarles, Fed Governor, said last week that the fundamental dilemma that policymakers face is that demand, augmented by unprecedented fiscal stimulus, has been outstripping temporarily disrupted supply. Yet, the economy's fundamental capacity remains intact and Fed officials want to keep interest rates low for as long as possible to let employment rise. The latest unemployment figures showed that in September, only 194k new jobs were created, far below the 500k market participants were expecting. However, August figures were revised up from 235k to 366k, which netted out by reducing the unemployment rate from 5.1% to 4.8%. The significant slowdown in hiring pace keeps policymakers awake at night, as withdrawing stimulus would mean that job creation will start being more challenging as conditions tighten.

The greenback remained subdued against most of its peers during the course of the month, with severe losses after Gross Domestic Product readings shook markets with a poor 2%. The U.S. dollar index, which tracks the performance of the greenback against a basket of six major currencies, fell 0.6% after the announcement and is looking to close 1.34% lower from the monthly highs, at levels last seen in October 2020. However, stocks continue to reach new all-time highs, with S&P hitting 4,569 and looking to close the month with strong momentum to break over once more. Fed officials also start to feel pressure from other central banks which have already started their tightening cycle. The Bank of Canada, announced earlier this week its decision to leave interest rates unchanged and put an end to its Quantitative Easing program, highlighting that rate hikes might come sooner than previously anticipated. On the other hand, the Bank of England is a solid candidate to be the first major Central Bank to hike rates in the post-pandemic recovery. However, friction arising from Brexit keeps the French and British sour amid sustained threats regarding fishing rights.

The Fed will be meeting next week, and a disappointing response from policymakers could trigger a major weakness for the greenback. The Federal Open Market Committee (FOMC) is expected to announce plans to phase out its 120 billion in monthly asset purchases by the middle of 2022. Between now and next summer, the path of inflation, inflation expectations, and job growth will determine whether the central bank hastens the date of lifting its target interest rate from its current near-zero level. However, amid the recent poor growth figures, policymakers will have to make a decision to initiate the withdrawal of stimulus, without having a peek at Job reports, which are due to be released two days after and expected to create 385k new jobs. If the FOMC takes a hawkish approach and job reports raise the alarm, unemployment will most likely linger, crippling the economic recovery. On the other hand, if the committee takes a dovish stance and job reports smash it out of the court, we might see accentuated inflationary pressures and may overheat the economy.

# EUR/USD



The EUR had a major pullback by the end of the month, dropping 0.69% after PCE readings in the U.S. gave leeway to policymakers to withdraw stimulus and initiate its tapering phase. The EUR attempted to recover, taking advantage of a dollar weakness arising from poor data.

However, the EUR remained constantly overshadowed by the divergence in monetary policy approach, as the ECB remains reluctant to adjust policy amid inflationary pressure. However, President Lagard reiterated her opposition to markets to price in hikes, although she acknowledged inflation levels.

## What To Watch For This Month

### 11/04/2021 European Commission - Growth

#### Forecast

The European Commission will have a strong input in growth forecast expectations amid the release of its ECOFIN report and its views.

### 11/17/2021 EU Financial Stability Review

The ECB is due to release its Bi-annual Financial Stability Review, which provides an overview of the possible sources of risk and vulnerability in the European Financial System.

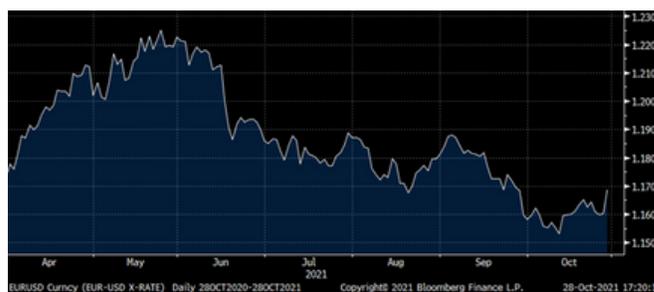
### 11/30/2021 Consumer Price Index

The Consumer Price Index had a significant spike in October amid surging energy prices and sustained supply chain disruption, posting 4.1% YoY vs 3.7% expected and 3.4% in September.

## Economic Indicators

### European Central Bank Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-4.05	5.0	1.80	2.3
CPI (YOY%)	3.21	8.0	5.0	3.5
Unemployment (%)	7.90	8.2	8.85	7.20

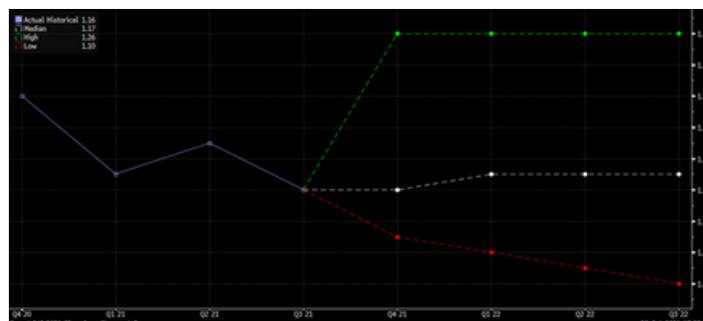


Historical Rates

# EUR/USD

## Market Consensus & Forecast

	Q4 21	Q1 22	Q2 22	Q3 22
Mean	1.16	1.17	1.17	1.17
High	1.26	1.26	1.26	1.26
Low	1.13	1.12	1.11	1.1



Consensus Forecast

## Forecast by Institution

	As of:	Q4 21	Q1 22	Q2 22	Q3 22
Scotiabank	10/28/21	1.15	1.15	1.14	1.14
SEB	10/27/21	1.16	1.15	1.15	1.14
Westpac Banking	10/26/21	1.19	1.2	1.19	1.18
ABN Amro	10/25/21	1.15	1.15	1.14	1.13
Landesbank Baden-Wuertt.	10/25/21	1.18	1.16	1.15	1.15
Rabobank	10/22/21	1.16	1.15	1.14	1.14
Australia & NZ Banking	10/21/21	1.18	1.2	1.23	1.22
Credit Agricole CIB	10/21/21	1.18	1.18	1.2	1.2
Handelsbanken	10/14/21	1.22	1.18	1.2	1.2
Swedbank	10/14/21	1.15	1.14	1.12	1.12
PNC Financial	10/13/21	1.17	1.17	1.17	1.17
TD Securities	10/13/21	1.15	1.18	1.16	1.17
Danske Bank	10/12/21	1.14	1.12	1.11	1.1
ING Financial Markets	10/12/21	1.17	1.15	1.13	1.11
Bank Millennium	10/12/21	1.17	1.16	1.16	1.16
Sumitomo Mitsui Trust Bank	10/12/21	1.16	1.17	1.19	1.18
NAB/BNZ	10/11/21	1.15	1.16	1.17	1.19
Commerzbank	10/08/21	1.15	1.16	1.17	1.19
Nomura Bank International	10/08/21	1.15	1.17	1.17	1.17

# USD/JPY



The Bank of Japan announced at the end of the month the committee's decision to leave monetary policy unchanged, sustaining its dovish stance amid a weaker Japanese economy experiencing a leadership change. Policymakers revised down its

2021 and 2022 growth forecast from 3.8% to 3.4%, while the report flagged that Japan's consumer inflation is likely to gradually slow down. The BoJ monetary policy divergence continues to weigh on the JPY, in addition to risk flows.

## What To Watch For This Month

### **11/01/2021 Monetary Policy Minutes**

Despite the dovish stance and reports flagging weaker consumer-driven inflation, the market expects further insights to determine what drivers will policymakers follow in the coming months.

### **11/14/2021 Gross Domestic Product**

Amid the revised down projections from the BoJ, market participants will closely monitor the performance of the economy, as the pair will remain sensitive to fluctuations in results.

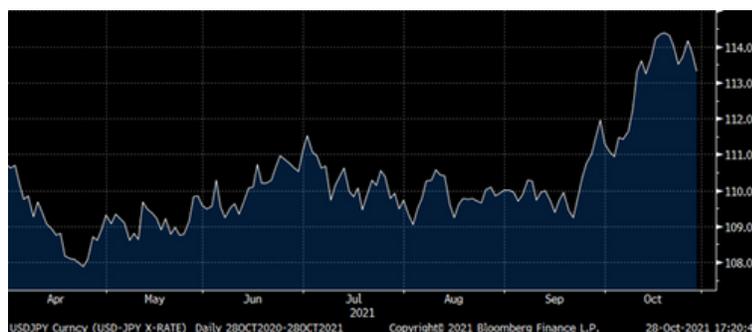
### **11/18/2021 National Consumer Price Index**

Policymakers flagged concerns over falling consumer-driven inflation, which should manifest itself on National Consumer Price Index readings coming up next month.

## Economic Indicators

Bank of Japan Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-4.65	3.34	2.9	1.3
CPI (YOY%)	-0.02	--	--	--
Unemployment (%)	2.79	2.9	2.9	2.9

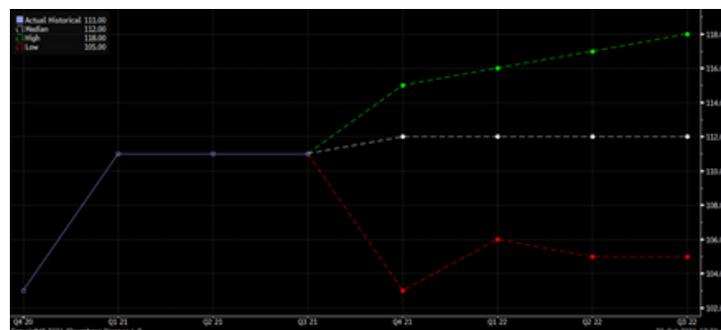


Historical Rates

# USD/JPY

## Market Consensus & Forecast

	Q4 21	Q1 22	Q2 22	Q3 22
Mean	111	112	112	112
High	115	116	117	118
Low	103	106	105	105



Consensus Forecast

## Forecast by Institution

	As of:	Q4 21	Q1 22	Q2 22	Q3 22
Scotiabank	10/28/21	113	113	113	116
SEB	10/27/21	113	113	114	114
Westpac Banking	10/26/21	112	112	113	113
ABN Amro	10/25/21	115	116	117	118
Landesbank Baden-Wuertt.	10/25/21	110	112	115	116
Rabobank	10/22/21	113	112	112	112
Australia & NZ Banking	10/21/21	112	112	112	112
Credit Agricole CIB	10/21/21	115	112	112	110
Handelsbanken	10/14/21	103	111	107	106
Swedbank	10/14/21	113	115	115	116
PNC Financial	10/13/21	111	111	112	112
TD Securities	10/13/21	111	112	113	114
Danske Bank	10/12/21	115	116	116	116
ING Financial Markets	10/12/21	112	113	115	118
Sumitomo Mitsui Trust Bank	10/12/21	109	110	112	110
NAB/BNZ	10/11/21	112	111	112	111
Commerzbank	10/08/21	110	109	108	107
Nomura Bank International	10/08/21	113	114	115	115
RBC Capital Markets	10/07/21	105	107	108	110
BBVA	10/05/21	110	112	109	108

# 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 results of job reports (NFP) on Friday comes 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

### **11/04/2021 Bank of England - Monetary policy**

Markets anticipate a move in interest rate, although several economists see divisions that lead to no change. Mortgages edged higher ahead of the meeting occurring on the first week of November.

### **11/11/2021 Gross Domestic Product**

Growth readings will provide the close of Q3 and a closer assessment of the economic performance of the U.K., amid expectations of a tightening cycle from the Bank of England.

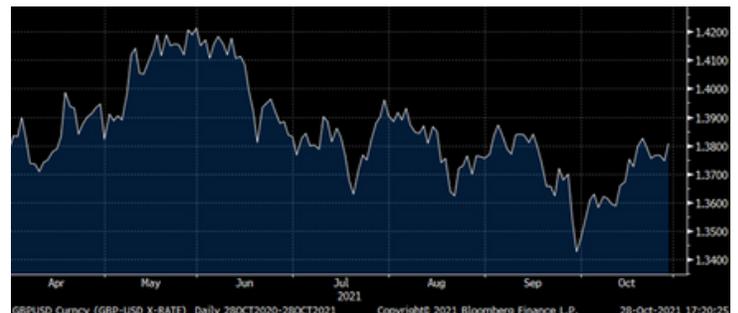
### **11/17/2021 Consumer Price Index**

The Bank of England is tasked with keeping inflation as measured by the headline CPI index at around 2%. The latest figures revealed inflation is at 3.1% and policymakers are likely to hike rates.

## Economic Indicators

### Bank of England Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-9.7	7.25	6.00	1.50
CPI (YOY%)	0.85	4.00	2.50	2.00
Unemployment (%)	4.42	4.75	4.25	4.25

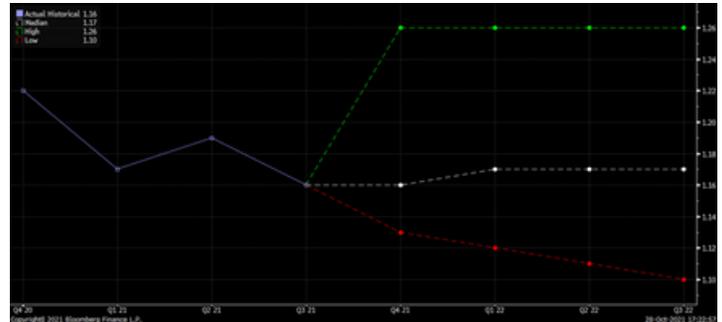


Historical Rates

# GBP/USD

## Market Consensus & Forecast

	Q4 21	Q1 22	Q2 22	Q3 22
Mean	1.37	1.38	1.38	1.39
High	1.44	1.48	1.49	1.5
Low	1.3	1.26	1.22	1.23



Consensus Forecast

## Forecast by Institution

	As of:	Q4 21	Q1 22	Q2 22	Q3 22
Scotiabank	10/28/21	1.38	1.4	1.4	1.42
SEB	10/27/21	1.41	1.41	1.4	1.39
Westpac Banking	10/26/21	1.38	1.39	1.4	1.41
ABN Amro	10/25/21	1.36	1.37	1.38	1.4
Landesbank Baden-Wuertt.	10/25/21	1.39	1.38	1.37	1.37
Rabobank	10/22/21	1.36	1.35	1.36	1.36
Australia & NZ Banking	10/21/21	1.39	1.41	1.43	1.46
Credit Agricole CIB	10/21/21	1.38	1.38	1.4	1.41
Handelsbanken	10/14/21	1.36	1.38	1.41	1.41
Swedbank	10/14/21	1.37	1.37	1.33	1.32
TD Securities	10/13/21	1.39	1.42	1.42	1.43
Danske Bank	10/12/21	1.34	1.33	1.33	1.33
ING Financial Markets	10/12/21	1.38	1.37	1.36	1.34
Sumitomo Mitsui Trust Bank	10/12/21	1.37	1.39	1.41	1.43
NAB/BNZ	10/11/21	1.31	1.33	1.35	1.36
Commerzbank	10/08/21	1.35	1.35	1.35	1.35
Nomura Bank International	10/08/21	1.37	1.41	1.41	1.41
RBC Capital Markets	10/07/21	1.3	1.26	1.22	1.23
Banco Bilbao Vizcaya Argentaria	10/05/21	1.39	1.44	1.43	1.48
Bayerische Landesbank	10/04/21	1.39	1.44	1.43	1.44

# USD/CHF

The Swiss Franc recovered losses recorded during the previous month, capitalizing 1.78% in October against the dollar. The Swiss Franc reached two months highs against the greenback and closed with strong momentum amid USD weakness.

Fundamentals in Switzerland underpinned the Franc after several months of modest results. The ZEW Survey outperformed consensus by almost double, while KOF leading indicator provided upbeat results, showing solid morale in the country.



## What To Watch For This Month

### 11/02/2021 Consumer Price Index

Amid upbeat consumer demand and morale indicators, headline inflation is expected to pick up, from 0.9% to 1.1% in annualized terms for October.

### 11/24/2021 ZEW Survey - Expectations

Following the latest reading in October, a pick-up in morale indicators provide solid optimism to build expectations in the economy. Sustained momentum in Nov. should solidify expectations.

### 11/26/2021 Gross Domestic Product

The Quarterly reading on its previous release showed 1.8% while annualized terms showed 7.7%. Amid positive expectations, participants might witness a pick up in growth.

## 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	3.0	2.7	--

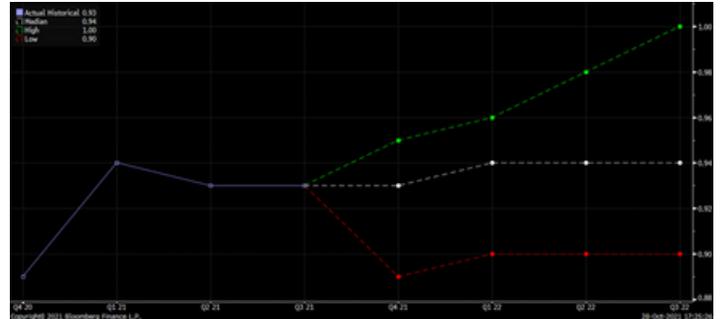


Historical Rates

# USD/CHF

## Market Consensus & Forecast

	Q4 21	Q1 22	Q2 22	Q3 22
Mean	0.93	0.93	0.94	0.94
High	0.95	0.96	0.98	1
Low	0.89	0.9	0.9	0.9



Consensus Forecast

## Forecast by Institution

	As of:	Q4 21	Q1 22	Q2 22	Q3 22
Scotiabank	10/28/21	0.94	0.94	0.95	0.95
SEB	10/27/21	0.93	0.95	0.95	0.96
Westpac Banking	10/26/21	0.91	0.9	0.9	0.91
ABN Amro	10/25/21	0.94	0.94	0.96	0.97
Landesbank Baden-Wuertt.	10/25/21	0.93	0.95	0.97	0.97
Rabobank	10/22/21	0.93	0.95	0.96	0.97
Australia & NZ Banking	10/21/21	0.92	0.93	0.91	0.93
Credit Agricole CIB	10/21/21	0.93	0.94	0.93	0.94
Swedbank	10/14/21	0.93	0.96	0.98	1
TD Securities	10/13/21	0.94	0.95	0.96	0.95
Danske Bank	10/12/21	0.94	0.96	0.98	0.99
NAB/BNZ	10/11/21	0.93	0.93	0.93	0.92
Commerzbank	10/08/21	0.94	0.94	0.94	0.93
Nomura Bank International	10/08/21	0.95	0.94	0.95	0.96
RBC Capital Markets	10/07/21	0.95	0.96	0.98	0.98
BBVA	10/05/21	0.94	0.94	0.95	0.96
Prestige Economics LLC	10/04/21	0.95	0.94	0.94	0.93
Jyske Bank	09/29/21	0.94	0.96	0.96	0.95
UniCredit	09/24/21	0.92	0.92	0.92	0.92
Morgan Stanley	09/21/21	0.93	0.95	0.97	0.95

# USD/CAD



The Loonie sustained significant pressure against the dollar in October, although it struggled to extend further gains by the end of the month amid softer crude oil prices. The Bank of Canada left monetary policy unchanged and announced the end of its QE programme,

Governor Macklem flagged that interest rate hikes may come sooner than expected, ratifying a stronger hawkish stance than previously anticipated. Monetary policy expectations underpinned the Loonie as well as sustained oil prices, which start to retreat amid China's slowdown outlook.

## What To Watch For This Month

### 11/05/2021 Unemployment Rate

Canada's jobless rate is expected to record 6.9% in October, sustaining from its previous revised figures from 7.1% to 6.9%. Markets will assess the impact of the end of QE on unemployment.

### 11/17/2021 BoC Consumer Price Index

The Bank of Canada Consumer Price index reading will provide a solid steer for policymakers to hasten the dates of interest rate hikes, especially after Macklem hinted at sooner tightening.

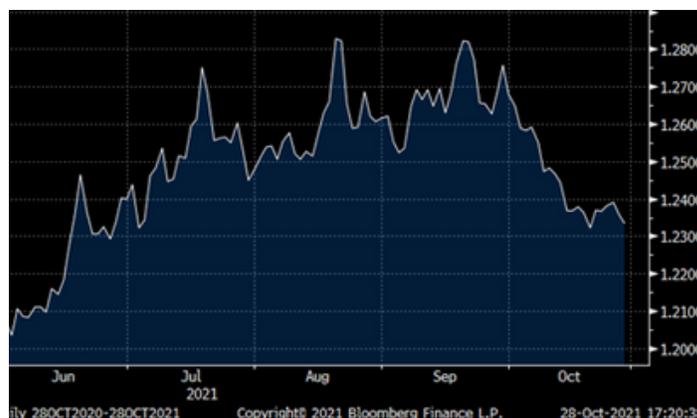
### 11/30/2021 Gross Domestic Product

Growth reading will be closely followed amongst investors amid adjustments in monetary policy from the BoC, which will have a direct impact on market expectations and performance indicators.

## Economic Indicators

Bank of Canada Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-5.30	5.10	4.30	3.70
CPI (YOY%)	0.73	3.40	3.40	2.30
Unemployment (%)	9.6	--	--	--

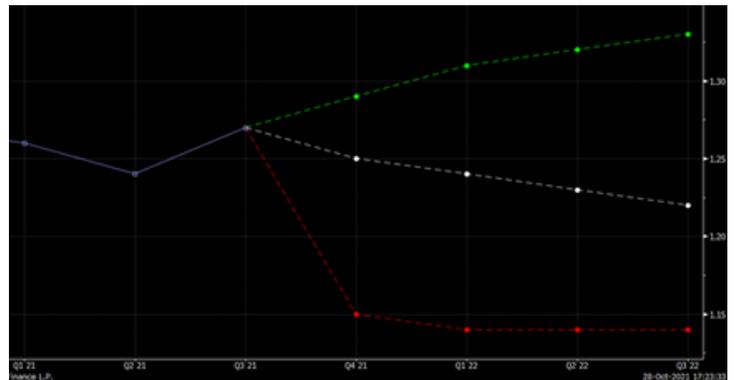


Historical Rates

# USD/CAD

## Market Consensus & Forecast

	Q4 21	Q1 22	Q2 22	Q3 22
Mean	1.25	1.24	1.23	1.23
High	1.29	1.31	1.32	1.33
Low	1.15	1.14	1.14	1.14



Consensus Forecast

## Forecast by Institution

	As of:	Q4 21	Q1 22	Q2 22	Q3 22
Scotiabank	10/28/21	1.22	1.22	1.22	1.2
SEB	10/27/21	1.24	1.24	1.23	1.22
Westpac Banking	10/26/21	1.24	1.23	1.22	1.21
ABN Amro	10/25/21	1.24	1.23	1.22	1.21
ATB FINANCIAL	10/25/21	1.24	1.21	1.2	1.22
Landesbank Baden-Wuertt.	10/25/21	1.24	1.25	1.25	1.25
Rabobank	10/22/21	1.24	1.26	1.26	1.26
Credit Agricole CIB	10/21/21	1.25	1.23	1.22	1.21
Swedbank	10/14/21	1.23	1.21	1.2	1.18
TD Securities	10/13/21	1.24	1.22	1.23	1.24
Danske Bank	10/12/21	1.28	1.31	1.32	1.33
ING Financial Markets	10/12/21	1.23	1.22	1.23	1.23
NAB/BNZ	10/11/21	1.26	1.25	1.25	1.24
Commerzbank	10/08/21	1.23	1.22	1.21	1.2
Nomura Bank International	10/08/21	1.24	1.23	1.22	1.22
RBC Capital Markets	10/07/21	1.25	1.26	1.27	1.27
BBVA	10/05/21	1.25	1.23	1.25	1.23
Eurobank Cyprus	10/04/21	1.2	1.22	1.2	--
Prestige Economics LLC	10/04/21	1.29	1.27	1.26	1.26
Standard Chartered	09/28/21	1.15	1.14	1.14	1.14

# USD/CNY

The Evergrande fallout keeps the Chinese market in check amid fears of contagion in the Real Estate sector, which might have a significant impact on already struggling global supply chains. One-third of China's property developers will struggle to repay debt obligations in the next 12 months.

The financial contagion of the Evergrande fallout through the whole sector represents a serious risk for China, and the global economy, as its investments and construction-driven model of growth begins to crack under the strain of mind-boggling debts.



## What To Watch For This Month

### **11/10/2021 Consumer/Producer Price Index**

Consumer Price Index readings remain low despite the ongoing energy crisis. However, Producers have had the main impact as the previous results showed a pick up at 10.7%.

### **11/22/2021 PBoC Interest Rate Decision**

Growth concerns and the contagion of Evergrande might require policymakers to ease financial conditions, although policymakers remain confident of current measures.

### **11/30/2021 NBS Manufacturing PMIs**

Amid growth concerns and a lack of GDP readings in November, market participants will keep an eye open for PMI figures to gauge economic activity.

## Economic Indicators

People's Bank of China Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	2.30	8.10	5.50	5.40
CPI (YOY%)	2.51	1.10	2.20	2.30
Unemployment (%)	4.24	3.90	3.60	3.61

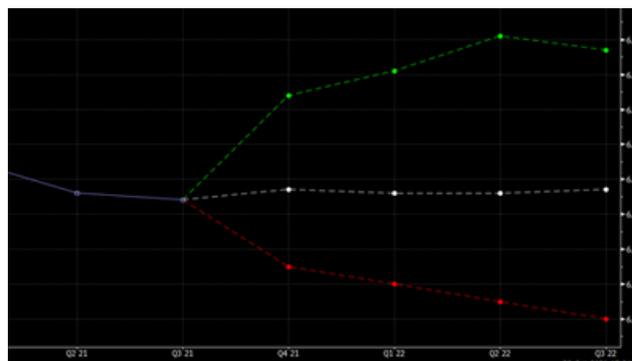


Historical Rates

# USD/CNY

## Market Consensus & Forecast

	Q4 21	Q1 22	Q2 22	Q3 22
Mean	6.45	6.45	6.45	6.44
High	6.74	6.81	6.91	6.87
Low	6.15	6.2	6.15	6.1



Consensus Forecast

## Forecast by Institution

	As of:	Q4 21	Q1 22	Q2 22	Q3 22
Scotiabank	10/28/21	6.4	6.3	6.4	6.5
SEB	10/27/21	6.4	6.38	6.35	6.33
Westpac Banking	10/26/21	6.35	6.3	6.25	6.25
ABN Amro	10/25/21	6.4	6.3	6.3	6.2
Landesbank Baden-Wuertt.	10/25/21	6.74	6.81	6.91	6.87
Rabobank	10/22/21	6.6	6.55	6.55	6.58
Australia & NZ Banking	10/21/21	6.4	6.35	6.3	6.27
TD Securities	10/13/21	6.37	6.36	6.35	6.35
Danske Bank	10/12/21	6.59	6.69	6.74	6.79
ING Financial Markets	10/12/21	6.7	6.78	6.7	6.6
NAB/BNZ	10/11/21	6.55	6.47	6.42	6.34
Commerzbank	10/08/21	6.6	6.62	6.65	6.68
Nomura Bank	10/08/21	6.4	6.35	6.3	6.35
RBC Capital Markets	10/07/21	6.49	6.53	6.5	6.47
Credit Agricole CIB	10/06/21	6.5	6.43	6.4	6.35
BBVA	10/05/21	6.46	6.44	6.44	6.47
Eurobank Cyprus	10/04/21	6.4	6.45	6.6	--
Prestige Economics LLC	10/04/21	6.5	6.48	6.48	6.45
BNP Paribas	10/01/21	6.55	6.6	6.5	6.55
Mizuho Bank	10/01/21	6.5	6.53	6.55	6.58

# USD/BRL

The Brazilian Central Bank announced by the end of October an interest rate hike of 150 bps, setting the Selic rate at 7.75%, amid inflationary pressures surging above 10%. Policymakers flagged that similar hikes could come in upcoming meetings, depending on how inflation readings behave and how the economy responds.

The BRL remains under pressure amid the Brazilian government pushing to exceed its budget limit and issue "Auxlio Brasil", which might compromise the fiscal stability of the country. Uncertainty around next year's elections keeps market participants on the edge of their seats.

## What To Watch For This Month

### 11/10/2021 IPCA Inflation

The latest monthly figures posted 1.6% inflation, and participants will expect a slowdown amid the recent interest rate hikes by the Brazilian Central Bank.

### 11/29/2021 Unemployment

The latest job reports showed that unemployment fell to 13.2%, 1.2 percentage points better than readings from one year ago reported at 14.4%. Average real income reduced.

### 11/30/2021 Nominal Budget Balance

Government officials continue to push for Auxilio Brasil, which keep markets shaking amid fiscal deficit constraints that might affect the stability of the country.

## Economic Indicators

Brazil's Central Bank Forecast

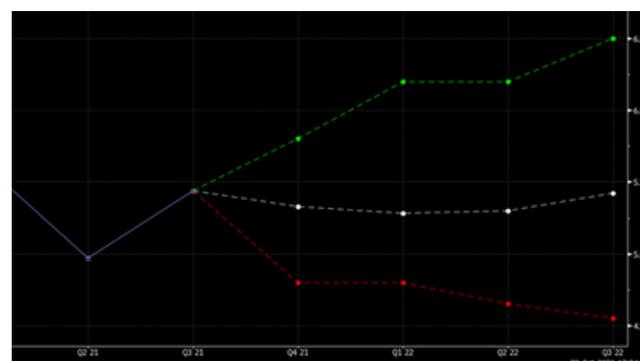
Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-4.05	5.00	1.80	2.30
CPI (YOY%)	3.21	8.00	5.00	3.50
Unemployment (%)	2.00	8.20	8.85	7.20



# USD/BRL

## Market Consensus & Forecast

	Q4 21	Q1 22	Q2 22	Q3 22
Mean	5.3	5.32	5.34	5.46
High	5.8	6.2	6.2	6.5
Low	4.8	4.8	4.65	4.55



Consensus Forecast

## Forecast by Institution

	As of:	Q3 21	Q4 21	Q1 22	Q2 22
Scotiabank	10/28/21	4.88	4.85	4.81	4.85
SEB	10/27/21	5.61	5.5	5.65	5.8
Wells Fargo	10/26/21	5.7	5.8	5.9	6
ABN Amro	10/25/21	5.4	5.3	5.2	5.1
Landesbank Baden-Wuertt.	10/25/21	5	5.26	5.39	5.48
Rabobank	10/22/21	5.28	5.27	5.37	5.43
TD Securities	10/13/21	4.8	5	5.15	5.15
ING Financial Markets	10/12/21	5.25	5.5	5.75	6
Commerzbank	10/08/21	5.5	5.4	5.3	5.2
Nomura Bank	10/08/21	5.8	6.2	6.2	6.5
RBC Capital Markets	10/07/21	5.5	5.5	5.25	5.25
BBVA	10/05/21	5.33	5.28	5.32	5.68
Eurobank Cyprus	10/04/21	5.32	5.25	5.2	--
Prestige Economics LLC	10/04/21	5.55	5.45	5.45	5.4
BNP Paribas	10/01/21	5	4.85	4.75	5.15
Mizuho Bank	10/01/21	5	5.1	5.2	5.35
Standard Chartered	09/28/21	4.8	5	5.3	5.6
Morgan Stanley	09/21/21	5.3	5.3	5.4	5.6
Barclays	09/14/21	5.35	5.2	5.3	5.55
Citigroup	09/13/21	5.33	5.37	5.4	5.4

# USD/MXN

The Mexican Peso closed the month 0.68% lower against the greenback amid swings in risk appetite and sustained increase in U.S. treasury yields providing solid support to the dollar against emerging market currencies.

However, several risk drivers in the country and sustained inflation keep market participants in check. Banxico officials have expressed their intention to continue their tightening cycle amid sustained inflation reading in October.



## What To Watch For This Month

### 11/09/2021 Headline Inflation

Headline inflation hit 6% in its previous release, which pushed policymakers to hike rates, and they are likely to continue its tightening cycle in the upcoming meetings.

### 11/11/2021 Banxico Interest Rate Decision

Expectations suggest that Banxico will likely raise the benchmark interest rate by 50 bps, to 5.25%, which would be an acceleration from 25 bps hike in its previous meeting amid inflationary pressures.

### 11/29/2021 Jobless rate

Unemployment reading continues to improve, although at a slower pace. The jobless rate hit 4.2% on its October report and is likely to be sustained during its November release.

## Economic Indicators

Banco de Mexico Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-8.20	6.00	3.00	2.24
CPI (YOY%)	3.40	5.50	4.18	3.60
Unemployment (%)	4.43	4.23	4.10	3.80

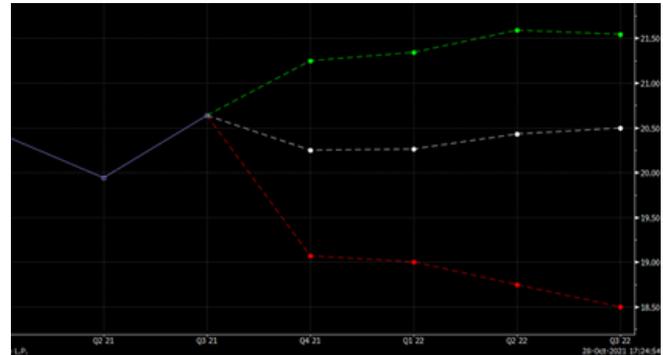


Historical Rates

# USD/MXN

## Market Consensus & Forecast

	Q4 21	Q1 22	Q2 22	Q3 22
Mean	20.16	20.24	20.3	20.35
High	21.25	21.34	21.59	21.54
Low	19.07	19	18.75	18.5



Consensus Forecast

## Forecast by Institution

	As of:	Q4 21	Q1 22	Q2 22	Q3 22
Scotiabank	10/28/21	20.54	20.76	21.03	21.27
Landesbank Baden-Wuertt.	10/25/21	19.07	19.83	20.43	20.87
Rabobank	10/22/21	20.25	20.83	21	21.33
Banorte	10/15/21	20.5	20.6	20.15	21
TD Securities	10/13/21	20	20	19.75	19.5
ING Financial Markets	10/12/21	20	20.5	20.75	21
Commerzbank	10/08/21	20.5	20.5	21	21
Nomura Bank	10/08/21	20.5	20.5	20.2	20.2
RBC Capital Markets	10/07/21	19.5	20.26	20.67	19.81
BBVA	10/05/21	20.3	20.15	20.5	20.75
Prestige Economics LLC	10/04/21	21.25	20.85	20.85	20.5
BNP Paribas	10/01/21	20	19.75	19.5	19.25
Mizuho Bank	10/01/21	20	19.9	20.1	20.3
Standard Chartered	09/28/21	19.25	19	18.75	18.5
Morgan Stanley	09/21/21	20.4	20.8	21	20.41
Barclays	09/14/21	19.7	20.25	20.25	20.4
Citigroup	09/13/21	20.2	20.3	20.5	20.6
CIBC	09/10/21	20	19.8	19.5	20
JPMorgan Chase	09/10/21	20.5	21	21.3	21.8
MUFG	09/03/21	20.2	20.25	20.3	--

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