

FX CONSENSUS FORECAST

A LOOK AT THE MONTH AHEAD

October 2022

moneycorp 

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QUICK GLANCE



Till now, economists have been discussing whether the world's strongest economy has entered a recession or not. The most recent report on growth figures is influencing their views on the economic slump by unveiling that the United States economy declined in the first six months. That marks two straight quarters of contraction, an informally coined recession. Despite the bleak outlook, most analysts believe the world's largest economy is not yet in a downturn, citing a solid and resilient American labor market. However, they are concerned that the country would edge into one as the Federal Reserve is at full throttle to battle inflation.

Key details

The latest economic scorecard released last Thursday by the Bureau of Economic Analysis shows that the U.S. economy contracted by 0.6% in the year's second quarter. This is unchanged from the previous estimate. Also, Gross domestic income, an alternative economic measure of production revenues and costs, was revised downward by \$47.4 billion to \$305.7 billion. The third and final growth figures painted an economy buffeted by strong headwinds and tailwinds. The latest numbers showed increased consumer spending, federal government expenditure, and business fixed investment. But these were offset by a decrease in exports and housing investment.

Consumer spending accounts for up to 70% of total economic activity in the United States, and outlays were slightly higher than previously reported in the year's first half. Spending increased at an inflation-adjusted annual rate of 2% in the second quarter and 1.3% in the first. What dragged the economy was a record trade deficit, the termination of most epidemic stimulus, and a dramatic drop in business spending, particularly on new inventory. The report's biggest surprise was a drop in gross domestic income, wages, and profits. Income growth, the inverse of spending growth, was reduced to 0.1% in the second quarter from 1.4% previously. Income growth was also reduced from 1.8% to 0.8% in the first quarter. That is most likely the result of growing inflation. Higher price pressures canceled out most income gains. Talking of inflation. The Fed's preferred inflation indicator, the Personal Consumption Expenditure Index, climbed 7.5% in the first quarter and 7.3% in the second. They had earlier been reported as 7.1% increases. That also shows slow momentum towards domestic spending going forward.

Turning to the labor force, the job market has remained robust. Employers are creating 438,000 jobs per month on average this year, putting it on track to be the second-best hiring year (after 2021) in official data dating back to 1940. Unemployment is 3.7%, which is low by historical standards. There are around two jobs for every unemployed American.

But, the Fed has raised interest rates five times this year, most recently on September 21, to control consumer prices, which were up 8.3% yearly in August despite falling gasoline costs. Also, many Fed officials cited that fighting inflation is their first priority, even at the cost of little economic pain and disturbance in labor markets. Adding to that, Fed Chair Jerome Powell stated last week, "We need to get inflation under control. I wish there were an easier way to do it. There aren't any." As a result, we expect a significant weakening of the U.S. economy, particularly in interest-rate-sensitive sectors such as housing and business investments.

The risk of a recession, combined with continuously and painfully high prices, is a challenge for President Joe Biden's Democrats as they seek to keep control of Congress in the November midterm elections. However, price cuts in gasoline have lifted customers' moods in the last two months.

In a nutshell, consumers are holding up well, with high inflation, and the labor market remains quite strong despite dismal economic figures. Looking forward, Economists anticipate that GDP will return to growth in the third quarter, rising at a moderate 1.5% annual rate. But the risk of recession weighs more heavily now with more headwinds. Fed's ongoing aggressive campaign, which, if it continues at the same pace, might tip the U.S. economy into recession early next year.

The dollar Index was going back toward levels not seen since May 2002 as of September 30, as the latest data, such as personal spending and core PCE inflation, came in beyond estimates. The dollar is on course for its fourth monthly gain and is 2.7% higher. Also, it's up over 10% this quarter, boosted by hopes that the Federal Reserve will remain active in combating inflation even if a recession is imminent. Last Wednesday, the Fed hiked interest rates by 75 basis points for the third consecutive meeting, predicting rates to peak at 4.6% next year with no cuts until 2024, delaying any dovish pivot that markets were anticipating in the near term.

As central banks' aim to manage inflation through tighter monetary policy weighed on share prices, US stocks were on track for their longest streak of quarterly losses since the 2008 financial crisis. Investors digested a hotter-than-expected US inflation figure, reinforcing predictions that the Fed will need to act aggressively to control price growth. The Dow has lost about 5% this quarter and is on track for its third straight quarterly loss. The S&P 500 and Nasdaq were on track for their third consecutive quarterly loss for the first time since 2009, with both down 4% and 3%.

EUR/USD

The Euro broke parity against the U.S dollar, falling 4.78% throughout September amid intensified energy and inflationary pressures in the Old continent, in contrast with a lagged European Central Bank falling behind the inflation curve to take action. The European fundamentals keep sentiment in check, while Fed policymakers very

aggressively continue to tie monetary policy conditions in an attempt to offset stubborn inflation. However, the ECB was forced to lift its benchmark rate from the negative territory for over a decade as the eurozone economic crisis intensified with the first ever reading of double digits inflation, piling pressure on the ECB to continue hiking rates.

What To Watch For This Month

10/06/2022 Retail Sales (Aug)

Retail Sales rebounded in July, increasing 0.3% month-over-month after dropping 1% in June. Year-over-year, however, continues to track down and is forecasted to retract for the third straight month in August.

10/19/2022 CPI (Sep)

Retail Sales rebounded in July, increasing 0.3%. This will be the second September release after the initial print. The forecast is for an increase of 9.7%, which would be a record high.

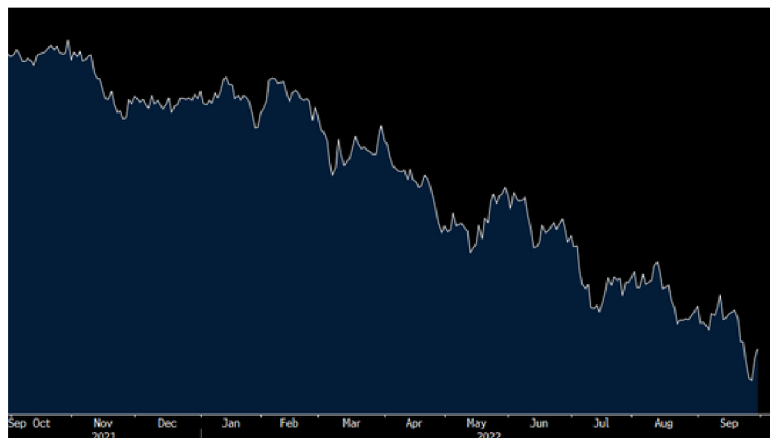
10/27/2022 ECB Interest Rate Decision

.After hiking by 75bp in their September meeting, there is an 81.7% market-implied chance of another 3/4 point hike in October.

Economic Indicators

ECB Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	5.20	3.10	0.90	1.90
CPI (YOY%)	2.60	8.10	5.50	2.30
Unemployment (%)	7.73	6.70	6.90	7.0

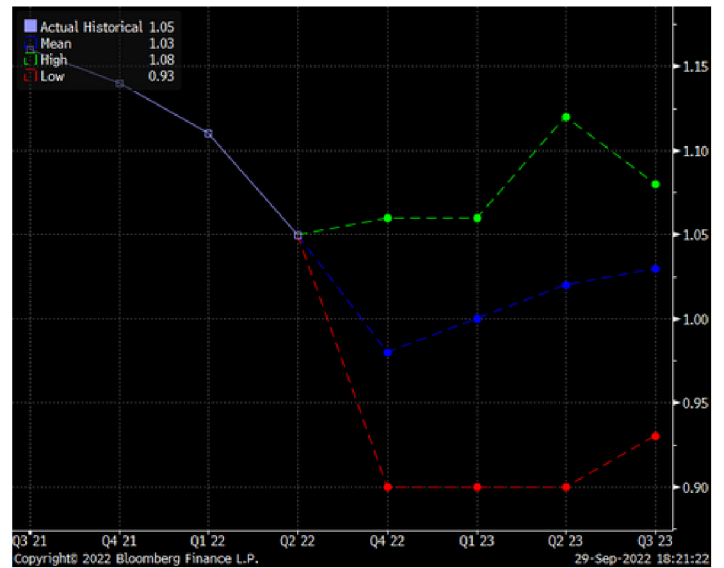


Historical Rates

EUR/USD

Market Consensus & Forecast

	Q4 22	Q1 23	Q2 23	Q3 23
Mean	0.98	1.0	1.02	1.03
High	1.06	1.06	1.12	1.08
Low	0.9	0.9	0.9	0.93



Consensus Forecast

Forecast by Institution

	As of:	Q4 22	Q1 23	Q2 23	Q3 23
Credit Agricole CIB	09/29/22	0.95	0.95	1.02	--
Handelsbanken	09/28/22	0.98	0.98	1	1.03
Nomura Bank International	09/28/22	0.97	0.99	1.01	1.05
Prestige Economics LLC	09/28/22	0.96	0.97	1.01	1.04
SEB	09/28/22	0.94	0.91	0.91	0.93
Monex USA Corp	09/27/22	0.97	0.95	0.95	0.97
DNB	09/27/22	0.95	0.98	1	1.02
Rabobank	09/27/22	0.9	0.9	0.93	--
ABN Amro	09/27/22	0.94	0.96	0.97	0.98
CBA	09/23/22	0.97	0.96	0.96	0.95
JPMorgan Chase	09/23/22	0.93	0.95	0.97	0.99
Swedbank	09/23/22	0.96	1.02	1.05	1.05
Danske Bank	09/22/22	0.95	0.98	1.02	--
Sumitomo Mitsui Trust Bank	09/20/22	1	1.03	1.05	1.06
BBVA	09/19/22	1	1.02	1.06	--
Citigroup	09/15/22	1	1.01	1.02	1.04
Commerzbank	09/15/22	1.02	1.04	1.05	1.06
CIBC	09/12/22	1.01	1.03	1.05	1.05
Investec	09/08/22	0.98	1	1.02	1.04
Landesbank Baden-Wuerttemberg	09/08/22	0.97	0.95	0.98	1.02
MUFG	09/07/22	1	1.01	1.02	1.02

USD/JPY

Divergence in monetary policy from BoJ and Federal Reserve keeps the Japanese yen on the backfoot against the greenback. The Yen fell 3.26% in September as inflationary pressure in the U.S. force policymakers to embark in an aggressive hiking cycle while the BoJ is forced to deploy QE in an attempt to ignite the economy. The latter had forced Japanese Policymakers to intervene capital

Markets in order to protect against currency depreciation bring Yield volatility back under control. Japan is expected to announce on the last day of September that it spent a record amount since its last intervention in 1998. The Japanese have failed to benefit from its safe haven appeal as economic circumstances in the country require easing unlike other peer economies.

What To Watch For This Month

10/03/2022 CPI (Sep)

CPI in Japan has not seen nearly as large of an increase in comparison to most other developed economies in 2022. That said, the past 5 months have shown year-over-year increases above 2%. The forecast for September is 3.0%.

10/07/2022 Trade Balance (Sep)

Trade Balance will be closely monitored as in the latest release, exports showed an increase of 23.6% vs imports at 46.7%. On a positive note, this acceleration gap did slow month-over-month.

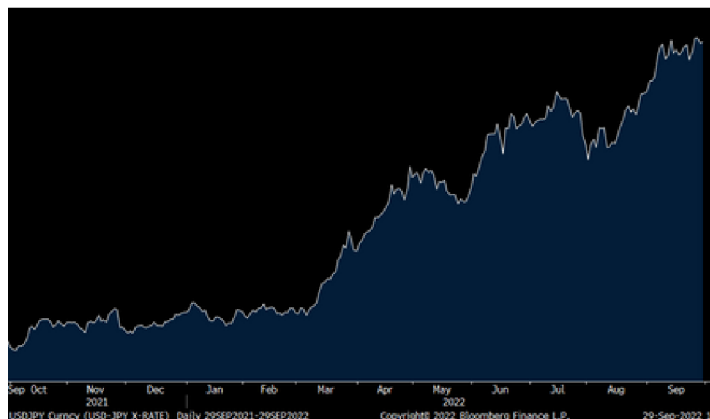
10/27/2022 BoJ Interest Rate Decision

. The BoJ has not made any changes to rates since 2016, and with only a 21.1% implied chance of a hike it looks to be staying that way into the near future.

Economic Indicators

Bank of Japan Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	1.83	2.40	2.00	1.30
CPI (YOY%)	-0.25	--	--	--
Unemployment (%)	2.82	2.57	2.57	2.57

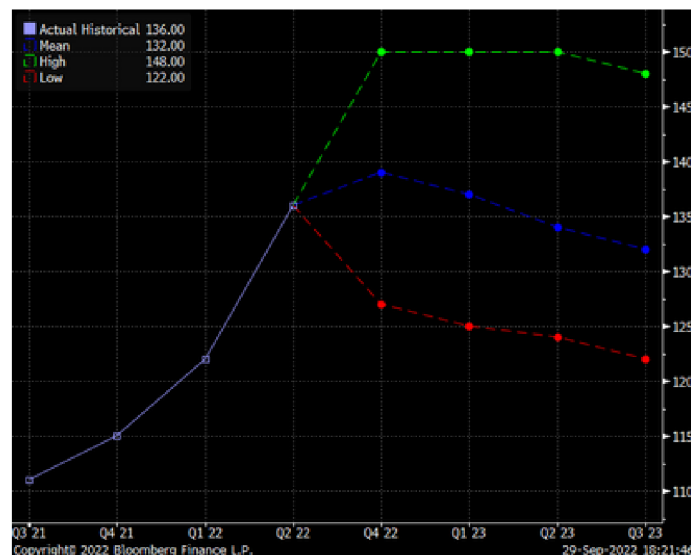


Historical Rates

USD/JPY

Market Consensus & Forecast

	Q4 22	Q1 23	Q2 23	Q3 23
Mean	139	137	134	132
High	150	150	150	148
Low	127	125	124	122



Consensus Forecast

Forecast by Institution

	As of:	Q4 22	Q1 23	Q2 23	Q3 23
BBVA	09/29/22	147	147	135	--
Credit Agricole CIB	09/28/22	140	139	135	130
Handelsbanken	09/28/22	147	140	138	135
Nomura Bank International	09/28/22	150	144	138	131
Prestige Economics LLC	09/28/22	147	149	148	146
SEB	09/27/22	147	150	150	148
Monex USA Corp	09/27/22	147	144	140	135
Rabobank	09/27/22	145	135	130	123
ABN Amro	09/27/22	145	144	142	138
CBA	09/23/22	142	142	136	130
JPMorgan Chase	09/23/22	150	149	148	147
Swedbank	09/23/22	145	140	130	125
Danske Bank	09/22/22	147	145	142	--
Sumitomo Mitsui Trust Bank	09/20/22	143	141	139	139
Citigroup	09/15/22	137	135	133	130
Commerzbank	09/15/22	141	138	135	133
CIBC	09/12/22	139	132	130	130
Investec	09/08/22	134	134	133	132
Landesbank Baden-Wuertt.	09/08/22	147	150	145	142
MUFG	09/07/22	138	137	138	139
RBC Capital Markets					

GBP/USD

Cable registered significant volatility during the last week of September, reading historic lows shortly after Liz Truss (new PM) announced a number of polemic government policies that sent the pound down a spiral. The newly appointed PM announced an ambitious plan to subsidise over 137 Billion

pounds in household energy bills to limit the expenditure across UK households. Moreover, the killing blow came after the Exchequer Kwarteng announced tax cuts without funding plans behind to fund the ambitious spending bill triggering red flags related to the fiscal stability of the country and viability of Liz Truss government plan.



What To Watch For This Month

10/11/2022 UK Employment Data (Aug)

After coming in lower than expectations at 3.6% in July, the unemployment rate is expected to grow to 3.8% in August, back to where it was from April to June of this year.

10/12/2022 Trade Balance (Aug)

The UK trade deficit narrowed to its lowest level since December 2021 in July at 19.36 billion. It is expected to expand to 22.4 billion in August.

10/19/2022 CPI Data (Sep)

After seeing a drop to 9.9% in August from the all-time high of 10.1% in July, year-over-year CPI is expected to hit a new high of 10.2% in September.

Economic Indicators

Bank of England Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	8.25	3.50	-1.50	-0.25
CPI (YOY%)	2.58	13.00	5.50	1.50
Unemployment (%)	4.60	3.75	4.75	5.75

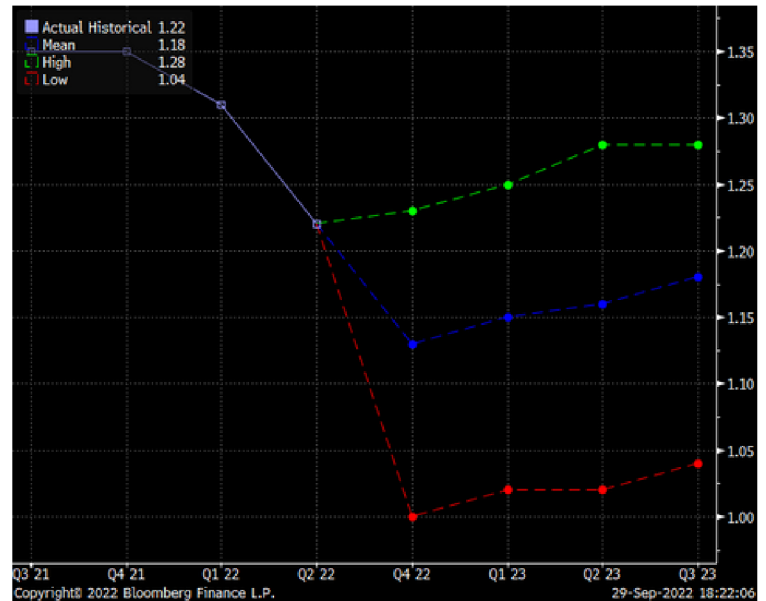


Historical Rates

GBP/USD

Market Consensus & Forecast

	Q4 22	Q1 23	Q2 23	Q3 23
Mean	1.13	1.15	1.16	1.18
High	1.23	1.25	1.28	1.28
Low	1	1.02	1.02	1.04



Consensus Forecast

Forecast by Institution

	As of:	Q4 22	Q1 23	Q2 23	Q3 23
Rabobank	09/29/22	1.06	1.04	1.1	--
Barclays	09/28/22	1.13	1.13	1.15	1.18
Credit Agricole CIB	09/28/22	1.11	1.14	1.17	1.22
Wells Fargo	09/28/22	1.05	1.02	1.02	1.04
Australia & New Zealand Banking Group	09/27/22	1.12	1.1	1.1	1.13
Emirates NBD	09/27/22	1.05	1.07	1.1	1.14
Prestige Economics LLC	09/26/22	1	1.03	1.05	1.06
Morgan Stanley	09/23/22	1.13	1.12	1.12	1.12
Danske Bank	09/23/22	1.09	1.17	1.21	1.21
Swedbank	09/22/22	1.1	1.13	1.15	--
JPMorgan Chase	09/20/22	1.13	1.17	1.2	1.22
Citigroup	09/15/22	1.14	1.13	1.13	1.16
BNP Paribas	09/15/22	1.18	1.2	1.22	1.22
CIMB	09/08/22	1.18	1.2	1.21	1.24
Axis Bank	09/08/22	1.08	1.04	1.08	1.13
RBC Capital Markets	09/06/22	1.14	1.19	1.23	--
MUFG	09/06/22	1.15	1.18	1.18	1.18

USD/CHF

The Swiss Franc was the best performing currency against the dollar in September, climbing 0.51% after the Swiss National Bank increased rates by 50 bps. The Swiss Franc is still overweight and supported by geopolitical concerns, worsening stagflation forces, soaring rates and associated risk off market sentiment gives further room to the

Franc to continue capitalizing across the board. The Franc is breaking records against the EUR, giving the Swiss economy a temporary boost as central banks battle inflation although cautiousness will be notorious in the coming months. The SNB has abandoned the negative rate territory, established in 2015 to combat currency overvaluation.

What To Watch For This Month

10/03/2022 CPI Data (Aug)

The latest swiss inflation release came in at 3.5%, it's highest level since the early 1990s. The consensus predicts a retracement to 3.4% for September.

10/07/2022 Unemployment rate (Sep)

After 5 straight months of 2.2% unemployment, August saw a slight decrease to 2.1%. The current consensus expects it to stick at 2.1% in September.

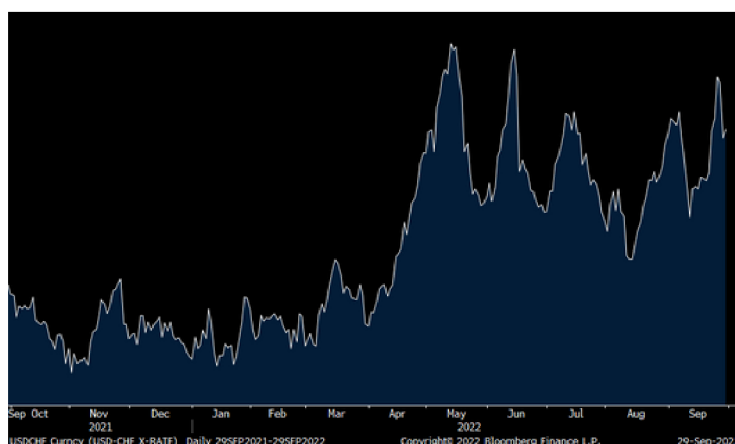
10/20/2022 Trade Balance (Sep)

The Swiss balance of trade fell for the second straight month in August to +\$3.424 billion. Current consensus forecasts show an increase to \$3.75 billion in September.

Economic Indicators

Swiss National Bank Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	4.33	2.10	0.80	--
CPI (YOY%)	0.58	3.00	2.30	--
Unemployment (%)	2.98	2.20	2.30	--

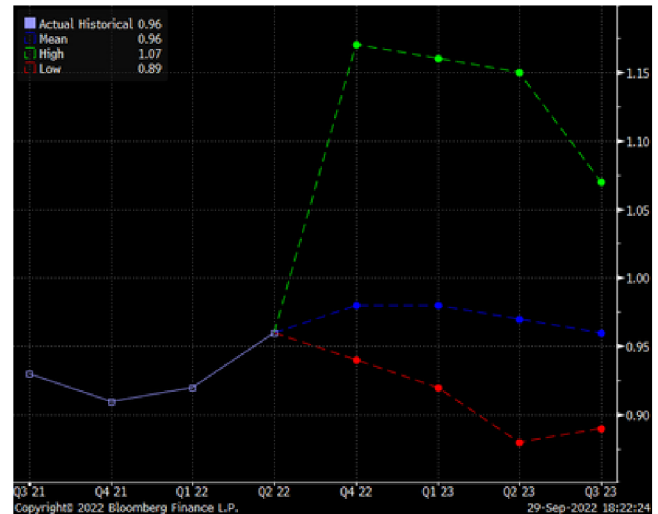


Historical Rates

USD/CHF

Market Consensus & Forecast

	Q4 22	Q1 23	Q2 23	Q3 23
Mean	0.98	0.98	0.97	0.96
High	1.17	1.16	1.15	1.07
Low	0.94	0.92	0.88	0.89



Consensus Forecast

Forecast by Institution

	As of:	Q4 22	Q1 23	Q2 23	Q3 23
Rabobank	09/29/22	1	1.02	0.99	--
Barclays	09/28/22	0.97	0.99	1	1
Credit Agricole CIB	09/28/22	0.98	0.97	0.96	0.93
Wells Fargo	09/28/22	1.01	1.03	1.04	1.02
Emirates NBD	09/27/22	1	0.98	0.98	0.97
Nomura Bank International	09/27/22	1.17	1.16	1.15	--
Danske Bank	09/23/22	0.98	0.98	0.98	0.98
Morgan Stanley	09/23/22	1	0.98	0.97	0.95
Swedbank	09/23/22	0.98	0.96	0.97	0.99
JPMorgan Chase	09/22/22	0.99	0.94	0.88	--
Citigroup	09/20/22	0.96	0.94	0.93	0.94
BNP Paribas	09/15/22	0.94	0.93	0.91	0.89
CIMB	09/15/22	--	--	--	--
Landesbank Baden-W.	09/07/22	0.97	0.97	0.96	0.96
MUFG	09/06/22	1	0.98	0.96	--
NAB/BNZ	09/06/22	0.99	0.99	0.99	0.97
Polski Instytut Ekonomiczny	09/05/22	0.98	0.99	0.99	0.99

USD/CAD

The loonie fell over 4.31% against the U.S. dollar amid broader hiking expectations from the Federal Reserves and global jitters surrounding inflation and geopolitical tensions. However, Canada's government workers and unions remain skeptical that inflation will slow by much in 2023 and are ramping up wage demands accordingly.

The escalating wage demands reveal a lack of confidence in the Bank of Canada's commitment to curb inflationary pressures. This is a bad sign for an institution relying on its credibility to curb these price behaviours. This could put the central bank in a position to collide with the unions which ultimately would add pressures to the government of Treadue.

What To Watch For This Month

10/05/2022 Trade Balance (Aug)

The balance of trade continues to trade in positive territory, with only one negative reading in 2022 to date. August forecasts suggest another surplus of \$3.80 billion.

10/07/2022 Employment Data (Sep)

The Canadian economy has seen a net loss in jobs for 3 straight months when the forecast for all of those months was for a net gain. The forecast for September is a gain of 15K - let's see if the trend can be broken this time around.

10/19/2022 CPI data (Sep)

Canadian year-over-year CPI has fallen for 2 straight months to a low of 7.0% in August after peaking in June at 8.1%. Current forecasts predict

a 7.3% print in September.
As of September 30, 2022

Economic Indicators

Bank of Canada Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	4.73	3.50	1.80	2.40
CPI (YOY%)	3.40	7.20	4.60	2.30
Unemployment (%)	7.43	--	--	--

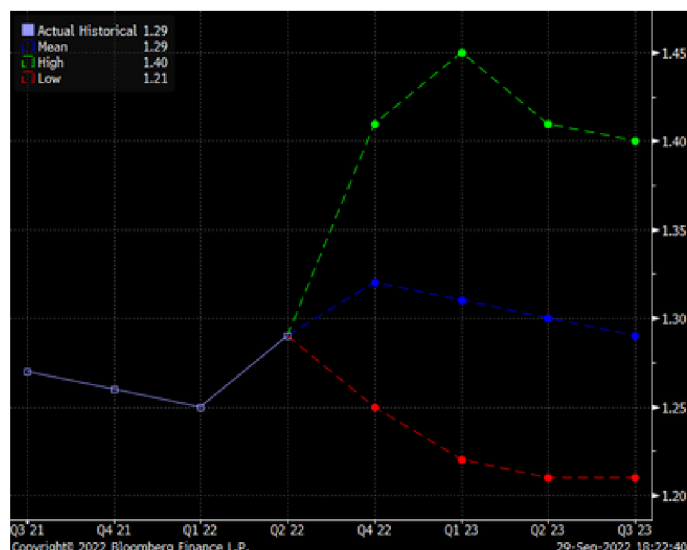


Historical Rates

USD/CAD

Market Consensus & Forecast

	Q4 22	Q1 23	Q2 23	Q3 23
Mean	1.32	1.31	1.3	1.29
High	1.41	1.45	1.41	1.4
Low	1.25	1.22	1.21	1.21



Consensus Forecast

Forecast by Institution

	As of:	Q4 22	Q1 23	Q2 23	Q3 23
Rabobank	09/29/22	1.38	1.36	1.35	--
Barclays	09/28/22	1.3	1.29	1.28	1.27
Credit Agricole CIB	09/28/22	1.35	1.32	1.29	1.26
Wells Fargo	09/28/22	1.39	1.41	1.41	1.4
Emirates NBD	09/27/22	1.34	1.32	1.3	1.27
Prestige Economics LLC	09/27/22	1.4	1.38	1.34	1.32
Danske Bank	09/23/22	1.35	1.36	1.36	1.36
Morgan Stanley	09/23/22	1.41	1.39	1.38	1.35
Swedbank	09/23/22	1.34	1.3	1.28	1.25
JPMorgan Chase	09/22/22	1.34	1.36	1.36	--
Citigroup	09/20/22	1.32	1.32	1.31	1.3
BNP Paribas	09/15/22	1.28	1.27	1.26	1.25
ATB FINANCIAL	09/13/22	1.26	1.24	1.23	1.23
RBC Capital Markets	09/08/22	1.31	1.32	1.33	1.34
MUFG	09/06/22	1.31	1.28	1.25	--
NAB/BNZ	09/06/22	1.33	1.32	1.3	1.3
TD Securities	09/05/22	1.3	1.29	1.28	1.26

USD/CNY

The Chinese Yuan is looking to close out September 2.76% lower against the dollar, after falling almost 5% and recovering strongly towards the end of the month. However, the Yuan is on track to register its seventh consecutive month of losses. Despite the long-term trend, September closes with Yuan momentum after

the PBOC announced on the last week of September a risk reverse requirement of 20% on currency forward sales by banks to make it more expensive to short the yuan. The move comes after policymakers reduced the foreign currency reserve requirements on bank deposits. China's onshore market will remain closed for a week due to Golden Week holiday.

What To Watch For This Month

10/13/2022 CPI Data (Sep)

Trade balance will be a key reading this month as it has significantly outperformed expectations in 6 of the last 7 months. The expectation for August is for a positive trade balance of 90 billion USD

10/17/2022 GDP Data (Sep)

The National Bureau of Statistics will announce CPI readings for August to show the price movement of goods and services, posted at 2.9% the past month.

10/17/2022 Retail Sales (Sep)

Industrial production figures will be published by the National Bureau of Statistics to track slowing performance amid internal challenges.

Economic Indicators

People's Bank of China Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	8.10	3.35	5.05	5.0
CPI (YOY%)	0.92	2.27	2.30	2.14
Unemployment (%)	--	4.10	3.90	4.0

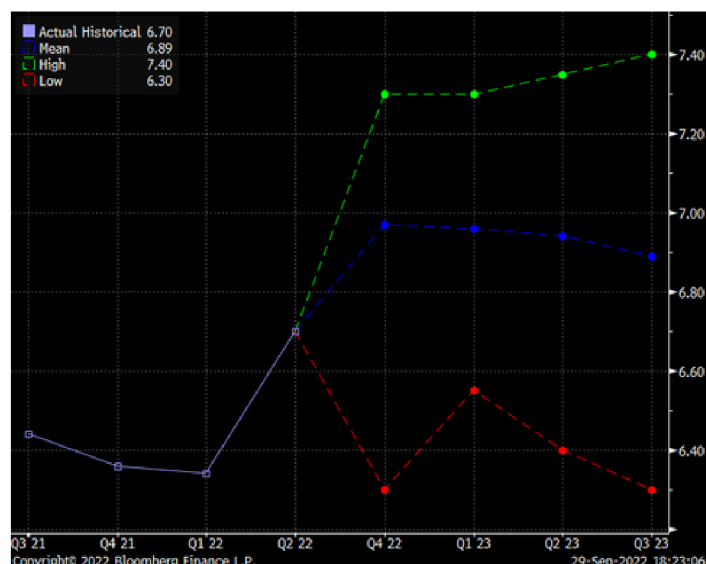


Historical Rates

USD/CNY

Market Consensus & Forecast

	Q4 22	Q1 23	Q2 23	Q3 23
Mean	6.97	6.96	6.94	6.89
High	7.3	7.3	7.35	7.4
Low	6.3	6.55	6.4	6.3



Consensus Forecast

Forecast by Institution

	As of:	Q4 22	Q1 23	Q2 23	Q3 23
Rabobank	09/29/22	7.25	7.3	7.35	--
Barclays	09/28/22	6.3	6.9	7.15	7.25
Wells Fargo	09/28/22	7.3	7.3	7.25	7.2
Emirates NBD	09/27/22	7.18	7.15	7.15	7.1
Nomura Bank International	09/27/22	7.25	7.2	7.1	--
Prestige Economics LLC	09/27/22	7.22	7.15	7.1	7.05
Danske Bank	09/23/22	7.21	7.3	7.35	7.4
Morgan Stanley	09/23/22	7.3	7.2	7.05	6.9
JPMorgan Chase	09/22/22	6.95	7	7.05	--
Citigroup	09/20/22	7.1	7.1	7.08	6.96
BNP Paribas	09/15/22	7	6.9	6.85	6.8
Credit Agricole CIB	09/14/22	7.1	6.95	6.8	6.7
RBC Capital Markets	09/08/22	7.05	7.1	7.1	7.05
MUFG	09/06/22	6.85	6.75	6.7	--
NAB/BNZ	09/06/22	6.9	6.8	6.7	6.65
CICC	09/05/22	6.8	6.75	6.7	6.6
United Overseas Bank	09/05/22	7.05	7.08	7.1	7.12
Capital Economics	09/02/22	7	7	7	7
ING Financial Markets	09/02/22	6.82	6.65	6.4	6.3
UniCredit	09/02/22	6.95	6.9	6.85	6.8
ABN Amro	09/01/22	6.8	6.7	6.7	6.6

USD/BRL

The Brazilian Real fell 8.23% in September against the dollar driven by hawkish expectations from the Federal Reserve while The Bank of Brazil is considering halting its hiking cycle to sustain current benchmark rates for the foreseeable future. Roberto Campos, central bank chief said during a press conference that the target if the central bank is to bring inflation

back on target in the relevant horizon. The focus survey suggests that market participants expect that the first rate cut may be materialized in June, if and if inflation start retracing back to normality hinting that it may have peaked. However, the banks chief write off the table a possible additional hike highlighting several factors and risk drivers.

What To Watch For This Month

10/05/2022 Industrial Production Data (Aug)

May has been the only month of 2022 that year-over-year industrial production has seen positive growth. While the month-over-month number is expected to see a rise of 0.7%, the year-over-year trend is expected to continue with an expectation of -0.3% in August.

10/07/2022 Retail Sales Data (Aug)

On a month-over-month basis, retail sales is forecasted to break a 3-month negative streak. That said, the year-over-year figure looks to rebound from a big drop-off of 5.2% in July.

10/11/2022 CPI Data (Sep)

An aggressive Brazilian central bank has started to cause inflation to tail off, coming in at 8.73% in August after topping out at 12.13% in April. 8.72% is the market consensus for September.

Economic Indicators

Brazil's Central Bank Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	4.81	2.50	0.90	1.92
CPI (YOY%)	8.29	9.34	5.13	4.02
Policy Rate (%)	9.25	13.80	10.85	8.05

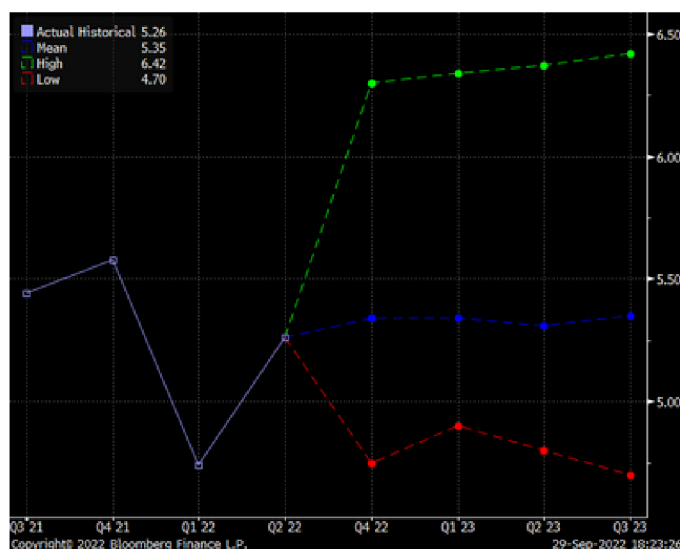


Historical Rates

USD/BRL

Market Consensus & Forecast

	Q4 22	Q1 23	Q2 23	Q3 23
Mean	5.34	5.34	5.31	5.35
High	6.3	6.34	6.37	6.42
Low	4.75	4.9	4.8	4.7



Consensus Forecast

Forecast by Institution

	As of:	Q4 22	Q1 23	Q2 23	Q3 23
Rabobank	09/29/22	5.3	5.15	5.15	--
Barclays	09/28/22	5.35	5.35	5	4.9
Wells Fargo	09/28/22	5.6	5.8	5.8	5.7
Nomura Bank International	09/27/22	5.6	5.55	5.5	--
Prestige Economics LLC	09/27/22	5.4	5.35	5.33	5.3
Morgan Stanley	09/23/22	5	5.05	5.1	5.15
JPMorgan Chase	09/22/22	5.3	5.25	5.25	--
Citigroup	09/20/22	5.28	5.27	5.25	5.24
BNP Paribas	09/15/22	4.9	4.95	5.15	5.35
RBC Capital Markets	09/08/22	4.75	5	5	5
MUFG	09/06/22	5.6	5.58	5.55	--
Capital Economics	09/02/22	5.5	5.5	5.5	5.5
ING Financial Markets	09/02/22	5.7	5.75	5.8	5.9
ABN Amro	09/01/22	5	4.9	4.8	4.7
Mizuho Bank	09/01/22	5.3	5.2	5.05	--
Standard Chartered	09/01/22	5.2	5.15	5.1	5.05
Amdocs Development Ltd	08/30/22	5.25	5.35	--	--
Canadian Bank of Commerce	08/05/22	5.7	5.9	5.7	--
MPS Capital Services	08/05/22	5.3	5.55	5.4	--

USD/MXN



The Mexican Peso marginally climbed 0.1% in September, despite high volatility in the market swinging almost 2% on each direction. The Mexican Peso close out the month with momentum after Banxico raised its benchmark rate to 9.25% at its September meeting from 8.5% prior, with policymakers reaffirming their commitment to hike further if

inflationary pressures abate and expectations are revised. Several analysts expect the central bank to continue hiking rates to 1.5% by year-end, in lockstep with the Federal Reserve and sustaining restrictive policy until the third quarter of 2023.

What To Watch For This Month

10/05/2022 Consumer Confidence

Mexican consumer confidence has been below 50 since the effects of the pandemic hit the global economy in Q2 of 2020. Current forecasts suggest a reading of 40, which would be the lowest since August 2021.

10/07/2022 CPI Data (Sep)

August CPI printed at its highest level since January 2021 at 8.70%. We will need to wait and see if this figure can break its 3-month streak of increases.

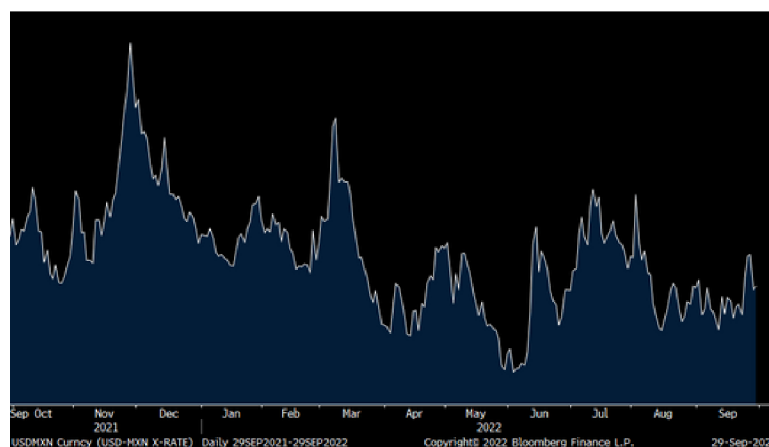
10/12/2022 Industrial Production (Aug)

Industrial production has leveled off of late, straddling the 3% level for most of 2022. As it stands, August forecasts suggest a 3% consensus.

Economic Indicators

Banco de Mexico Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	4.80	2.00	1.45	2.0
CPI (YOY%)	5.68	7.90	5.10	3.80
Unemployment (%)	4.14	3.60	3.70	3.50

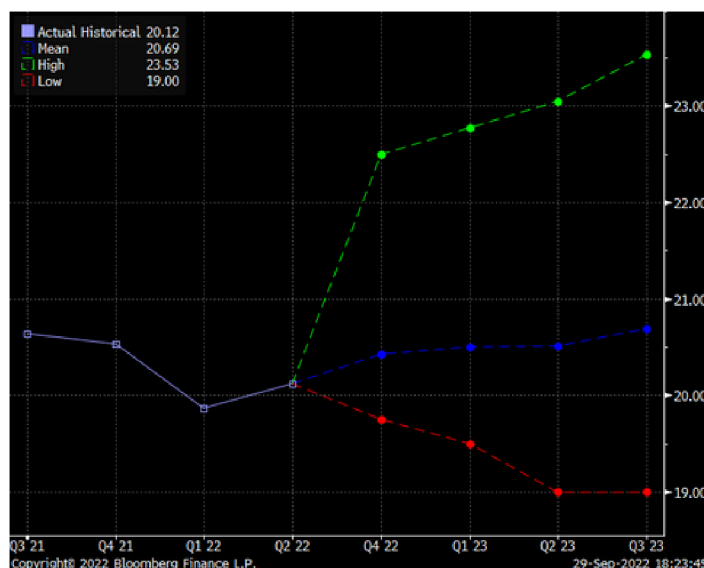


Historical Rates

USD/MXN

Market Consensus & Forecast

	Q4 22	Q1 23	Q2 23	Q3 23
Mean	20.43	20.5	20.51	20.69
High	22.5	22.77	23.04	23.53
Low	19.75	19.5	19	19



Consensus Forecast

Forecast by Institution

	As of:	Q4 22	Q1 23	Q2 23	Q3 23
Rabobank	09/29/22	20.5	21.5	21	--
Barclays	09/28/22	19.75	19.5	19.25	19
Wells Fargo	09/28/22	20.5	20.75	20.5	20.25
Nomura Bank International	09/27/22	19.8	19.7	19.7	--
Prestige Economics LLC	09/27/22	20.8	20.6	20.4	20.2
Morgan Stanley	09/23/22	20.25	20.3	20.5	20.8
JPMorgan Chase	09/22/22	20.25	20.5	20.75	--
Citigroup	09/20/22	20.6	20.8	21	21.1
BNP Paribas	09/15/22	20	20.1	20.3	20.9
RBC Capital Markets	09/08/22	20.5	21	20.45	20.97
MUFG	09/06/22	20.3	20.35	20.4	--
Capital Economics	09/02/22	21	21	21	21
ING Financial Markets	09/02/22	20.25	20	20	20
Banorte	09/01/22	20.7	20.32	22.1	21.33
Mizuho Bank	09/01/22	20.8	20.8	20.9	--
Standard Chartered	09/01/22	19.9	19.7	19.4	19.2
Monex Europe Ltd	08/31/22	20	19.5	19	--
Canadian Bank of Commerce	08/05/22	21.5	21	21.5	--
TD Securities	07/29/22	19.8	20	--	--
DZ Bank	07/15/22	20.83	21	21	--

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