

FX CONSENSUS FORECAST

A LOOK AT THE MONTH AHEAD

May 2022

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

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QUICK GLANCE



After two years of the pandemic, the U.S. economy now faces several challenges which keep central bankers awake at night. Supply chain interruptions caused by China's covid breakout, Ukraine crisis, labor shortages, and 40-year high inflation are affecting growth expectations and market morale in global markets. Having said that, Gross Domestic Product (GDP), which is the total value of goods and services provided by the economy, fell 1.4% on an annualized basis in the first three months of 2022, a considerable dip from the 6.9% increase recorded in the fourth quarter of 2021 amid the recovery of the pandemic. This is the first downturn since the spring of 2020 when a pandemic-related shutdown slowed economic development. The contraction stemmed from a widening trade deficit, a slower pace of inventory investment by businesses compared to the previous year, and the fading government stimulus associated with the pandemic. Moving forward, the unexpected downturn and increasing inflation pose a problem for U.S. President Joe Biden and Democrats as they prepare for the November midterm elections. Furthermore, the data adds to concerns that rising inflation and the potential of Federal Reserve rate hikes will trigger an economic deacceleration. Many economists believe that the dismal economic data for Q1 will unlikely alter Fed's plan and the economy can tolerate rising interest rates and return to modest growth in the second quarter and beyond, owing in part to strong consumer and corporate spending resiliency. The major question would be how the Fed can strike the correct balance between reducing price pressures and sustaining economic growth.

Consumer and business spending remains resilient while the trade deficit widens. Consumer expenditure, the primary driver of the U.S. economy, increased in the first three months of the year. Personal consumption expenditures climbed at a seasonally adjusted annual rate of 2.7% in the fourth quarter of last year, compared to 2.5% in the fourth quarter of the previous year. Companies are also investing in factories, equipment, and software, all of which will increase productivity in the medium and long term. Business investment increased at a 9.2% annual rate in the first quarter, up from 2.9% in the fourth quarter of 2021. However, Because of the shortage of workers market conditions shifted as employers cling to employees, business hiring ramped up, and wages improved, eventually leading to high consumer spending. Nevertheless, many of the positives were negated by one-off factors. Most notably, imports increased dramatically during the first quarter as U.S. supply failed to keep up with rising demand. Exports declined 5.9% while imports increased 17.7%, resulting in a 3.2% point negative on headline GDP from net exports. In addition, a 0.8% reduction (annually) in company inventories impacted the total output.

High inflation weighs on consumer spending power, while Fed is ready with a 50 bps hammer on the table. Despite the fact that average hourly earnings increased by 5.6% throughout the same time period. Inflationary pressures are eroding many workers' pay raises, and rising costs are posing problems for many firms. Having said that, the consumer price index increased 8.5% year on year in March, a four-decade high. Furthermore, the Fed's preferred price gauge, the Personal Consumption Expenditure Index, climbed to 7% in Q1 2022 from 6.4% in the previous quarter, indicating further price pressure. The covid in China and the war in Ukraine have added to the pricing pressure, making everything more expensive, from bread to cheese, oil, and commodities. Accelerating labor costs in the United States and a strong consumer is effectively giving the Federal Reserve the go-ahead to raise interest rates by a half-point next week to tamp down pricing pressures.

Strong labor market conditions, resiliency in the service sector, but weak manufacturing growth. The job market in the United States remains tight, with the unemployment rate remaining at 3.6% in March, down from 3.8% in February. In addition, the labor force participation rate has increased to 62.4%, exceeding expectations of 62.2%. The only miss was in nonfarm payrolls, which were 431k instead of the projected 490k. Furthermore, the service sector remains resilient, with the ISM service PMI reading 58.3 vs 56.5 previously. The manufacturing sector remains slow, with an ISM manufacturing PMI of 57.1 below expectations of 59. While the U.S. and its allies push sanctions on Russia, geopolitical tensions remain on the desk. According to the most recent geopolitical news, Germany is facing gas supply problems. EU leaders are deliberating on measures that will allow them to pay Russia in a sanctioned compliant manner. A sudden ban on Russian crude, on the other hand, would produce a recession, given the EU member states' heavy reliance on Russian energy products.

However, Germany has stepped up its role in the geopolitical conflict, now committing to cut off its dependency on Russian oil in the coming months. Furthermore, China is in trouble, and when China is in crisis, so is global growth. Fresh Covid outbreaks, as well as the government's tough policies to contain them, are frightening global investors, who are concerned that Chinese shutdowns could ripple around the world, decreasing demand and disrupting supply chains. In the Ukraine-Russia conflict, President Biden requested that Congress provide \$33 billion in aid to Ukraine in order to strengthen military support for the country. Finally, oil rose for the fifth month in a row in April, the longest winning streak since January 2018. Russia's invasion of Ukraine has fueled inflation, prompting the United States and its allies to agree last month on a coordinated release of strategic crude reserves to cool rising energy costs. The rise in oil prices causing pain at the pump for consumers in the United States and internationally.

The following sections will show how the economic situations and geopolitical tension have shaped currency and capital markets in the U.S.

The U.S. dollar reached a 20-year high in April, its strongest month in seven years, as global economic concerns and a hawkish Federal Reserve boosted demand for the greenback. Furthermore, fears of an economic downturn in Europe and China as a result of the Ukraine crisis and Covid lockdowns, respectively, fueled safe-haven flows into the dollar. Having said that, the dollar rose to a 20-year high against the Yen in the last week of April, as dovish Bank of Japan policies weighed on the Japanese currency. It also touched a five-year high against the Euro, which has fallen dramatically since Russia's invasion of Ukraine, as investors have been concerned about Europe's energy security, inflation, and GDP. On the data front, the greenback was supported by solid consumer spending, a tight labor market, and robust inflation data, which continue to support the Federal Reserve's 50 basis point rate rise expectations. On the other side, the index has been pulled down by dismal GDP figures and positive corporate earnings reports. Nonetheless, the U.S. dollar index finished the month near a 19-year high. Moving forward, investors are anticipating a critical Federal Reserve meeting in the first week of May, when interest rates are largely projected to be raised by a whopping 50 basis points. The Fed's wild card will define the dollar's course for some time.

Volatility has been a recurring trend in markets this year, with investors concerned about China's fight to curb Covid, Russia's war in Ukraine, and fears that central-bank tightening will tip the U.S. economy into recession. The Nasdaq plummeted 13.3% in April, its worst monthly performance since October 2008, when the market was in the grip of the financial crisis. The S&P 500 fell 8.8% in March, its worst month since March 2020, when the Covid epidemic began. The Dow Jones Industrial Average was down 4.9% for the month. Technology companies have been at the crux of the April sell-off, as high-interest rates erode valuations and supply chain concerns caused by Covid and the Ukraine war disrupt operations. Also, bond yields have risen this year as investors braced for tighter monetary policy, with the 10-year Treasury note yielding around 2.9%, up from 1.5% at the end of 2021. Despite what we consider to be a healthy overall earnings period thus far, the positive results appear to be overshadowed by some of the larger concerns about inflation and the Fed. Moving forward, investors are anticipating the Fed's rate rise decision, which will strive to reduce record-high inflation and achieve a balance of economic growth.

In a nutshell, despite the fact that the U.S. economy reported terrible GDP data, it is not a harbinger of recession because U.S. consumer and corporate spending remains resilient for the time being, and many economists feel that the U.S. economy is ready for a 50 basis point rate hike. The most serious issue is that inflation is quite high, presenting the prospect of a boom-to-bust situation. Furthermore, it is unclear how far consumer pockets will be spared as a result of this rapid inflation. Also, the forecast for price declines is complicated by the Covid lockdowns in China and the crisis in Ukraine. Coming up, the Fed faces a major test as it considers a half-point rate hike, the largest since 2000, and a succession of raises such that interest rates reach 2.8% by mid-2023. A high fund rate means that the cost of loans, credit cards, and mortgages will rise. The fascinating element will be striking a balance between quenching price pressures and pressing the economic brakes too hard.

EUR/USD



The Euro suffered severe losses against the dollar throughout the course of April, closing out the month 6.16% lower amid significantly low market morale and divergence in monetary policy which weighs heavily on the block's currency. The European Central Bank starts to acknowledge rising inflation and President

Lagarde is set to boost the Euro as soon as tightening is announced for the Eurozone. However, while the ECB defines the start of the tightening cycle, the hawkish tone and the risk-averse mood driven by the Ukrainian conflict act as a backwind for the dollar to appreciate against most of its pairs, reaching 6 years high against the EUR.

What To Watch For This Month

05/03/2022 - ECB Lagarde Speech

ECB President Christine Lagarde will speak about the economic outlook for the Eurozone and its member state.

05/17/2022 GDP Q1

Eurostat will announce GDP results for Q1 2022 showing the value generated by all goods and services provided by the country. Previously 5% annually.

05/31/2022 HICP

Eurostat will announce a change in the price of goods and services in the Eurozone. An effective way to measure inflation.

Economic Indicators

European Central Bank Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	5.40	3.70	2.80	1.60
CPI (YOY%)	2.60	5.10	2.10	1.90
Unemployment (%)	7.72	7.30	7.20	7.00

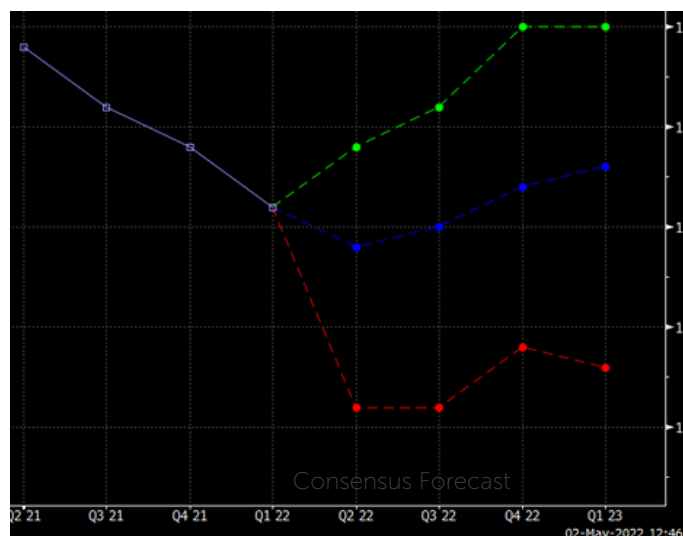


Historical Rates

EUR/USD

Market Consensus & Forecast

	Q2 22	Q3 22	Q4 22	Q1 23
Mean	1.09	1.1	1.12	1.13
High	1.14	1.16	1.2	1.2
Low	1.01	1.01	1.04	1.03



Forecast by Institution

	As of:	Q2 22	Q3 22	Q4 22	Q1 23
Mizuho Bank	05/02/22	1.07	1.09	1.11	1.12
Prestige Economics LLC	05/02/22	1.07	1.08	1.08	1.1
Credit Agricole CIB	04/29/22	1.06	1.08	1.1	1.1
Nomura Bank International	04/29/22	1.08	1.1	1.14	--
DNB	04/28/22	1.07	1.09	1.09	1.1
Jyske Bank	04/28/22	1.01	1.01	1.06	1.12
TD Securities	04/28/22	1.08	1.13	1.17	1.2
Australia & NZ Banking Group	04/27/22	1.09	1.1	1.12	1.13
Emirates NBD	04/27/22	1.09	1.09	1.1	1.12
Morgan Stanley	04/26/22	1.08	1.11	1.14	1.15
JPMorgan Chase	04/22/22	1.06	1.05	1.08	1.1
Westpac Banking	04/22/22	1.1	1.11	1.12	1.13
Swedbank	04/21/22	1.12	1.14	1.15	1.16
CBA	04/20/22	1.05	1.08	1.12	1.15
Rabobank	04/20/22	1.09	1.1	1.1	1.11
SEB	04/20/22	1.07	1.08	1.09	1.12
Citigroup	04/13/22	1.08	1.09	1.1	1.1
Maybank Singapore	04/11/22	1.12	1.13	1.15	1.15
BBVA	04/08/22	1.08	1.11	1.13	1.14

USD/JPY

The Japanese Yen extended losses against the dollar, falling back 7.21% throughout the course of the month and reaching a 10 year low. The view for the Yen seems to be compromise as now central banks attempt to appreciate their currency in order to ease rising inflation driven by commodities. However, the lack of inflation

in the country leaves the Bank of Japan against the ropes as the only way to offset its recent appreciation would be to hike interest rates, although there are clear macroeconomic indicators that would suggest otherwise. What is clear is that any joint intervention from the Fed and BoJ is most unlikely as each central bank deal with very different challenges.

What To Watch For This Month

05/08/2022 BOJ monetary policy minutes

The Bank of Japan will publish its decision on monetary policy to show its stance on the inflationary outlook of the economy.

05/17/2022 GDP Q1

The Cabinet Office will announce GDP results for Q1 2022 showing the value generated by all goods and services provided by the country, Previously 4.6% annually

05/19/2022 National CPI

Statistics Bureau will release Consumer Price Index report for April, previously 1.2% annually.

Economic Indicators

Bank of Japan Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	1.78	2.90	1.90	1.10
CPI (YOY%)	--0.25	--	--	--
Unemployment (%)	2.82	2.70	2.70	2.70

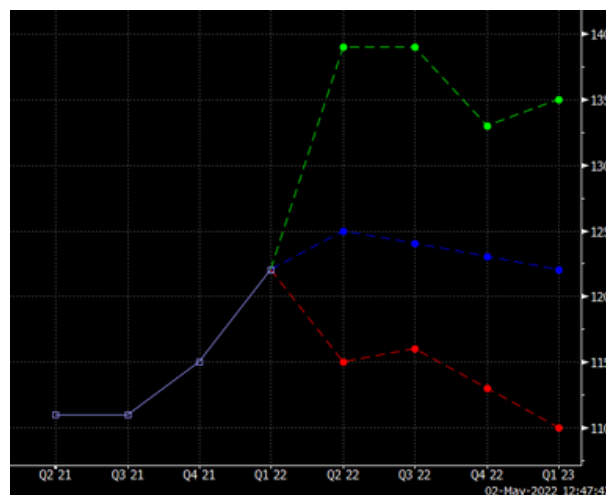


Historical Rates

USD/JPY

Market Consensus & Forecast

	Q2 22	Q3 22	Q4 22	Q1 23
Mean	125	124	123	122
High	139	139	133	135
Low	115	116	113	110



Consensus Forecast

Forecast by Institution

	As of:	Q2 22	Q3 22	Q4 22	Q1 23
Mizuho Bank	05/02/22	131	132	133	135
Prestige Economics LLC	05/02/22	126	125	125	123
Credit Agricole CIB	04/29/22	135	132	130	125
Nomura Bank International	04/29/22	125	123	120	--
Jyske Bank	04/28/22	139	139	127	114
TD Securities	04/28/22	125	122	120	118
Australia & NZ Banking Group	04/27/22	135	135	130	127
Emirates NBD	04/27/22	125	130	128	125
Morgan Stanley	04/26/22	120	117	115	113
JPMorgan Chase	04/22/22	130	131	132	133
Westpac Banking	04/22/22	124	123	122	121
Swedbank	04/21/22	132	128	127	125
CBA	04/20/22	126	127	129	131
Rabobank	04/20/22	128	126	125	124
SEB	04/20/22	120	119	118	118
Citigroup	04/13/22	125	126	126	125
Maybank Singapore	04/11/22	120	120	118	117
BBVA	04/08/22	124	121	118	117
Commerzbank	04/08/22	117	119	120	120
ING Financial Markets	04/08/22	125	126	128	129

GBP/USD

The British Pound had a rough month against the greenback, falling 5.10% and touching two-year lows. The move was mostly driven by a broader strength of the dollar built around a hawkish Federal Reserve determined to control soaring inflation while risk assets suffer the most

amid the conflict in Ukraine and dismal corporate earning results which keeps market participants cautious. The Bank of England is looking to keep its balance sheet relatively full, which is the first sign of dovishness coming from London weighing over the Sterling. This trend is likely to continue if fundamentals remain unchanged.

What To Watch For This Month

05/05/2022 BOE interest rate decision

The Bank of England will announce its decision on monetary policy to show its stance on the inflationary outlook of the economy. Expected to be hawkish and may raise the rate up to 50bps.

05/12/2022 GDP Q1

National Statistics will release Q1 GDP results, which is the total value generated by all goods and services provided by the country. Expected at 6.6% annually

05/18/2022 CPI (Apr)

National Statistics will publish CPI reading for April month to show the price movement of goods and services excluding volatile components. Previously at 7% annually.

Economic Indicators

Bank of England Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	- -	-3.75	1.25	1.00
CPI (YOY%)	2.58	5.75	2.50	1.75
Unemployment (%)	4.59	4.00	4.50	5.00

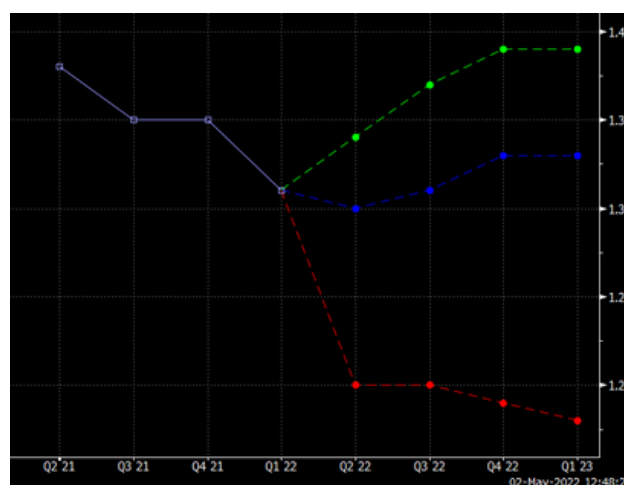


Historical Rates

GBP/USD

Market Consensus & Forecast

	Q2 22	Q3 22	Q4 22	Q1 23
Mean	1.3	1.31	1.33	1.33
High	1.34	1.37	1.39	1.39
Low	1.2	1.2	1.19	1.18



Consensus Forecast

Forecast by Institution

	As of:	Q2 22	Q3 22	Q4 22	Q1 23
Prestige Economics LLC	05/02/22	1.29	1.32	1.33	1.34
Credit Agricole CIB	04/29/22	1.27	1.29	1.32	1.32
Nomura Bank International	04/29/22	1.29	1.31	1.34	--
DNB	04/28/22	1.28	1.29	1.29	1.29
Jyske Bank	04/28/22	1.2	1.2	1.25	1.32
TD Securities	04/28/22	1.29	1.33	1.34	1.37
Australia & NZ Banking Group	04/27/22	1.3	1.3	1.32	1.34
Emirates NBD	04/27/22	1.32	1.34	1.35	1.38
Morgan Stanley	04/26/22	1.3	1.32	1.34	1.33
JPMorgan Chase	04/22/22	1.28	1.27	1.3	1.31
Westpac Banking	04/22/22	1.33	1.34	1.35	1.36
Swedbank	04/21/22	1.33	1.36	1.35	1.35
CBA	04/20/22	1.27	1.3	1.32	1.34
Rabobank	04/20/22	1.3	1.3	1.28	1.29
SEB	04/20/22	1.3	1.3	1.3	1.33
Citigroup	04/13/22	1.28	1.29	1.29	1.3
Maybank Singapore	04/11/22	1.32	1.33	1.34	1.35
BBVA	04/08/22	1.32	1.35	1.38	1.36
Commerzbank	04/08/22	1.32	1.33	1.33	1.34
ING Financial Markets	04/08/22	1.32	1.3	1.31	1.32

USD/CHF

The Swiss Franc depreciated 6.05% against the American dollar as the hawkishness of the Federal Reserve provides support to the greenback amid a lack of inflation in Switzerland. April readings showed that prices remain stable at 2.4% annualized, meeting inflationary expectations in Switzerland and removing any urge from

the Swiss National Bank to tighten policy any time soon. Additionally, the U.S. counterparts are set to hike rates once again in order to offset inflationary pressures at 8.5% driven commodity prices. The divergence in monetary policy keeps providing clear support to the greenback which is now trading at its highest level since 2020 against the Franc.



What To Watch For This Month

05/06/2022 Unemployment rate (Apr)

The SECO will announce the monthly unemployment rate results for April, expected at 2.2%

05/24/2022 GDP Q1

The SECO will release Q1 GDP results, showing the total value generated by all goods and services provided by the country. Previously 3.7% annually.

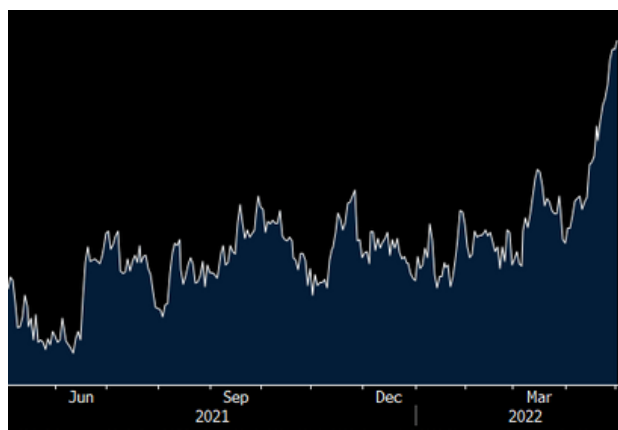
05/26/2022 KOF leading indicator (May)

The KOF Swiss Economic Institute will publish the leading indicator for May, showing future trends of overall economic activity. Previously 101.7

Economic Indicators

Swiss National Bank Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	3.80	3.00	1.70	--
CPI (YOY%)	0.58	1.90	0.70	--
Unemployment (%)	2.98	2.10	2.00	--

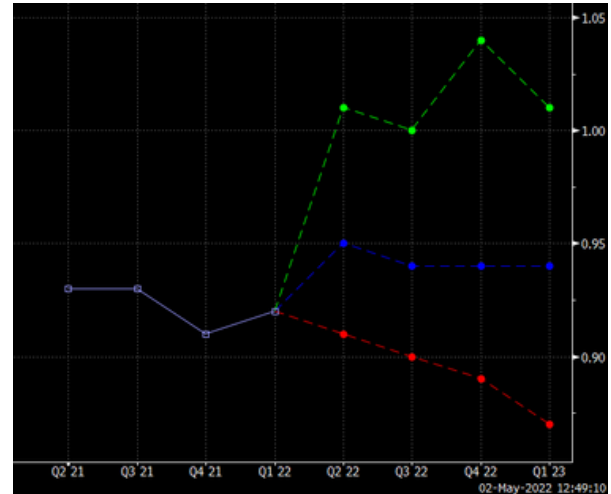


Historical Rates

USD/CHF

Market Consensus & Forecast

	Q2 22	Q3 22	Q4 22	Q1 23
Mean	0.95	0.94	0.94	0.94
High	1.01	1	1.04	1.01
Low	0.91	0.9	0.89	0.87



Consensus Forecast

Forecast by Institution

	As of:	Q2 22	Q3 22	Q4 22	Q1 23
Prestige Economics LLC	05/02/22	0.95	0.93	0.92	0.91
Credit Agricole CIB	04/29/22	0.98	0.98	0.98	1
Nomura Bank	04/29/22	0.94	0.94	0.92	--
Jyske Bank	04/28/22	0.99	0.99	0.97	0.95
TD Securities	04/28/22	0.93	0.92	0.92	0.91
Australia & NZ Banking Group	04/27/22	0.94	0.94	0.93	0.92
Emirates NBD	04/27/22	0.95	0.94	0.94	0.93
Morgan Stanley	04/26/22	0.96	0.95	0.93	0.94
JPMorgan Chase	04/22/22	0.96	0.97	0.95	0.94
Westpac Banking	04/22/22	0.93	0.94	0.94	0.95
Swedbank	04/21/22	0.94	0.92	0.92	0.93
CBA	04/20/22	1.01	0.98	0.94	0.92
Rabobank	04/20/22	0.94	0.94	0.94	0.95
Citigroup	04/13/22	0.94	0.95	0.95	0.96
Maybank Singapore	04/11/22	0.94	0.94	0.93	0.92
BBVA	04/08/22	0.95	0.95	0.95	0.95
Commerzbank	04/08/22	0.93	0.92	0.91	0.91
NAB/BNZ	04/08/22	0.92	0.9	0.89	0.87
RBC Capital Markets	04/07/22	0.92	0.94	0.96	0.99
MUFG	04/06/22	0.91	0.9	0.89	0.91

USD/CAD

The Canadian dollar erased its March gains retracing 3.35% in April against the dollar. The commodities linked loonie seems to have lost ranging support from crude oil prices as West Texas Intermediate consolidate in April within a tight range around USD 100 per barrel.

The performance of equity markets keeps the market mood on the backfoot as earning seasons released dismal results, especially from tech conglomerates. However, the BoC's hawkish approach limits the downside of the Loonie, as well as resilient growth figures although economists expects the USD to sustain momentum while current conditions peak.

What To Watch For This Month

05/06/2022 Unemployment rate (Apr)

Statistics Canada will release the jobless report for April to show labor market conditions, expected at 5.3% annually.

05/18/2022 BOC Consumer Price Index

Statistics Canada will announce the CPI reading for the month of April to show the price movement of goods and services excluding volatile components. Previously 5.5% annually

05/31/2022 GDP Q1

Statistics Canada will release Monthly GDP results of value generated by all goods and services provided by the country. Previously 6.7% on quarterly basis.

Economic Indicators

Bank of Canada Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	4.75	4.20	3.20	2.20
CPI (YOY%)	3.40	5.30	2.80	2.10
Unemployment (%)	7.43	--	--	--

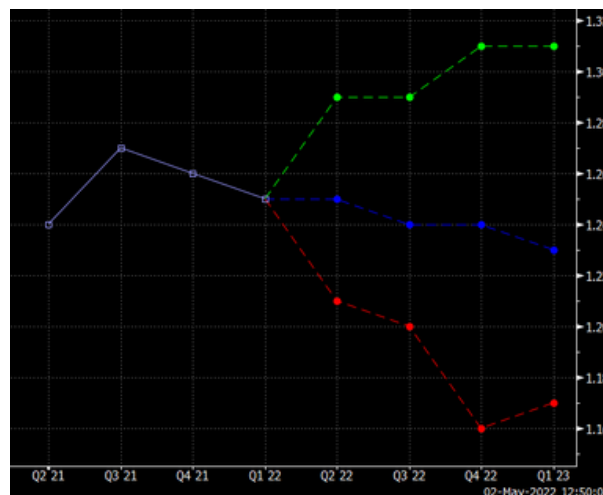


Historical Rates

USD/CAD

Market Consensus & Forecast

	Q2 22	Q3 22	Q4 22	Q1 23
Mean	1.25	1.24	1.24	1.23
High	1.29	1.29	1.31	1.31
Low	1.21	1.2	1.16	1.17



Consensus Forecast

Forecast by Institution

	As of:	Q2 22	Q3 22	Q4 22	Q1 23
Prestige Economics LLC	05/02/22	1.27	1.26	1.26	1.25
Credit Agricole CIB	04/29/22	1.25	1.23	1.21	1.2
Nomura Bank	04/29/22	1.27	1.26	1.26	--
TD Securities	04/28/22	1.24	1.24	1.26	1.28
Emirates NBD	04/27/22	1.24	1.23	1.2	1.18
Morgan Stanley	04/26/22	1.24	1.2	1.16	1.17
JPMorgan Chase	04/22/22	1.27	1.27	1.27	1.25
Westpac Banking	04/22/22	1.26	1.25	1.25	1.24
Swedbank	04/21/22	1.22	1.2	1.2	1.2
CBA	04/20/22	1.24	1.22	1.2	1.18
Rabobank	04/20/22	1.25	1.25	1.26	1.26
Citigroup	04/13/22	1.23	1.24	1.25	1.25
Maybank Singapore	04/11/22	1.24	1.23	1.23	1.22
BBVA	04/08/22	1.26	1.25	1.24	1.23
Commerzbank	04/08/22	1.28	1.27	1.27	1.26
ING Financial Markets	04/08/22	1.23	1.22	1.2	1.21
RBC Capital Markets	04/07/22	1.25	1.27	1.29	1.31
MUFG	04/06/22	1.24	1.22	1.22	1.2
BNP Paribas	03/31/22	1.24	1.23	1.2	1.2
Barclays	03/30/22	1.25	1.24	1.23	1.22

USD/CNY

Fresh Covid outbreaks and China's government's stringent policy to contain the virus are spooking global investors. Local shutdown in China echoes across the world, lowering demand and disrupting the supply chain which keeps global inflation at a multidecade high. The Chinese Renminbi fell

4.84% in April amid selling pressure arising from Chinese policy. Prospects of growth for the Asian giant continue to deteriorate especially as the Peoples Bank of China triggers expansionary policy in contrast to the Federal Reserve Which is looking to hike rates once again in its upcoming monetary policy meeting.



What To Watch For This Month

05/05/2022 Caixin Service PMI

The National Bureau of Statistics will announce Service PMI to show the true conditions of the service sector. Previously 42.

05/11/2022 CPI (Apr)

National Bureau of Statistics will announce CPI readings for April to show the price movement of goods and services excluding volatile components, expected at 1.5% annually.

05/20/2022 PBOC Interest rate decision

The PBOC will announce its decision on monetary policy to show its stance on the inflationary outlook of the economy.

Economic Indicators

People's Bank of China Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	8.10	4.90	5.20	5.15
CPI (YOY%)	0.92	2.20	2.25	2.30
Unemployment (%)	--	3.96	3.80	3.65

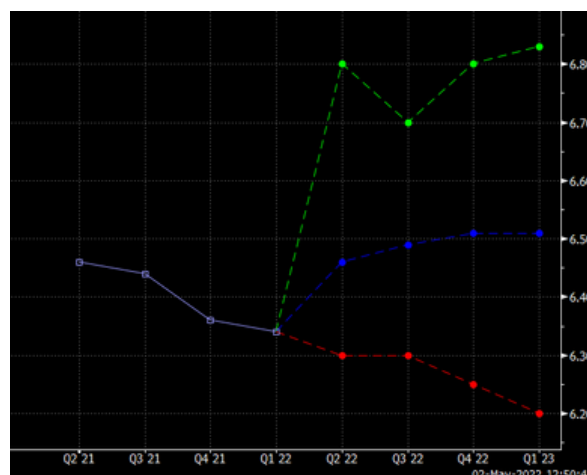


Historical Rates

USD/CNY

Market Consensus & Forecast

	Q2 22	Q3 22	Q4 22	Q1 23
Mean	6.46	6.49	6.51	6.51
High	6.8	6.7	6.8	6.83
Low	6.3	6.3	6.25	6.2



Consensus Forecast

Forecast by Institution

	As of:	Q2 22	Q3 22	Q4 22	Q1 23
Mizuho Bank	05/02/22	6.55	6.6	6.6	6.63
Prestige Economics LLC	05/02/22	6.5	6.44	6.42	6.4
Nomura Bank	04/29/22	6.8	6.7	6.6	--
Jyske Bank	04/28/22	6.58	6.58	6.6	6.52
TD Securities	04/28/22	6.65	6.67	6.8	6.83
Australia & NZ Banking Group	04/27/22	6.55	6.5	6.4	6.35
Morgan Stanley	04/26/22	6.35	6.42	6.4	6.4
JPMorgan Chase	04/22/22	6.5	6.5	6.55	6.6
Westpac Banking	04/22/22	6.3	6.3	6.25	6.2
Rabobank	04/20/22	6.4	6.47	6.53	6.58
SEB	04/20/22	6.39	6.31	6.3	--
Citigroup	04/13/22	6.42	6.46	6.5	6.33
Maybank Singapore	04/11/22	6.35	6.33	6.32	6.3
BBVA	04/08/22	6.33	6.35	6.38	6.41
Commerzbank	04/08/22	6.6	6.65	6.7	6.73
ING Financial Markets	04/08/22	6.35	6.4	6.5	6.55
NAB/BNZ	04/08/22	6.4	6.45	6.5	6.45
Credit Agricole CIB	04/07/22	6.48	6.44	6.4	6.4
RBC Capital Markets	04/07/22	6.37	6.4	6.36	6.34
MUFG	04/06/22	6.45	6.5	6.55	6.55

USD/BRL

The Brazilian Real followed the weakening trend against the dollar, retracing 5.65% by month-end. Emerging markets currencies recorded losses as tightening expectations from the Federal Reserve spurred a risk-off mood across markets while the Russian inflation in Ukraine keeps holding commodity prices high.

Market participants expect the Brazilian Central Bank to continue its trend of hiking rates and consensus suggests a 100 bps hike to 12.75% as it was signaled after its March gathering. However, a broader risk mood weighs over risky assets and we expect this to sustain over Emerging Market Currencies.

What To Watch For This Month

05/04/2022 *Interest rate decision*

The central bank of Brazil will announce its decision on monetary policy to show its stance on the inflationary outlook of the economy.

05/10/2022 *Retail sales (Mar)*

The IBGE will release business retail sales figures for March, expected to increase at 0.9% monthly.

05/31/2022 *Unemployment rate (Apr)*

The IBGE will announce the monthly unemployment rate results for April. Previously 11.1% on monthly basis.

Economic Indicators

Brazil's Central Bank Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	4.80	0.50	1.60	2.20
CPI (YOY%)	8.29	8.40	4.46	3.40
Policy Rate (%)	9.25	13.30	9.25	--

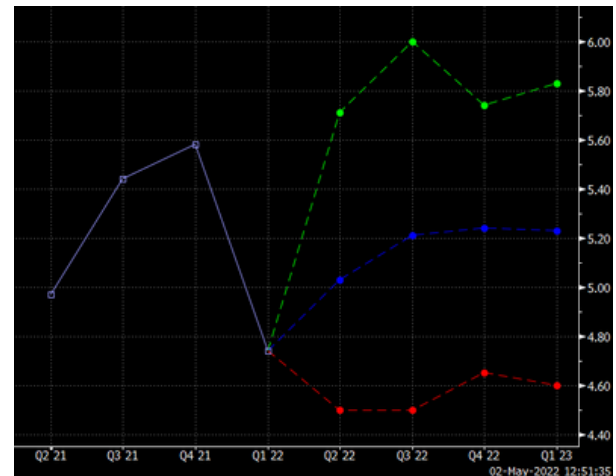


Historical Rates

USD/BRL

Market Consensus & Forecast

	Q2 22	Q3 22	Q4 22	Q1 23
Mean	5.03	5.21	5.24	5.23
High	5.71	6	5.74	5.83
Low	4.5	4.5	4.65	4.6



Consensus Forecast

Forecast by Institution

	As of:	Q2 22	Q3 22	Q4 22	Q1 23
Mizuho Bank	05/02/22	5.05	5.3	5.2	5.1
Prestige Economics LLC	05/02/22	5.05	5.15	5.15	5.2
Nomura Bank	04/29/22	5.6	6	5.6	--
TD Securities	04/28/22	4.85	4.77	4.65	4.6
Morgan Stanley	04/26/22	5.3	5.6	5.2	5.3
JPMorgan Chase	04/22/22	5	5.2	5.3	5.3
Rabobank	04/20/22	5	5.27	5.28	5.32
SEB	04/20/22	4.7	4.75	4.8	4.9
Citigroup	04/13/22	4.81	5	5.19	5.18
BBVA	04/08/22	4.78	5.15	5.2	5.25
ING Financial Markets	04/08/22	5	5.25	5.5	5.6
RBC Capital Markets	04/07/22	4.85	4.5	4.75	5
MUFG	04/06/22	5.15	5.45	5.6	5.58
Barclays	03/30/22	4.95	5.3	5.1	5
Scotiabank	03/30/22	5.71	5.72	5.68	--
BNP Paribas	03/29/22	4.5	5	5	5.05
Landesbank Baden-Wuertt.	03/29/22	5.09	5.32	5.74	5.83
ABN Amro	03/28/22	5.5	5.5	5.5	5.4
CIBC	03/25/22	5.7	6	5.7	5.9
Silicon Valley Bank	02/28/22	5.2	5.18	5.15	--

USD/MXN

The Mexican Peso stumble 3.39% against the dollar throughout the course of the month, driven mostly by a risk-off mood and hawkishness around U.S. policymakers which keeps the dollar strengthened against most of its peers. However inflation reading continue to add pressure in Mexico as the Central Bank

survey showed an increase in inflation expectation by the end of 2022, up from 5.86% to 6.67%, while growth expectations are reduced by 0.03% down to 1.73%. The increase in the price forecast suggests that Banxico will extend its tightening policy in the coming monetary policy gathering.

What To Watch For This Month

05/12/2022 Central bank interest rate

Banxico will announce its decision on monetary policy to show its stance on the inflationary outlook of the economy.

05/25/2022 GDP Q1

The INEGI will release quarterly GDP results of value generated by all goods and services provided by the country. Previously 1.1% annually.

05/31/2022 Jobless rate (Apr)

The INEGI will announce the monthly unemployment rate results for April. Previously 3.5% monthly.

Economic Indicators

Banco de Mexico Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	4.80	1.95	2.10	2.00
CPI (YOY%)	5.68	6.50	4.40	3.70
Unemployment (%)	4.14	3.80	3.70	3.68

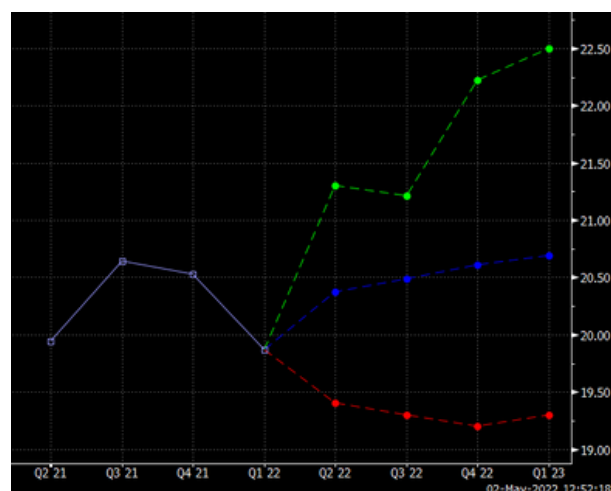


Historical Rates

USD/MXN

Market Consensus & Forecast

	Q2 22	Q3 22	Q4 22	Q1 23
Mean	20.37	20.49	20.61	20.69
High	21.3	21.21	22.22	22.5
Low	19.4	19.3	19.2	19.3



Consensus Forecast

Forecast by Institution

	As of:	Q1 22	Q3 22	Q4 22	Q1 23
Mizuho Bank	05/02/22	20.5	20.8	20.9	20.8
Prestige Economics LLC	05/02/22	20.3	20	19.8	20
Nomura Bank	04/29/22	20.3	20	19.8	--
TD Securities	04/28/22	20	19.75	19.8	20.3
Morgan Stanley	04/26/22	21.3	20.8	20.5	20.35
JPMorgan Chase	04/22/22	20.9	21.2	21.4	21.6
Rabobank	04/20/22	20.25	20.83	21	21.67
Citigroup	04/13/22	20	20.4	20.8	21
Banorte	04/11/22	21.25	21	21.3	--
BBVA	04/08/22	20.1	20.42	20.8	20.98
ING Financial Markets	04/08/22	20.25	20.5	20.5	20.5
RBC Capital Markets	04/07/22	20	20.63	20.5	20.96
MUFG	04/06/22	20.1	20.15	20.25	20.35
Barclays	03/30/22	20.5	20.2	20.1	20
Scotiabank	03/30/22	20.82	21.21	21.52	--
BNP Paribas	03/29/22	19.4	19.3	19.2	19.3
Landesbank Baden-Wuertt.	03/29/22	20.73	21.1	22.22	22.5
CIBC	03/25/22	22	22	21.5	21
Silicon Valley Bank	02/28/22	20.27	20.07	20.17	--
DZ Bank	01/18/22	21	20.83	20.58	--

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