

FX CONSENSUS FORECAST

A LOOK AT THE MONTH AHEAD

December 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

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

1 Park Row, Suite 403

Providence, Rhode Island 02903

Monday to Friday

8:30 am - 5:00 pm

QUICK GLANCE



The U.S. economy recovered more robustly than previously assumed in the third quarter as per the latest scorecard. The underlying support came from persistent consumer and business expenditure, as well as a strong labor market. Other data, though, paints a picture of a declining economy. In addition to the moderate rise, the newest report also revealed that business spending was weak. Large structures, such as office buildings and oil rigs, saw a dramatic drop in investment. The home market has also suffered as a result of rising interest rates. Meanwhile, there are fresh signs lately that the labor market expansion may be slowing, despite the fact that unemployment remains low. Finally, the Fed has signaled that it may slow down one of the most aggressive rate hikes in years since economists feel that rising interest rates have increased the odds of a recession next year.

Key details

The U.S. economy increased an annualized 2.9% quarter on quarter in Q3 2022, exceeding an original estimate of 2.6% and beating estimates of 2.7% due to upward revisions to consumer and corporate expenditure and net trade. The largest positive contribution came from net trade (2.93% points vs 2.77% points in the advance estimate), as imports fell more (-7.3% vs -6.9%) and exports climbed more (15.3% vs 14.4%). At the same period, consumer spending increased faster than expected (1.7% versus 1.4%), as increases in health care and "other" services offset a fall in spending on products, especially motor vehicles and food and beverages. Nonresidential investment also increased at a greater rate of 5.1% (vs. 3.7%), bolstered by equipment and intellectual property.

The data provides relief to economists concerned about the consumption sector of the economy, which accounts for roughly 70% of GDP and has recently indicated a slowdown. Still, the concern is not over, as consumer confidence fell again in November, most likely as a result of the recent increase in gas prices. According to the most recent data, the board's Consumer Confidence Index was 100.2 this month, down from 102.2 in October. Its Present Situation Index, which is based on consumers' perceptions of current business and labor market conditions, fell to 137.4 from 138.7 the previous month. This is an indicator that, going forward, it might reduce spending and hamper employment creation. Also, the housing market is crumbling, with residential investment falling for six consecutive quarters, the longest such streak since the 2006 housing market crash.

Moving on to the labor market, Private employment increased by 127,000 jobs in November, the smallest increase since January 2021, according to the ADP National Employment report released on Wednesday. Economists predicted a 200,000 increase in private jobs. In addition, according to a third Commerce Department report, the goods trade deficit increased 7.7% to \$99.0 billion last month. Goods exports fell 2.6% to \$173.7 billion. Fed rate hikes have harmed exports by strengthening the dollar, making US-made goods more expensive on the international market. That being said, the sharp increase in the deficit in October suggested that trade could be a drag on GDP in the fourth quarter.

In terms of inflation, new data reveal that PCE inflation decreased in October, supporting the Fed's decision to moderate the pace of interest rate rises. In October 2022, the personal consumption expenditure price index in the United States climbed by 6% year on year, down from 6.3% in September. It is the lowest reading of the year so far. On the monetary front, Powell stated that "slowing down at this point is a good way to balance risks" and that the Fed's rate rises may be scaled back as early as December. Following Powell's statements, market pricing indicated that the Fed funds rate would peak below 5% in May 2023, vs. previous estimates for a high above 5% in June. Nonetheless, Powell warned that managing inflation "would need maintaining policy at a restrictive level for some time." Traders are now looking forward to Friday's jobs report for an update on the labor market's health.

Finally, while the third-quarter growth spurt alleviated concerns that the United States is currently in a recession, many economists believe the economy will enter one early next year. High inflation and steep Federal Reserve interest rate hikes have already slowed key sources of growth, and the United States could draw into a tailspin as early as the fourth quarter.

US Dollar

The US dollar index fell 5.08% in November, the largest monthly drop since September 2010. Markets anticipate that the U.S. Federal Reserve will slow the pace of tightening to 50 basis points in December, following four consecutive 75 basis point increases. However, recent hawkish remarks from several Fed policymakers, including Louis Fed President James Bullard and his New York counterpart John Williams, have raised concerns about the rate path. Meanwhile, the latest data show that U.S. GDP growth was revised higher to 2.9% in Q3 from 2.6% previously. Simultaneously, second estimates showed that PCE prices slowed less than previously anticipated. The data provides compelling evidence for the Fed to slow down its rate hike engine. The key catalyst will be the Payroll report on Friday, which will show the strength of the labor market, which is one of the pillars of economic growth.

U.S. Stocks

US stocks posted their first back-to-back monthly gains since 2021, with a gradual upward trend punctuated by a sharp rally on November 30th. The S&P 500, Wall Street's benchmark index, gained 5.4% in November. The tech-heavy Nasdaq Composite index rose 4.4% last month. In October, the indices increased by 8% and 3.9%, respectively. This is supported by Federal Reserve Chair Jay Powell's recent speech, in which he suggested that it may be appropriate to slow the pace of interest rate increases. However, he added that the Fed still has "more ground to cover" in tightening monetary policy and warned against reading too much into the latest U.S. inflation report. Finally, he stated that there is a possibility of a softish landing in which labor markets cool, but the economy does not enter a recession. Going forward, it will be critical to see how the Fed slows down one of its most aggressive monetary tightening campaigns.

EUR/USD

In November, EUro increased by more than 5.4%, its strongest month since September 2010. The euro has benefited from a decline in the U.S. dollar as investors expect the Fed to delay the pace of tightening following its December meeting while also decreasing predictions for the fed funds rate peak. Meanwhile, it is unknown what the ECB will do at its next meeting.

The latest Eurozone inflation report showed that annual inflation slowed to 10% in November. The ECB remains committed to raising interest rates in order to slow price growth, but analysts are split on whether the central bank will raise borrowing costs by 75 basis points for the third time when it meets in December or opt for a smaller 50 basis point increase.

What To Watch For This Month

12/09/2022 Unemployment Rate

Unemployment readings will provide a good peak for market participants to assess the performance of the job market in the bloc expected to remain relatively unchanged at around 7.4%.

12/14/2022 H I C P

October figures released better than expected readings which removed pressure from the ECB to continue hiking rate so aggressively. The November reading will confirm whether inflation has peaked.

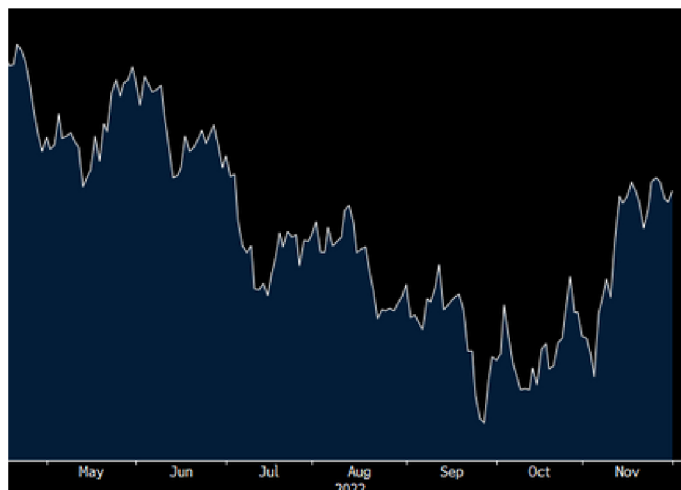
12/20/2022 Interest Rate Decision ECB

The European central bank will announce its interest rate decision taking into consideration inflation results and economic performance throughout the last month of the year.

Economic Indicators

ECB Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	5.30	3.10	0.90	1.90
CPI (YOY%)	2.60	8.10	5.50	2.30
Unemployment (%)	7.74	6.70	6.90	7.0

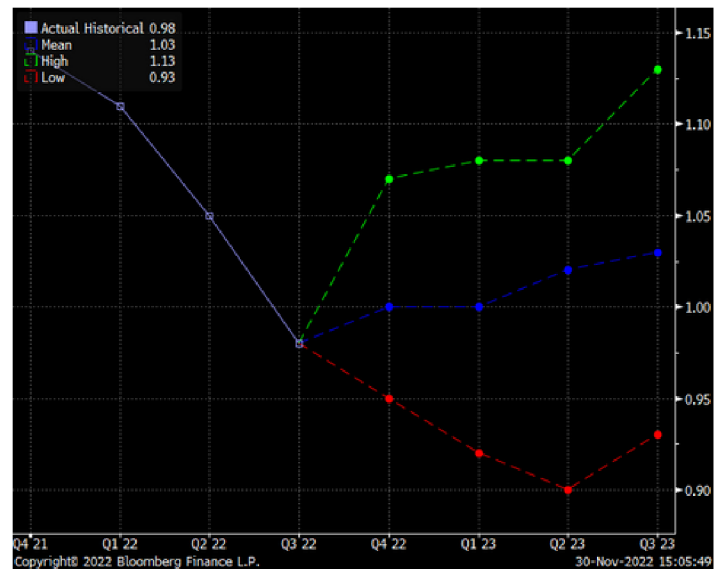


Historical Rates

EUR/USD

Market Consensus & Forecast

	Q1 23	Q2 23	Q3 23	Q4 23
Mean	1	1.02	1.04	1.06
High	1.08	1.08	1.13	1.15
Low	0.92	0.9	0.93	0.95



Consensus Forecast

Forecast by Institution

	As of:	Q1 23	Q2 23	Q3 23	Q4 23
BBVA	11/30/22	1.03	1.02	1.05	1.07
MPS Capital Services	11/30/22	1.05	1.06	1.08	1.1
Landesbank BW	11/28/22	0.97	0.93	0.95	0.97
Prestige Economics LLC	11/28/22	1.02	1.03	1.05	--
Commerzbank	11/25/22	1.04	1.06	1.08	1.1
Skandinaviska EB	11/24/22	0.99	1	1.02	1.04
Cinkciarz.pl	11/23/22	1.05	1.07	1.09	1.11
JPMorgan Chase	11/23/22	0.95	0.95	1	1
Barclays	11/22/22	0.98	1	1.03	1.05
NAB/BNZ	11/22/22	1.06	1.08	1.13	1.15
Morgan Stanley	11/21/22	1.02	1.04	1.06	1.08
UniCredit	11/21/22	1	1.03	1.05	1.07
Wells Fargo	11/21/22	0.98	0.99	1.01	1.03
ING Financial Markets	11/18/22	0.95	0.98	1	1.1
Nomura Bank International	11/18/22	1.08	1.08	--	1.1
Rabobank	11/18/22	0.95	0.95	0.95	1.18
Swedbank	11/18/22	1.04	1.06	1.08	1.1
BNP Paribas	11/17/22	1.01	1	1.03	1.06
Standard Chartered	11/15/22	1.04	1.06	1.09	1.1
Mizuho Bank	11/11/22	0.98	1	1.01	--
ABN Amro	11/10/22	1.02	1.05	1.07	1.08

USD/JPY

The Japanese Yen has recovered from prior months' losses and is now up 7.63% against the U.S. dollar in November. As a result, the Yen has reached a three-month high after Federal Reserve Chair Jerome Powell hinted at a slower pace of US rate increases as early as December. On the monetary front, Bank of Japan board member Asahi Noguchi said

the central bank might "pre-emptively" withdraw monetary assistance if trend inflation hits 2% for an extended period but warned that wage growth will likely take longer. Meanwhile, BOJ Governor Haruhiko Kuroda has repeatedly emphasized the importance of maintaining the bank's enormous stimulus until salaries increase sufficiently to compensate for growing living costs.

What To Watch For This Month

12/07/2022 GDP Annualized

The economy posted -1.2% annualized contraction in the last quarter and expectations are set at -1.1% in the upcoming release. A surprise on the upside would underpin a JPY appreciation.

12/20/2022 BoJ Policy Balance Rate

Japanese policymakers have vowed to keep monetary policy unchanged for the time being and we expect no changes from the central. A further increase in inflation could trigger a shift.

12/22/2022 National CPI (Nov)

Inflation has finally shown signs of materiality increasing after decades of no inflation in the country. A further increase could trigger a shift in monetary policy.

Economic Indicators

Bank of Japan Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	1.80	2.0	1.90	1.50
CPI (YOY%)	-0.25	--	--	--
Unemployment (%)	2.82	2.57	2.57	2.57

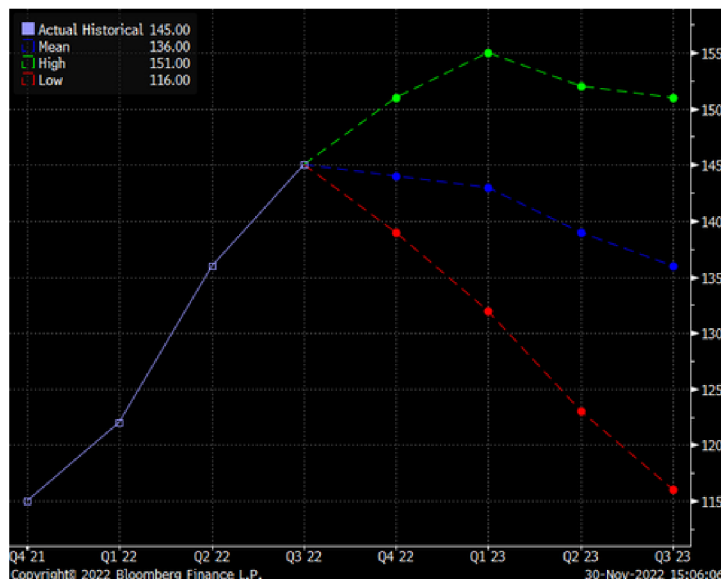


Historical Rates

USD/JPY

Market Consensus & Forecast

	Q1 23	Q2 23	Q3 23	Q4 23
Mean	142	139	135	132
High	155	152	151	148
Low	132	123	116	115



Consensus Forecast

Forecast by Institution

	As of:	Q1 23	Q2 23	Q3 23	Q4 23
BBVA	11/30/22	139	136	133	130
MPS Capital Services	11/30/22	137	132	126	122
Landesbank BW	11/28/22	148	152	151	148
Commerzbank	11/25/22	138	137	136	135
Skandinaviska EB	11/24/22	144	138	131	125
Cinkciarz.pl	11/23/22	137	134	130	128
JPMorgan Chase	11/23/22	140	138	135	133
Barclays	11/22/22	145	141	136	125
Morgan Stanley	11/21/22	146	145	141	140
UniCredit	11/21/22	143	140	138	137
Wells Fargo	11/21/22	145	143	141	138
ING Financial Markets	11/18/22	145	140	135	125
Nomura Bank International	11/18/22	135	130	123	125
Rabobank	11/18/22	150	147	138	121
Swedbank	11/18/22	140	135	135	130
BNP Paribas	11/17/22	140	138	133	128
Standard Chartered	11/15/22	138	135	132	130
Danske Bank	11/14/22	141	137	132	--
Capital Economics	11/11/22	143	140	138	135
Mizuho Bank	11/11/22	151	148	149	--
ABN Amro	11/10/22	142	140	137	132

GBP/USD

The British pound extended its gains from the previous month and finished November with a 5% gain as investors assessed the monetary policy outlook and words from Federal Reserve officials. Meanwhile, the Bank of England started selling bonds purchased during Liz Truss's turbulent tenure as Prime Minister on November 29th.

This comes after Chancellor Jeremy Hunt regained UK economic credibility by detailing a £55 billion programme of tax increases and spending cutbacks in the Autumn Budget Statement. The next Bank of England monetary policy announcement is coming on December 15th, and most investors anticipate a 50bps rate hike, with some expecting a 75bps increase.



What To Watch For This Month

12/12/2022 Rightmove House Price Balance

As the number of mortgages showed a significant increase in October. Market participants will remain wary of its repercussions in the real estate market and prices.

12/13/2022 ILO Unemployment Rate 3Months

Bank of England officials raised concerns about the condition of the labour market and how the shortages in labour are impacting salaries and underpinning inflation.

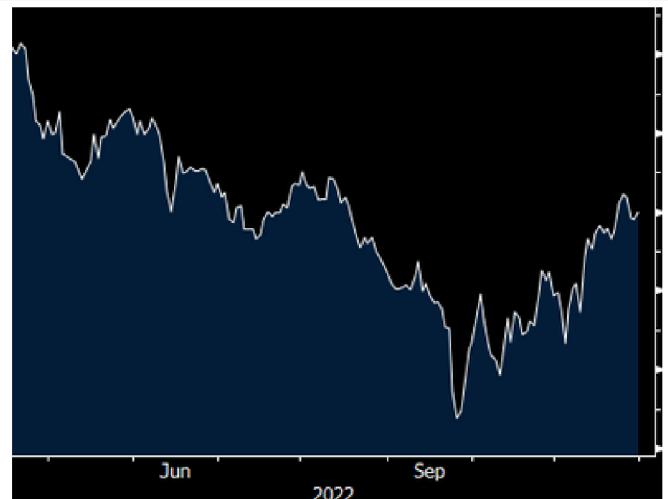
12/14/2022 CPI (November)

National Statistics will release the CPI for October, which will reflect changes in the prices of goods and services. Previously 11.1% annually.

Economic Indicators

Bank of England Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	8.48	4.25	-1.50	-1.0
CPI (YOY%)	2.58	10.75	5.25	1.50
Unemployment (%)	4.60	3.75	5.0	5.75

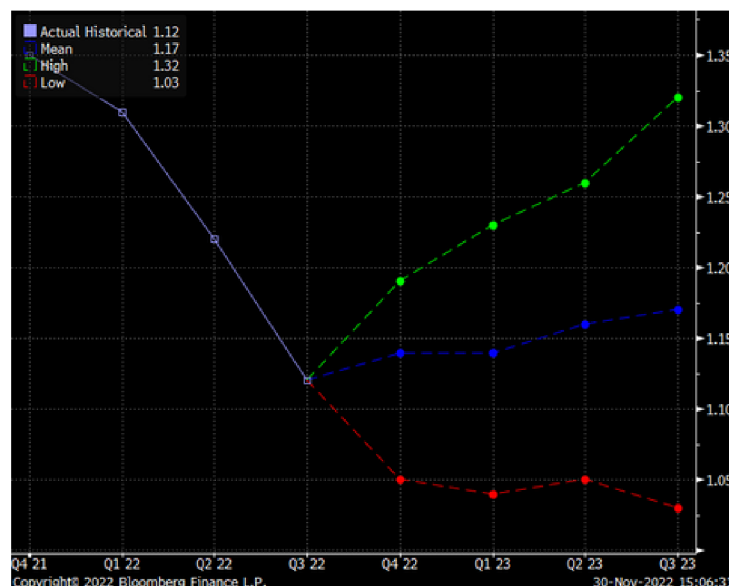


Historical Rates

GBP/USD

Market Consensus & Forecast

	Q1 23	Q2 23	Q3 23	Q4 23
Mean	1.14	1.16	1.17	1.2
High	1.23	1.26	1.32	1.28
Low	1.04	1.05	1.03	1.08



Consensus Forecast

Forecast by Institution

	As of:	Q1 23	Q2 23	Q3 23	Q4 23
BBVA	11/30/22	1.14	1.14	1.19	1.26
MPS Capital Services	11/30/22	1.17	1.19	1.23	1.26
Landesbank BW	11/28/22	1.17	1.13	1.17	1.21
Prestige Economics LLC	11/28/22	1.14	1.2	1.21	--
Commerzbank	11/25/22	1.17	1.18	1.2	1.21
Skandinaviska EB	11/24/22	1.14	1.14	1.15	1.16
Cinkciarz.pl	11/23/22	1.19	1.2	1.21	1.23
JPMorgan Chase	11/23/22	1.14	1.11	1.08	1.08
Barclays	11/22/22	1.13	1.15	1.18	1.21
NAB/BNZ	11/22/22	1.21	1.23	1.27	1.28
Morgan Stanley	11/21/22	1.13	1.14	1.15	1.16
UniCredit	11/21/22	1.15	1.18	1.2	1.21
Wells Fargo	11/21/22	1.13	1.14	1.15	1.17
ING Financial Markets	11/18/22	1.07	1.11	1.14	1.25
Nomura Bank International	11/18/22	1.19	1.2	--	1.25
Rabobank	11/18/22	1.07	1.05	1.03	1.37
Swedbank	11/18/22	1.2	1.22	1.24	1.28
BNP Paribas	11/17/22	1.09	1.08	1.11	1.14
TD Securities	11/16/22	1.09	1.1	1.14	1.18
Standard Chartered	11/15/22	1.19	1.2	1.22	1.23
Danske Bank	11/14/22	1.1	1.09	1.08	--

USD/CHF

The Swiss Franc rallied over 5.5% in November against the dollar amid a broader pullback in inflation figures in the U.S. which have triggered a softer tone around the upcoming interest rate hike. As investors anticipate more accommodative Federal Reserve capital flows flee the greenback underpinning the CHF.

However, inflation in Switzerland is alive and kicking, which will endorse market expectation for another interest rate hike from the SNB in December. Consumer Prices rose 3% while PMI readings remain above the 50+ mark suggesting solid fundamentals.

What To Watch For This Month

12/07/2022 Unemployment Rate

Market participants will stay close to Swiss fundamental in order to anticipate any risk drivers. Unemployment is expected to increase from 2.9% to 2.1% in December.

12/07/2022 Foreign Currency Reserves

Foreign Currency Reserves were reported at CHF 817.2 Billion. If U.S. stock markets extend recovery we could see these Reserves increase in the next report.

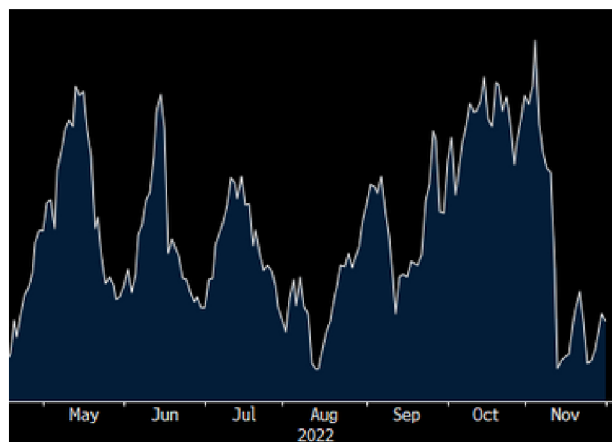
12/15/2022 Swiss National Bank Policy Rate

The Swiss National Bank is expected to increase the policy rate amid CPI readings coming at expectations of 3%.

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	--

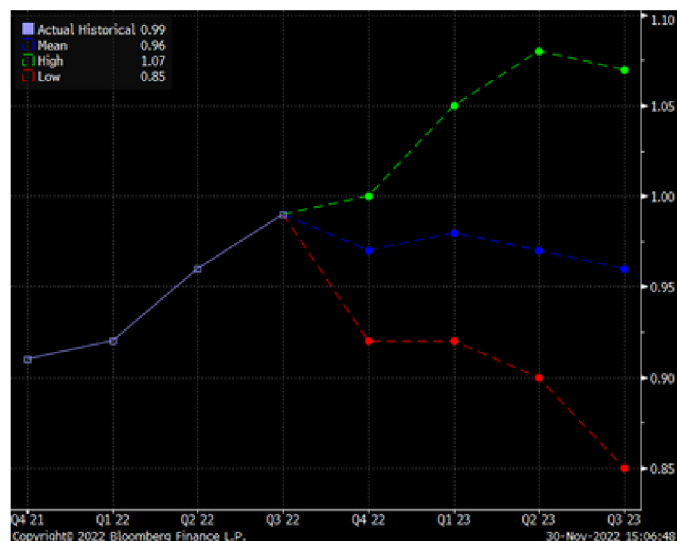


Historical Rates

USD/CHF

Market Consensus & Forecast

	Q1 23	Q2 23	Q3 23	Q4 23
Mean	0.97	0.97	0.96	0.95
High	1.05	1.08	1.07	1.05
Low	0.92	0.9	0.85	0.83



Consensus Forecast

Forecast by Institution

	As of:	Q1 23	Q2 23	Q3 23	Q4 23
BBVA	11/30/22	0.97	1	1	1.01
MPS Capital Services	11/30/22	0.92	0.94	0.94	0.94
Landesbank BW	11/28/22	1	1.05	1.03	1.01
Prestige Economics LLC	11/28/22	0.98	0.95	0.94	--
Commerzbank	11/25/22	0.94	0.93	0.93	0.92
Skandinaviska EB	11/24/22	0.95	0.95	0.95	0.96
Cinkciarz.pl	11/23/22	0.93	0.93	0.92	0.91
JPMorgan Chase	11/23/22	1	0.98	0.92	0.92
Barclays	11/22/22	0.99	0.97	0.95	1
NAB/BNZ	11/22/22	0.92	0.9	0.85	0.83
Morgan Stanley	11/21/22	0.97	0.96	0.95	0.94
Wells Fargo	11/21/22	0.99	0.98	0.95	0.94
Nomura Bank International	11/18/22	0.93	0.94	--	0.97
Rabobank	11/18/22	1.04	1.05	1.07	0.97
Swedbank	11/18/22	0.95	0.95	0.94	1
BNP Paribas	11/17/22	0.96	0.95	0.91	0.88
Standard Chartered	11/15/22	0.97	0.99	0.98	0.97

USD/CAD

The Canadian Dollar strengthened in November against the greenback despite a pullback in Crude oil prices of 8%. The Loonie closed out November 1.56% higher mainly underpinned by a softer tone from the Federal Reserve in regard to its upcoming rate hike which has helped deflate an overbought dollar against most its peers.

However, the Bank of Canada has leeway to end its interest rate hiking cycle in the coming months even if the Federal Reserve keeps pushing borrowing costs higher next year. Several economists believe that the Fed can leave their benchmark rate 100bps lower than the Fed., signaled a survey from the BoC.

What To Watch For This Month

12/02/2022 Unemployment Rate

Unemployment reading are expected to edge higher in December, raising from 5.2% to 5.3%.

12/07/2022 Bank of Canada Rate Decision.

Canadian policymakers are set to tightened further monetary policy in an attempt to curb inflation. Market participants expect a 50 bps hike.

12/23/2022 GDP

The last growth reading of the year will take place on the 23rd Dec. Previous reading showed that the economy grew 3.9% in a yearly basis.

Economic Indicators

Bank of Canada Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	5.20	3.30	0.90	2.00
CPI (YOY%)	3.40	6.90	4.10	2.20
Unemployment (%)	7.43	--	--	--

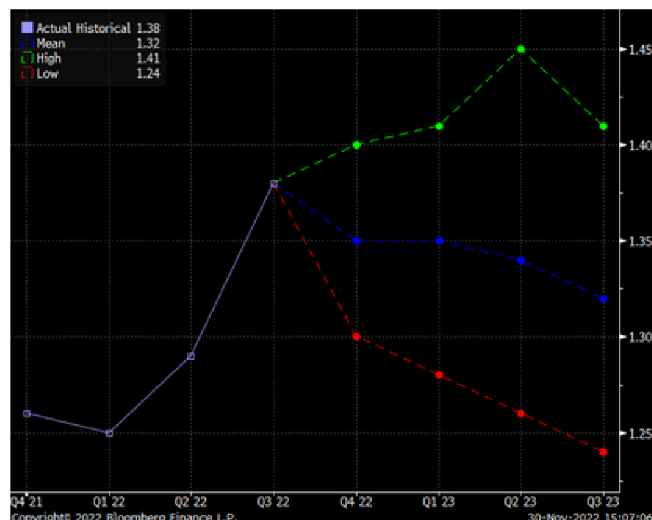


Historical Rates

USD/CAD

Market Consensus & Forecast

	Q1 23	Q2 23	Q3 23	Q4 23
Mean	1.35	1.34	1.32	1.31
High	1.41	1.45	1.41	1.43
Low	1.28	1.26	1.24	1.24



Consensus Forecast

Forecast by Institution

	As of:	Q1 23	Q2 23	Q3 23	Q4 23
BBVA	11/30/22	1.33	1.32	1.3	1.29
MPS Capital Services	11/30/22	1.38	1.4	1.41	1.43
Landesbank BW.	11/28/22	1.41	1.45	1.41	1.37
Prestige Economics LLC	11/28/22	1.34	1.32	1.3	--
Commerzbank	11/25/22	1.34	1.32	1.3	1.28
Skandinaviska EB	11/24/22	1.35	1.32	1.28	1.26
Cinkciarz.pl	11/23/22	1.3	1.29	1.28	1.27
JPMorgan Chase	11/23/22	1.32	1.35	1.4	1.4
Barclays	11/22/22	1.36	1.35	1.34	1.27
NAB/BNZ	11/22/22	1.29	1.26	1.24	1.24
Morgan Stanley	11/21/22	1.35	1.33	1.31	1.29
UniCredit	11/21/22	1.32	1.31	1.3	1.28
Wells Fargo	11/21/22	1.38	1.37	1.35	1.33
ING Financial Markets	11/18/22	1.32	1.3	1.26	1.22
Nomura Bank International	11/18/22	1.39	1.38	--	1.36
Rabobank	11/18/22	1.37	1.36	1.35	1.28
Swedbank	11/18/22	1.32	1.3	1.28	1.25
BNP Paribas	11/17/22	1.35	1.36	1.35	1.34
Standard Chartered	11/15/22	1.3	1.28	1.27	1.26
Danske Bank	11/14/22	1.39	1.39	1.39	--

USD/CNY

We have witnessed an uncommon correction in commodities which correlates with Loonie's behavior throughout the course of November. The West Texas Intermediate fell over 8% which removed support from the loonie as it capitalized 1.56% against the dollar.

Looking ahead, the short-term outlook for the currency is positive, with expectations that China eases its hardline stance on virus curbs boost sentiment, while slowing of US rates hikes could weigh on the Dollar.

What To Watch For This Month

12/09/2022 CPI (Nov)

Inflation is expected to continue dropping in China from 2.1% down to 1% in November.

12/20/2022 PBoC Interest Rate decision

Policymakers are likely to maintain monetary policy at 3.65%, although depending on the short-term impact of the ongoing protest we could see the PBoC taking action.

12/31/2022 Manufacturing PMI

CFLP will issue September NBS and Non-Manufacturing data to demonstrate the health of the manufacturing sector.

Economic Indicators

People's Bank of China Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	8.10	3.30	4.90	4.89
CPI (YOY%)	0.92	2.20	2.30	2.10
Unemployment (%)	3.96	4.10	4.0	4.0

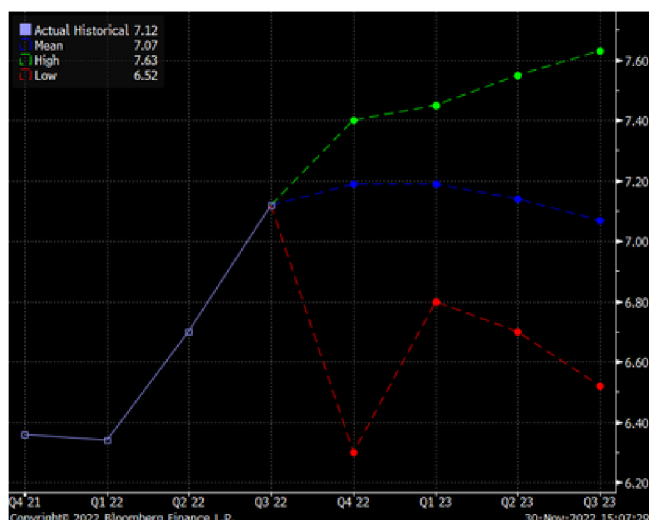


Historical Rates

USD/CNY

Market Consensus & Forecast

	Q1 23	Q2 23	Q3 23	Q4 23
Mean	7.19	7.14	7.06	6.97
High	7.45	7.55	7.63	7.63
Low	6.8	6.7	6.52	6.5



Consensus Forecast

Forecast by Institution

	As of:	Q1 23	Q2 23	Q3 23	Q4 23
BBVA	11/30/22	7.14	7.14	7.18	7.24
MPS Capital Services	11/30/22	7.2	7	6.85	6.8
Landesbank B-W	11/28/22	7.42	7.53	7.63	7.63
Commerzbank	11/25/22	7.25	7.2	7.1	7.05
Skandinaviska EB.	11/24/22	7.19	7.08	6.96	6.85
Cinkciarz.pl	11/23/22	7.1	7	6.9	6.8
JPMorgan Chase	11/23/22	7.15	7.2	7.2	7.2
Standard Chartered	11/23/22	7.05	7.1	7	6.95
Barclays	11/22/22	6.9	7.4	7.5	6.8
NAB/BNZ	11/22/22	7	6.75	6.65	6.6
Morgan Stanley	11/21/22	7.05	6.9	6.85	6.8
UniCredit	11/21/22	7.18	7.15	7.1	7.05
Wells Fargo	11/21/22	7.2	7.2	7.15	7.1
ING Financial Markets	11/18/22	7.35	7.25	7.18	6.1
Nomura Bank International	11/18/22	7.4	7.2	--	6.9
Rabobank	11/18/22	7.27	7.32	7.3	6.75
BNP Paribas	11/17/22	7.25	7.2	7	6.9
Danske Bank	11/14/22	7.4	7.49	7.57	--
Capital Economics	11/11/22	7.3	7.2	7.1	7
Mizuho Bank	11/11/22	7.2	7.2	7.15	--
ABN Amro	11/10/22	7.2	7.15	7.1	7

USD/BRL

The Brazilian Real printed strong fluctuations during the last month, but the currency outperformed its LatAm peers in November. Market participants priced in a global risk-on sentiment and the domestic political environment in the country. It seems to be a consensus among traders and investors that former São Paulo mayor, Fernando Haddad, will be the next finance minister. Thus, it might be already priced in and an official announcement is likely to have a limited impact on markets. Looking ahead, the market will continue to price the fiscal responsibility narrative, with the elected-President Lula trying to circumvent the spending cap rules.

What To Watch For This Month

12/01/2022 Gross Domestic Product

IBGE released Gross Domestic Product readings at 3.6% vs 3.7% previously anticipated for Q3 missing expectations by 0.1%.

12/07/2022 Interest Rate Decision

The BCB is expected to hold interest rates unchanged at 13.75% as they have previously said that the tightening cycle was concluded.

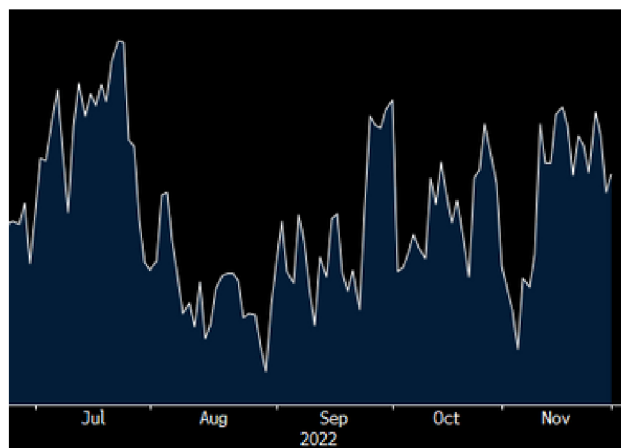
12/28/2022 Unemployment level

The IBGE will release October unemployment figures. Previously 8.3%.

Economic Indicators

Brazil's Central Bank Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	4.81	2.70	0.80	1.90
CPI (YOY%)	8.29	9.30	4.90	3.90
Policy Rate (%)	9.25	13.75	11.05	8.25

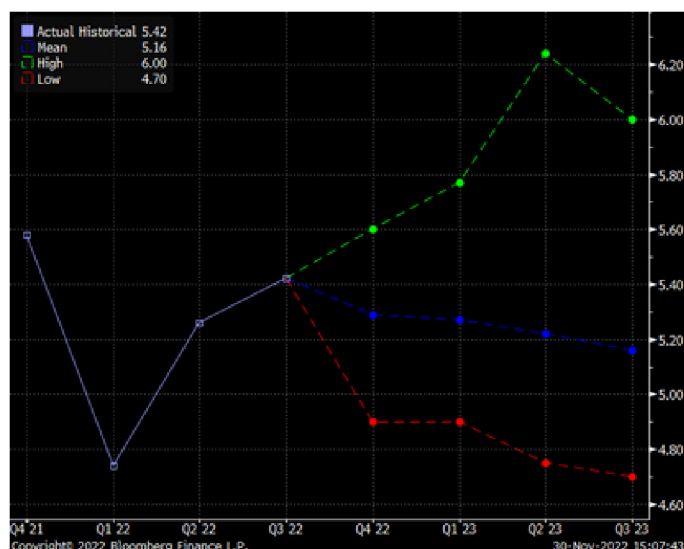


Historical Rates

USD/BRL

Market Consensus & Forecast

	Q1 23	Q2 23	Q4 23	Q4 23
Mean	5.29	5.27	5.22	5.16
High	5.6	5.77	6.24	6
Low	4.9	4.9	4.75	4.7



Consensus Forecast

Forecast by Institution

	As of:	Q1 23	Q2 23	Q3 23	Q4 23
Landesbank B-H	11/28/22	5.4	5.77	6.24	6
Prestige Economics LLC	11/28/22	5.5	5.4	5.36	5.33
BBVA	11/25/22	5.26	5.2	5.12	5.16
Cinkciarz.pl	11/23/22	5.4	5.2	4.95	4.75
JPMorgan Chase	11/23/22	5.3	5.25	5.15	5.25
Barclays	11/22/22	5.25	5.25	4.9	4.8
Morgan Stanley	11/21/22	4.9	4.95	5	5.1
Wells Fargo	11/21/22	5.35	5.35	5.25	5.15
ING Financial Markets	11/18/22	5.5	5.75	5.8	5.9
Nomura Bank International	11/18/22	5.6	5.55	5.5	--
Rabobank	11/18/22	5.3	5.18	5.17	5.22
BNP Paribas	11/17/22	4.9	5.3	5.3	5.2
Standard Chartered	11/15/22	5.1	5.05	5	4.95
Capital Economics	11/11/22	5.25	5.38	5.5	5.38
Mizuho Bank	11/11/22	5.2	5.05	4.98	4.9
ABN Amro	11/10/22	5	4.9	4.8	4.7
Amdocs Development Ltd	11/03/22	5.2	5.25	5.35	--
MUFG	11/03/22	5.6	5.58	5.55	5.53
RBC Capital Markets	11/03/22	5.13	5	4.75	5
Citigroup	09/20/22	5.28	5.27	5.25	5.24

USD/MXN



Investors have ratified that the Mexican Peso is preferred compared to other currency peers in the region, given its high-interest rate and low volatility. Thus, carry trade strategies boost the demand for the peso and provide an interesting support to the currency. In November, Banxico released its inflation report for the third quarter and mentioned that the effect of the war in Ukraine on prices is persistent and it will take longer for the international supply chain to recover. Moreover, Mexico's central bank stated that new rate hikes will depend on the domestic price levels. Thus, Banxico is likely to continue its tightening cycle which provides support to the Mexico peso.

What To Watch For This Month

12/05/2022 Consumer Confidence

Amid the latest flows in foreign direct investment, market participants will remain tuned of these reflecting on other indicators in the economy.

12/20/2022 Retail Sales (Sep)

The INEGI will publish retail sales data for September. Previously 3.3% annually.

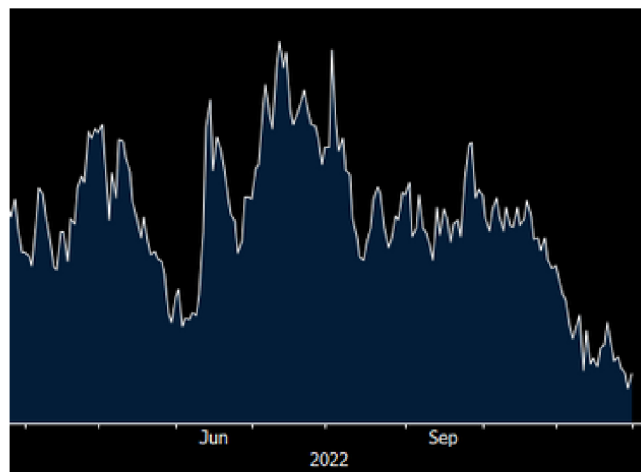
12/28/2022 Jobless Rate

INEGI is set to release the number of unemployed workers in the economy compared to the active workers in the economy. The previous report was 3.3%.

Economic Indicators

Banco de Mexico Forecast

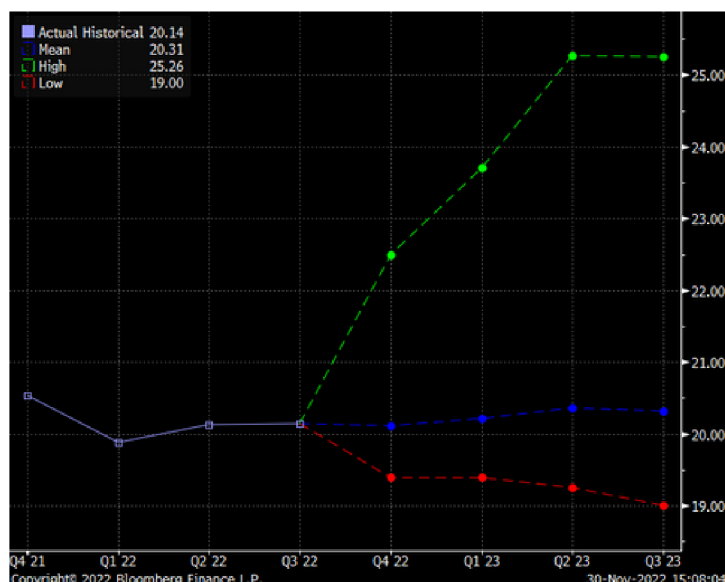
Forecast	2021	2022	2023	2024
Real GDP (YOY%)	4.80	2.50	1.0	2.0
CPI (YOY%)	5.68	8.0	5.50	3.87
Unemployment (%)	4.14	3.50	3.59	3.70



USD/MXN

Market Consensus & Forecast

	Q1 23	Q2 23	Q3 23	Q4 23
Mean	20.11	20.21	20.36	20.31
High	22.5	23.71	25.27	25.26
Low	19.39	19.4	19.25	19.00



Consensus Forecast

Forecast by Institution

	As of:	Q1 23	Q2 23	Q3 23	Q4 23
Landesbank B-W	11/28/22	22.5	23.71	25.27	25.26
BBVA	11/25/22	19.39	19.55	19.44	19.66
Cinkciarz.pl	11/23/22	19.5	20	20.5	21
JPMorgan Chase	11/23/22	20.25	19.5	19.5	19.75
Barclays	11/22/22	19.75	19.5	19.25	19
Morgan Stanley	11/21/22	19.7	19.65	19.6	20.15
Wells Fargo	11/21/22	19.5	19.5	19.25	19
Banorte	11/18/22	20.7	20.88	22.5	21.82
ING Financial Markets	11/18/22	20	20	19.5	19.25
Nomura	11/18/22	19.8	19.7	19.7	--
Rabobank	11/18/22	20.8	20.83	21.33	21
BNP Paribas	11/17/22	20	20	20.5	20.5
Standard Chartered	11/15/22	19.45	19.4	19.35	19.25
Mizuho Bank	11/11/22	20.4	20.5	20.6	20.8
MUFG	11/03/22	20.2	20.3	20.35	20.4
Mouvement Desjardins	10/28/22	20.5	20.75	20.5	20.25
Canadian Imperial Commerce	10/12/22	21.5	21	21.5	21.3
Citigroup	09/20/22	20.6	20.8	21	21.1

GET IN TOUCH

P: 800 239 2389

E: usdealers@moneycorp.com

1 Park Row, Suite 403

Providence, Rhode Island 02903

Monday to Thursday

8:30 am - 8:00 pm EST

Friday

8:30 am - 5:00 pm EST

