

FX

CONSENSUS FORECAST

A LOOK AT THE MONTH AHEAD

September 2022

moneycorp 

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QUICK GLANCE



The U.S. economy began the second half of 2022 on a more solid basis than anticipated. The second-quarter economic output decline was less severe than expected, owing to higher consumer spending, private investment, and a tight labor market. Meanwhile, inflation showed signs of slowing, but not enough to breathe a sigh of relief, and the Fed maintained its hawkish stance to curb record-high price pressures.

According to revised figures published by the U.S. Bureau of Economic Analysis, the nation's Gross Domestic Product (the broadest measure of economic activity) fell 0.6% from April to June. The advance estimate given in July, which indicated a 0.9% decline, was revised upward.

The updated GDP update includes a decline in inventory investment, housing investment, federal government spending, and state and local government spending. These were partially offset by robust exports and increased consumer spending, which accounts for the most economical production. Consumer spending grew 1.5% in the second quarter, up from a previous estimate of 1%. Also, inventory investment was less drag on growth.

Despite the revision, the current estimates reflect an economy that has contracted for two consecutive quarters. This threshold is often regarded as an unofficial indicator of a recession (the official arbiter is a panel of National Bureau of Economic Research economists who consider an array of economic indicators).

Many economists, however, do not believe the United States is in a recession. Instead, they point to a robust labor market and increased consumer and company spending, production, and revenue. For example, the Labor Department reported Thursday that initial jobless claims, a barometer for layoffs, fell to a seasonally adjusted 243,000 from a revised 245,000 the prior week. After increasing from a 50-year low in March, the weekly total has remained close to 250,000 since early July. Also, the employers gained 528,000 jobs in July, completing the recoupment of the 22 million employees lost in the first months of 2020. The unemployment rate in the United States has fallen to 3.5%, matching a 50-year low.

Still, the new GDP data indicated that the property market faltered due to higher borrowing prices. According to the Commerce Department, residential investment declined at a 16.2% rate in the second quarter, worse than the earlier predicted 14% decline due to a decrease in real-estate brokers' commissions.

Furthermore, other recent economic data suggest a slowdown: An S&P Global purchasing managers index, which gauges manufacturing and service activity, was 45.0 in August, down from 47.7 in July, indicating a contraction. Both business and consumer expenditures are easing lately. Also, overall retail sales, which include spending in stores, online, and in restaurants, were flat in July.

Thus, the varied nature of the data makes it difficult to declare that we are in the midst of a recession. However, one thing is sure: economic growth has paused or slowed for a while, according to the most recent statistics.

All of this is based on the second estimate for quarterly GDP statistics. The third revision, due in September, will shed more light on economic growth with more comprehensive data.

In the meantime, inflation has been exceptionally high in recent months, eroding not only wage increases, purchasing power, and savings accounts but also Americans' optimism about the economy's path.

As part of its efforts to cool inflation and slow demand, the Federal Reserve has raised interest rates several times. According to the Fed's preferred measure, annual inflation fell to 6.3% in July from 6.8% in June, partly due to lower energy prices.

This leads many to believe that the inflation slowdown will be prolonged and that the Fed will be able to scale back its interest-rate hike campaign. However, during the Jackson Hole conference, Fed Chairman Jerome Powell warned that "a single month's improvement falls far short" of what he needs to determine that inflation is returning to the Fed's 2% target. He also stated that rate hikes would continue for some time, raising the likelihood of a 75 basis point hike at the next meeting.

His warning deflated the market's enthusiasm for now. Following his aggressive remarks, experts state that if inflation does not fall and the Fed responds with additional, substantial interest-rate rises, then the United States may be on the verge of an unmistakable downturn that everyone agrees on calling a recession. Thus what happens next will be heavily influenced by inflation's behavior during the next few months.

The Dollar index is extending its July upswing. It is currently on track for a third consecutive monthly gain, supported by robust expectations that the Federal Reserve will keep interest rates raised until inflation returns to the target range. The index has risen 2.4% this month and is anticipated to climb higher, supported by Fed officials' hawkish tone. Recently, Fed's Mester stated on Wednesday that the central bank will need to boost the fed funds rate by 4% in early 2023 and maintain it there to combat skyrocketing inflation.

Meanwhile, supporting the hawkish Fed was recent data suggesting that job opportunities in the United States surged in July, and consumer confidence rebounded considerably in August; moving forward, the Fed's decision to raise interest rates by 75 basis points will be focused on the inflation outlook rather than the monthly jobs data due on Friday. Nonetheless, the U.S. nonfarm payrolls report is projected to indicate that the economy added 300,000 jobs in August and might strengthen the case for rate hikes for the Fed.

What started as a solid month for the three major averages is set to end on a down one. The Dow and S&P 500 are finishing approximately 3% lower in August. The Nasdaq is expected to close down nearly 4%. Investors have been discussing whether the economy is in a recession or moving toward one for weeks, and many believed that a downturn would give the Fed cause to ease off on its rate hike schedule. Since Powell's hawkish remarks on the Jackson hole symposium, stocks have been falling precipitously. In addition, Cleveland Fed President Loretta Mester stated recently that benchmark interest rates would rise over 4% by early next year. Volatility has escalated since the Fed's last signal, taking many investors' breath away, but a few indicators provide hope, such as the rise in Treasury yields. Moving forward, economic data releases and the Fed's tone about rate hikes to combat inflation will drive U.S. equities.

EUR/USD

The Euro is down 1.61% against the US dollar as investors assess growth concerns and the likelihood that the ECB will continue to raise interest rates quicker. Recent data suggest that Eurozone inflation rose faster than predicted this month, increasing the likelihood that the ECB will raise interest rates by 75 basis points when it meets next week.

Nonetheless, numerous ECB members have recently argued for a significant rate hike. On the other hand, fears of a European recession are growing as the energy crisis worsens, putting pressure on the common currency. Russia has halted natural gas shipments through the Nord Stream 1 pipeline for a three-day maintenance period.

What To Watch For This Month

09/01/2022 *Unemployment Rate (Jul)*

Unemployment in the Euro Area seems to have found a happy medium at 6.6% after hitting that mark for three straight months. This is once again the expectation for July,

09/08/2022 *ECB interest rate decision*

Markets imply that an additional 50bp hike in September is fully priced in, with a 66% chance of an additional 25bp.

09/16/2022 *CPI (Aug)*

The yearly CPI number looks to break a 7-month streak of equal or higher inflation. Last month, CPI hit an all-time high of 9.1%. This month's forecast is for an 8.9% rise.

Economic Indicators

Bank of Japan Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	5.30	2.80	2.10	2.1
CPI (YOY%)	2.6	6.80	3.50	2.1
Unemployment (%)	7.72	6.80	6.80	6.7

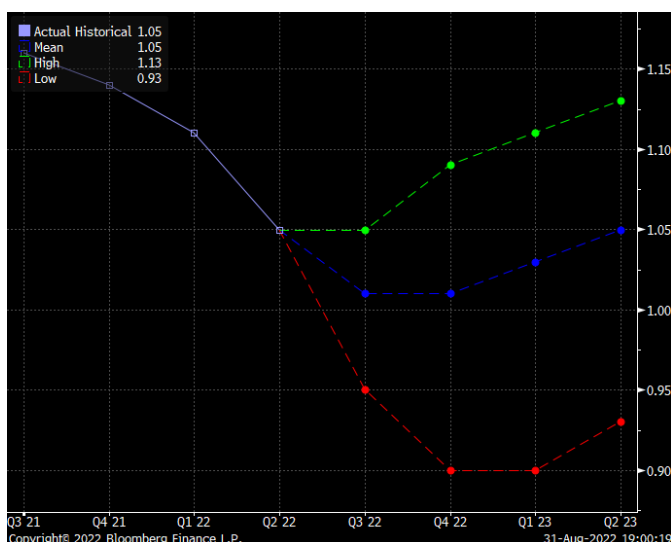


Historical Rates

EUR/USD

Market Consensus & Forecast

	Q3 22	Q4 22	Q1 23	Q2 23
Mean	1.01	1.01	1.03	1.05
High	1.05	1.09	1.11	1.13
Low	0.95	0.9	0.9	0.93



Consensus Forecast

Forecast by Institution

	As of:	Q3 22	Q4 22	Q1 23	Q2 23
Credit Agricole CIB	08/30/22	1.01	1.02	1.03	1.05
Handelsbanken	08/30/22	1	0.98	0.98	--
Nomura Bank International	08/29/22	0.98	0.9	0.9	0.93
Prestige Economics LLC	08/29/22	0.95	0.97	0.96	0.97
SEB	08/26/22	1	0.95	0.98	1.02
Monex USA Corp	08/26/22	1.05	1.06	1.06	1.07
DNB	08/25/22	0.98	0.98	1.05	1.12
Rabobank	08/25/22	0.95	1.02	1.06	1.07
ABN Amro	08/19/22	1.02	1	1.02	1.05
CBA	08/19/22	1.03	1.01	0.99	0.98
JPMorgan Chase	08/19/22	0.97	0.95	0.98	1.02
Swedbank	08/19/22	1	0.99	1.02	1.07
Danske Bank	08/17/22	0.99	0.97	0.96	0.95
Sumitomo Mitsui Trust Bank	08/16/22	1.04	1.06	1.08	1.08
BBVA	08/12/22	1.03	1.03	1.04	1.05
Citigroup	08/12/22	0.99	1.02	1.04	1.06
Commerzbank	08/12/22	1	0.98	0.98	1.02
CIBC	08/05/22	0.99	1	1.03	1.05
Investec	08/05/22	1.02	1.05	1.06	1.06
Landesbank Baden-Wuerttemberg	08/05/22	0.98	1	1.01	1.02
MUFG	08/04/22	0.99	1.02	1.08	1.1

USD/JPY

In August, the Japanese yen was down more than 4% against the US dollar. The lengthy downturn was precipitated by Federal Reserve Chair Jerome Powell's firm commitment to lowering inflation by maintaining US interest rates higher for a longer period of time. The yen also fell after Bank of Japan Governor Haruhiko Kuroda stated in a speech at the Jackson Hole conference over the weekend that Japan's accommodating policy will

most likely continue

He noted that rising inflation in the country has been primarily driven by foreign factors and that the bank expects consumer prices to slow to 1.5% next year. Furthermore, BOJ board member Junko Nakagawa emphasized the necessity to keep policy ultra-loose for the time being in view of dangers to Japan's frail economy, such as growing living costs.

What To Watch For This Month

09/05/2022 Household Spending (Jul)

Investors will keep an eye open to household spending to track consumer activity adjusted to inflation. The previous reading showed a 3.5% rise.

09/07/2022 GDP (QoQ) (Q2)

The Japanese economy is expected to have contracted by 0.3% in the upcoming release. This will be key for policymakers to assess stimulus.

09/14/2022 Trade Balance (Aug)

Trade Balance will be closely monitored as in the latest release exports showed a, increase of 19.0% vs imports at 47.2%.

Economic Indicators

Bank of Japan Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	1.8	2.40	2.00	1.30
CPI (YOY%)	-0.25	--	--	--
Unemployment (%)	2.82	2.57	2.57	2.57

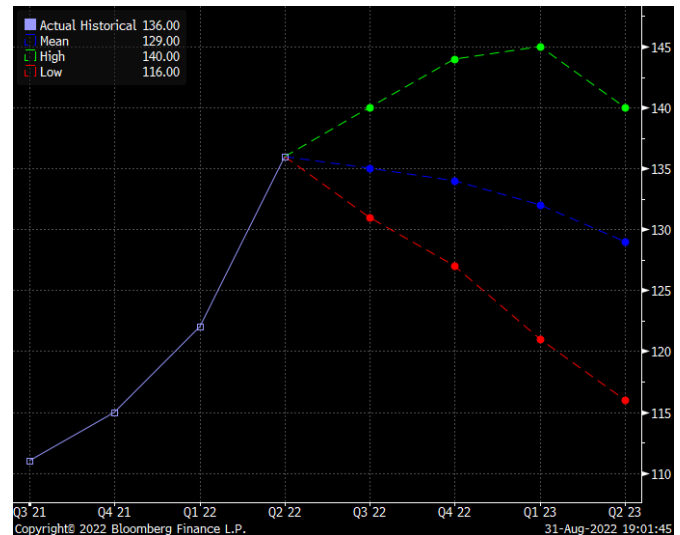


Historical Rates

USD/JPY

Market Consensus & Forecast

	Q3 22	Q4 22	Q1 23	Q2 23
Mean	135	134	132	129
High	140	144	145	140
Low	131	127	121	116



Consensus Forecast

Forecast by Institution

	As of:	Q3 22	Q4 22	Q1 23	Q2 23
BBVA	08/31/22	138	135	133	131
Credit Agricole CIB	08/30/22	135	132	128	125
Handelsbanken	08/30/22	133	130	130	--
Nomura Bank International	08/29/22	138	130	128	125
Prestige Economics LLC	08/29/22	140	138	139	138
SEB	08/26/22	140	138	135	130
Monex USA Corp	08/26/22	131	130	130	128
Rabobank	08/25/22	136	135	133	129
ABN Amro	08/19/22	132	130	128	126
CBA	08/19/22	136	137	138	138
JPMorgan Chase	08/19/22	138	140	139	138
Swedbank	08/19/22	138	135	130	128
Danske Bank	08/17/22	134	134	131	127
Sumitomo Mitsui Trust Bank	08/16/22	135	132	128	125
Citigroup	08/12/22	131	129	128	126
Commerzbank	08/12/22	135	135	132	128
CIBC	08/05/22	135	132	127	126
Investec	08/05/22	140	135	130	128
Landesbank Baden-Wuertt.	08/05/22	140	138	137	138
MUFG	08/04/22	135	131	130	129
RBC Capital Markets	08/04/22	137	142	145	140

GBP/USD

Because of the hawkish Fed, domestic cost of living, and rising energy costs, the British Pound fell 4.48% against the US dollar in August. The latest round of pessimism began when the Bank of England released a bleak outlook for the UK economy. Since then, a string of bad data has followed.

Rising food and energy prices have put a strain on UK families, causing Pound holders to flee. In other news, the underdog in the UK Conservative leadership election, Rishi Sunak, has warned that the next prime minister stands the risk of markets losing faith in the British economy.



What To Watch For This Month

09/14/2022 CPI (YoY) (Aug)

Inflation looks to break a 10-month streak of increases in August, with a forecasted reading of 9.8% after an all-time high of 10.1% in July.

09/15/2022 BoE Interest Rate Decision

After hiking rates in their last 6 meetings, markets expect the BoE to once again hike by an additional 50bp in their September meeting.

09/16/2022 Retail Sales (YoY) (Aug)

After contracting in July by 3.4%, the consensus forecasts predict another retraction of 3.3% in August.

Economic Indicators

Bank of England Forecast

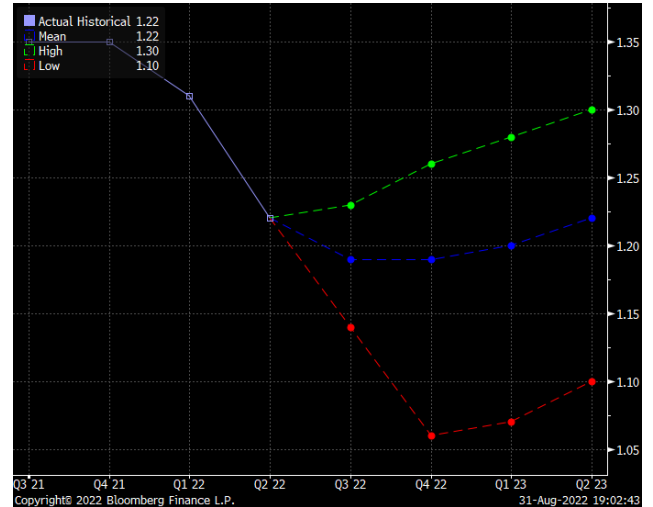
Forecast	2021	2022	2023	2024
Real GDP (YOY%)	8.25	3.50	-1.50	-0.25
CPI (YOY%)	2.58	13.00	5.50	1.50
Unemployment (%)	4.60	3.75	4.75	5.75



GBP/USD

Market Consensus & Forecast

	Q3 22	Q4 22	Q1 23	Q2 23
Mean	1.19	1.19	1.2	1.22
High	1.23	1.26	1.28	1.30
Low	1.14	1.06	1.07	1.10



Consensus Forecast

Forecast by Institution

	As of:	Q3 22	Q4 22	Q1 23	Q2 23
BBVA	08/31/22	1.17	1.16	1.19	1.22
Credit Agricole CIB	08/30/22	1.2	1.21	1.23	1.25
Handelsbanken	08/30/22	1.15	1.13	1.14	--
Nomura Bank International	08/29/22	1.16	1.06	1.09	1.12
Prestige Economics LLC	08/29/22	1.14	1.16	1.15	1.16
SEB	08/26/22	1.19	1.14	1.18	1.21
Monex USA Corp	08/26/22	1.22	1.22	1.23	1.24
Rabobank	08/25/22	1.14	1.21	1.23	1.24
ABN Amro	08/19/22	1.2	1.18	1.2	1.22
CBA	08/19/22	1.18	1.17	1.16	1.16
JPMorgan Chase	08/19/22	1.14	1.15	1.16	1.17
Swedbank	08/19/22	1.18	1.15	1.19	1.24
Danske Bank	08/17/22	1.16	1.14	1.13	1.13
Sumitomo Mitsui Trust Bank	08/16/22	1.22	1.24	1.26	1.26
Citigroup	08/12/22	1.18	1.19	1.2	1.21
Commerzbank	08/12/22	1.19	1.15	1.14	1.17
CIBC	08/05/22	1.16	1.17	1.2	1.21
Investec	08/05/22	1.19	1.19	1.2	1.21
Landesbank Baden-Wuertt.	08/05/22	1.2	1.23	1.25	1.28
MUFG	08/04/22	1.18	1.2	1.26	1.28

USD/CHF



The Swiss Franc has resumed its downward trend versus the U.S. dollar, falling 2.54% this month amid the Fed's aggressive rate hike prospects and a bleak forecast for the Swiss economy. The Swiss KOF Indicator continues to fall, with the lowest level since July 2020, indicating a bleak economic prognosis for the Swiss economy.

Meanwhile, for the first time since July 2020, economists expect inflation to decline rather than grow. Participants in the study continue to believe that the slowing of GDP will have little influence on the labor market.

What To Watch For This Month

09/01/2022 CPI (YoY) (Aug)

The latest swiss inflation readings posted 3.4% annualized for the second straight month, significantly lower than its peers in Europe. The consensus predicts another reading of 3.4% for August.

09/08/2022 Unemployment rate (Aug)

The SECO will announce the monthly unemployment rate results for August, previously at 2.2% annually for 6 straight months.

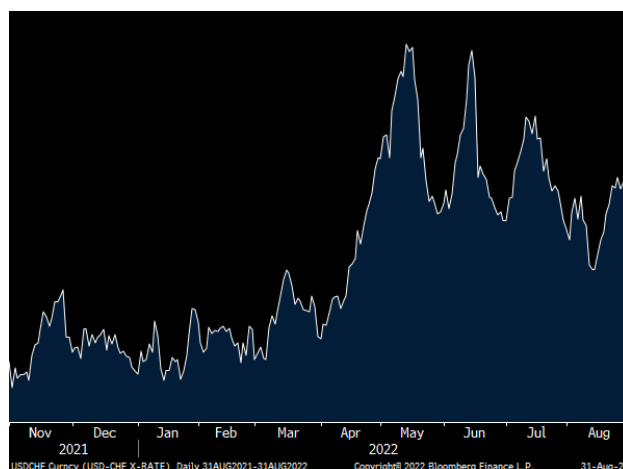
09/15/2022 Producer Import Prices (Aug)

The Federal Statistics Office of Switzerland will release production and import price readings, previously posted at 6.3%.

Economic Indicators

Swiss National Bank Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	3.83	2.80	1.60	--
CPI (YOY%)	0.58	2.50	1.40	--
Unemployment (%)	2.98	2.10	2.00	--

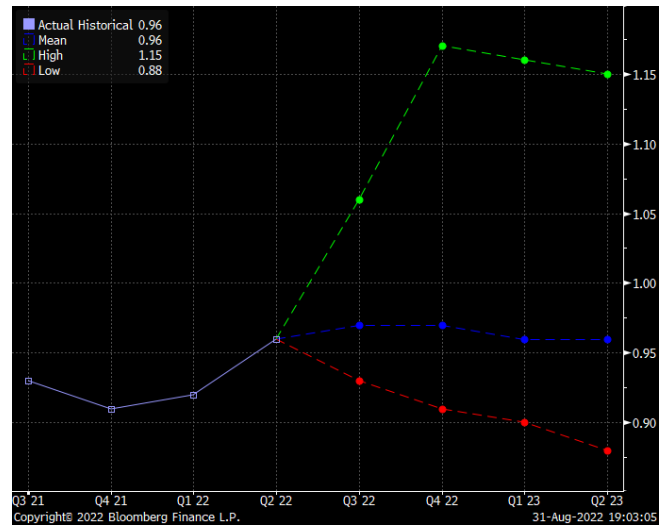


Historical Rates

USD/CHF

Market Consensus & Forecast

	Q3 22	Q4 22	Q1 23	Q2 23
Mean	0.97	0.97	0.96	0.96
High	1.06	1.17	1.16	1.15
Low	0.93	0.91	0.9	0.88



Consensus Forecast

Forecast by Institution

	As of:	Q3 22	Q4 22	Q1 23	Q2 23
BBVA	08/31/22	0.97	0.96	0.95	0.98
Credit Agricole CIB	08/30/22	0.96	0.96	0.96	0.95
Nomura Bank International	08/29/22	1.06	1.17	1.16	1.15
Prestige Economics LLC	08/29/22	1	0.98	0.99	0.98
SEB	08/26/22	0.99	0.98	0.95	0.93
Monex USA Corp	08/26/22	0.95	0.95	0.95	0.95
Rabobank	08/25/22	1	0.96	0.96	0.97
ABN Amro	08/19/22	0.96	0.98	0.98	0.97
CBA	08/19/22	0.94	0.96	0.98	0.99
JPMorgan Chase	08/19/22	0.99	0.99	0.94	0.88
Swedbank	08/19/22	0.97	0.98	0.98	0.95
Danske Bank	08/17/22	0.97	0.97	0.98	0.98
Citigroup	08/12/22	0.98	0.96	0.95	0.95
Commerzbank	08/12/22	0.98	0.98	0.96	0.93
CIBC	08/05/22	0.96	0.97	0.97	0.97
Investec	08/05/22	0.96	0.93	0.92	0.94
Landesbank Baden-Wuertt.	08/05/22	0.99	0.97	0.97	0.96
MUFG	08/04/22	0.97	0.96	0.93	0.93
RBC Capital Markets	08/04/22	0.95	0.96	0.98	0.94
Australia & NZ Banking	08/02/22	0.96	0.95	0.93	0.92

USD/CAD

The Loonie lost 1.94% against the greenback in the month of August, underpinned by lower crude prices to the commodities-linked currency and inflationary pressures in the country. While the Bank of Canada continues to raise rates at the same pace as the Fed,

domestic debt is starting to weigh on consumer spending, and inflated housing prices are starting to decline now that mortgage rates have increased at a rapid pace. The Loonie has rotated between a risk currency and a commodity currency over the past few months, though central bank action will continue to have the largest impact.

What To Watch For This Month

09/07/2022 BoC Interest Rate Decision

Market-implied odds price in a 100% chance of a 75bp hike in next week's meeting, with only an 8% chance of an additional 25bp.

09/09/2022 Employment Change (Aug)

Statistics Canada will announce their August employment change after losing 30.6 thousand jobs in July.

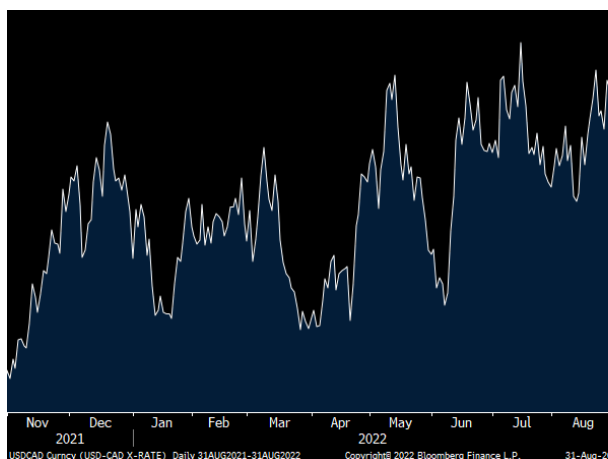
09/20/2022 CPI (YoY) (Aug)

CPI ended a 12-month streak of higher inflation in July, coming in at 7.6% after a reading of 8.1% in June. Expectations are for another reading of 7.6% in August.

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	--	--	--

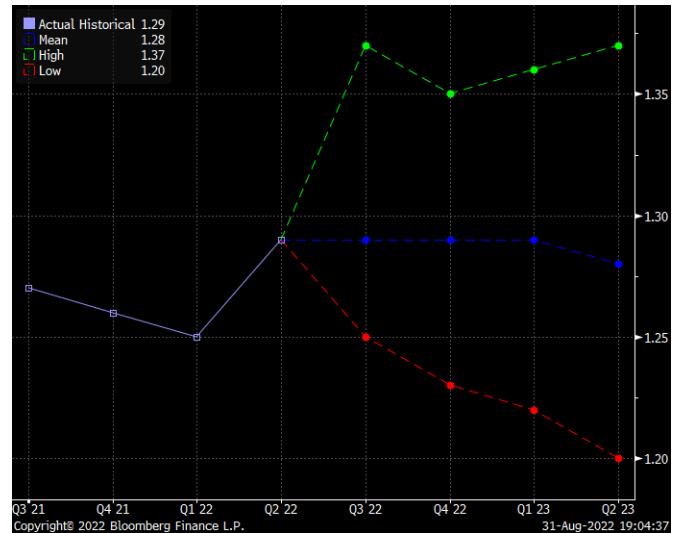


Historical Rates

USD/CAD

Market Consensus & Forecast

	Q3 22	Q4 22	Q1 23	Q2 23
Mean	1.29	1.29	1.29	1.28
High	1.37	1.35	1.36	1.37
Low	1.25	1.23	1.22	1.2



Consensus Forecast

Forecast by Institution

	As of:	Q3 22	Q4 22	Q1 23	Q2 23
BBVA	08/31/22	1.31	1.3	1.27	1.25
Credit Agricole CIB	08/30/22	1.25	1.23	1.22	1.21
Nomura Bank International	08/29/22	1.3	1.29	1.28	1.27
SEB	08/26/22	1.25	1.31	1.28	1.26
Monex USA Corp	08/26/22	1.27	1.26	1.25	1.24
Rabobank	08/25/22	1.28	1.29	1.28	1.29
ABN Amro	08/19/22	1.32	1.34	1.32	1.3
CBA	08/19/22	1.31	1.32	1.32	1.3
JPMorgan Chase	08/19/22	1.3	1.3	1.33	1.33
Swedbank	08/19/22	1.29	1.27	1.26	1.25
Danske Bank	08/17/22	1.31	1.34	1.34	1.34
Citigroup	08/12/22	1.32	1.32	1.32	1.31
Commerzbank	08/12/22	1.27	1.27	1.26	1.25
CIBC	08/05/22	1.29	1.31	1.33	1.33
Landesbank Baden-Wuertt.	08/05/22	1.37	1.35	1.35	1.33
MUFG	08/04/22	1.31	1.29	1.26	1.23
RBC Capital Markets	08/04/22	1.27	1.29	1.32	1.33
Emirates NBD	07/29/22	1.26	1.25	1.22	1.2
TD Securities	07/29/22	1.32	1.3	1.29	--
UniCredit	07/25/22	1.27	1.25	1.24	1.22

USD/CNY



The Chinese Yuan remains on the back foot against the U.S. dollar, dropping 1.63% by month end to nearly 2-year lows amid accentuating Covid challenges and poor economic performance, Factory activity in China saw a decrease for a second straight month, while services retracted as well.

The rise in the US dollar is not helping matters for the CNY, especially as the Fed continues to be aggressive in its messaging that interest rates will continue to rise in the near future. China's economy is met with challenges, mainly decreased demand, so the PBOC has vowed to remain flexible on their policy to weather the storm.

What To Watch For This Month

09/06/2022 Trade Balance (Aug)

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

09/09/2022 CPI (YoY) (Aug)

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.

09/15/2022 Industrial Production (Aug)

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	3.50	5.20	4.90
CPI (YOY%)	0.92	2.30	2.30	2.00
Unemployment (%)	--	4.05	3.90	3.95

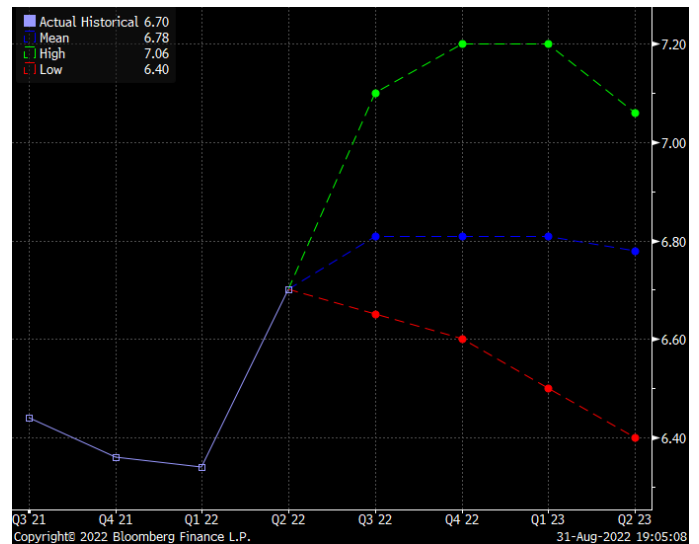


Historical Rates

USD/CNY

Market Consensus & Forecast

	Q3 22	Q4 22	Q1 23	Q2 23
Mean	6.8	6.81	6.8	6.77
High	7.1	7.2	7.2	7.06
Low	6.65	6.6	6.5	6.4



Consensus Forecast

Forecast by Institution

	As of:	Q3 22	Q4 22	Q1 23	Q2 23
BBVA	08/31/22	6.91	6.98	6.83	6.85
Handelsbanken	08/30/22	6.72	6.75	6.7	--
Nomura Bank International	08/29/22	7	7.2	7.15	6.95
SEB	08/26/22	6.7	6.62	6.55	6.51
Rabobank	08/25/22	6.65	6.72	6.77	6.82
ABN Amro	08/19/22	6.75	6.8	6.7	6.7
JPMorgan Chase	08/19/22	6.75	6.8	6.85	6.95
Danske Bank	08/17/22	6.81	6.9	6.99	7.06
Citigroup	08/12/22	6.95	6.95	6.95	6.9
Commerzbank	08/12/22	6.7	6.73	6.75	6.78
CIBC	08/05/22	6.7	6.6	6.65	6.6
Landesbank Baden-Wuertt.	08/05/22	6.79	6.8	6.78	6.86
MUFG	08/04/22	6.65	6.6	6.57	6.54
RBC Capital Markets	08/04/22	6.85	6.95	7	6.9
Australia & NZ Banking Group	08/02/22	6.7	6.65	6.6	6.55
Mizuho Bank	07/29/22	6.75	6.8	6.83	--
TD Securities	07/27/22	7	6.7	6.65	6.6
Credit Agricole CIB	07/25/22	6.65	6.55	6.5	6.45
UniCredit	07/20/22	6.8	6.9	6.8	6.7

USD/BRL

The Brazilian Real ended the month of August in line with where it was one month ago against the US dollar, despite realized volatility of greater than 5% throughout the month. It weakened at the back end of the month on the heel of the US dollar hitting yet another 20-year high in the DXY.

The Brazilian central bank raised interest rates for the 12th straight meeting in August and signaled that the pace of tightening might slow in September despite lingering inflation fears. Meanwhile, political uncertainties are sure to be hitting the BRL, with presidential elections set for October.

What To Watch For This Month

09/01/2022 GDP (YoY) (Q2)

Annualized inflation is expected to come in at 2.8% in Q2 after Q1 showed a 1.7% reading.

09/09/2022 CPI (YoY) (Aug)

Inflation readings showed an annualized increase of 10.07% in June. The results will provide a better view for BCB to apply policy.

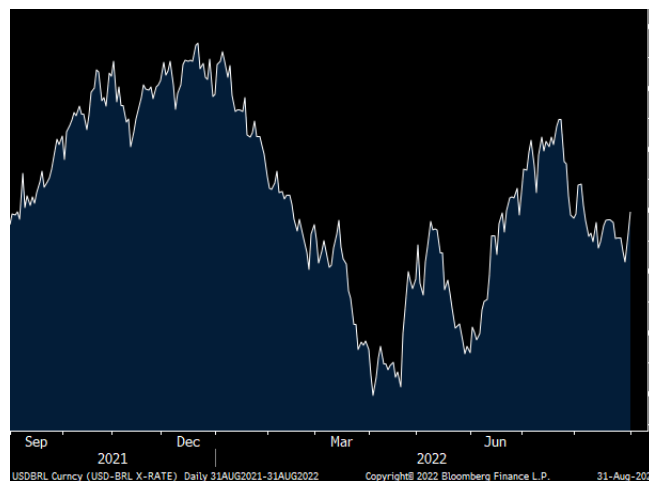
09/14/2022 Retail Sales (Jul)

The IBGE will publish Retail sales readings, tracking the resale of new and used goods to the general public, for personal or household consumption.

Economic Indicators

Brazil's Central Bank Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	4.81	1.75	0.80	1.90
CPI (YOY%)	8.29	9.60	5.50	3.90
Policy Rate (%)	9.25	13.85	10.80	8.35

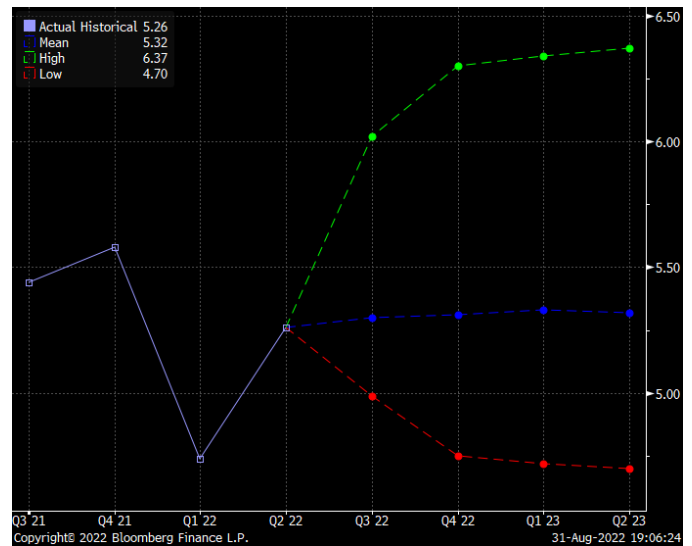


Historical Rates

USD/BRL

Market Consensus & Forecast

	Q3 22	Q4 22	Q1 23	Q2 23
Mean	5.3	5.31	5.33	5.32
High	6.02	6.3	6.34	6.37
Low	4.99	4.75	4.72	4.7



Consensus Forecast

Forecast by Institution

	As of:	Q3 22	Q4 22	Q1 23	Q2 23
BBVA	08/31/22	5.2	5.18	5.05	5.1
Nomura Bank International	08/29/22	6	5.6	5.55	5.5
SEB	08/26/22	5	5	5.1	5.2
Rabobank	08/25/22	5.35	5.38	5.22	5.17
ABN Amro	08/19/22	5	5	4.9	4.8
JPMorgan Chase	08/19/22	5.1	5.3	5.25	5.25
Capital Economics	08/12/22	5.24	5.5	5.56	5.62
Citigroup	08/12/22	5.3	5.28	5.26	5.24
CIBC	08/05/22	6	5.7	5.9	5.7
Landesbank Baden-Wuertt.	08/05/22	6.02	6.3	6.34	6.37
MUFG	08/04/22	5.42	5.6	5.58	5.55
RBC Capital Markets	08/04/22	5.1	4.75	5	5
Mizuho Bank	08/01/22	5.4	5.3	5.2	5.05
TD Securities	07/29/22	5	4.85	4.72	--
DZ Bank	07/15/22	5.46	5.37	5.3	5.3
ING Financial Markets	07/12/22	5.6	5.7	5.75	5.8
Morgan Stanley	07/11/22	5.8	5.6	5.4	5.35
Barclays	07/01/22	5.3	5	4.95	4.9
BNP Paribas	06/13/22	4.85	4.85	4.9	4.95
Scotiabank	03/30/22	5.72	5.68	--	--

USD/MXN



The Mexican Peso gained 1.3% against the greenback in the month of August after inflation figures came in better than expected and GDP showed an expansion for the third straight quarter in August. Additionally, the unemployment rate hit 3.4% against a forecast of 3.5%, which helped the peso.

Another powerful driver of the Mexican currency was the fact that Jonathan Heath, Bank of Mexico's Deputy Governor, stated this month that the bank would be following the path of the Federal Reserve in order to preserve the value of the peso against its US counterpart.

What To Watch For This Month

09/09/2022 *CPI (YoY) (Aug)*

INEGI is set to release inflation reading in Mexico which reached 8.15% in August hitting expectations.

09/09/2022 *Industrial Production (Jun)*

The INEGI will publish output readings for mining, manufacturing and public utilities.

09/21/2022 *Retail Sales (YoY) (Jul)*

After seeing a slowdown to 4.0% in June, the July number is expected to come in at 5.0%.

Economic Indicators

Banco de Mexico Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	4.80	2.00	1.70	2.00
CPI (YOY%)	5.68	7.65	5.05	3.70
Unemployment (%)	4.14	3.60	3.80	3.60

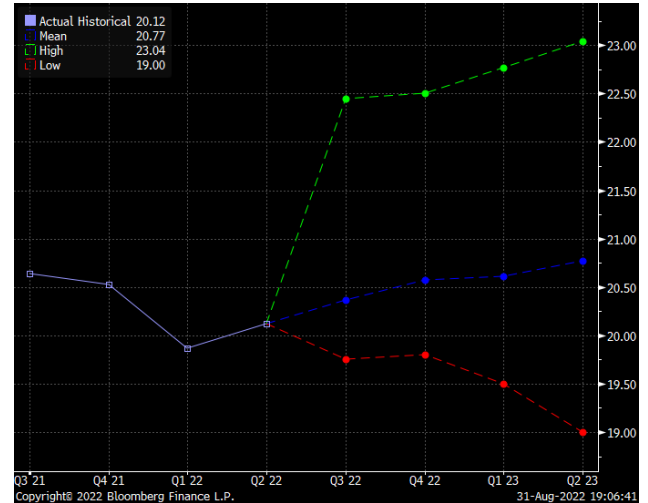


Historical Rates

USD/MXN

Market Consensus & Forecast

	Q3 22	Q4 22	Q1 23	Q2 23
Mean	20.37	20.6	20.67	20.86
High	22.45	22.5	22.77	23.04
Low	19.75	19.8	19.7	19.7



Consensus Forecast

Forecast by Institution

	As of:	Q3 22	Q4 22	Q1 23	Q2 23
BBVA	08/31/22	19.92	20.2	19.88	20.35
Nomura Bank International	08/29/22	20	19.8	19.7	19.7
Prestige Economics LLC	08/29/22	20.5	20.45	20.5	20.35
Rabobank	08/25/22	20	20.67	21	21.17
JPMorgan Chase	08/19/22	20	20.25	20.5	20.75
Banorte	08/18/22	20.28	20.7	20.32	22.1
Capital Economics	08/12/22	20.45	21.5	21.25	21
Citigroup	08/12/22	20.7	20.9	21	21.1
CIBC	08/05/22	21	21.5	21	21.5
Landesbank Baden-Wuertt.	08/05/22	22.45	22.5	22.77	23.04
MUFG	08/04/22	20.4	20.5	20.55	20.6
RBC Capital Markets	08/04/22	20.3	20.5	21	21.26
Mizuho Bank	08/01/22	20.7	20.8	20.8	20.9
TD Securities	07/29/22	19.75	19.8	20	--
DZ Bank	07/15/22	20.58	20.83	21	21
ING Financial Markets	07/12/22	20.75	20.5	20.5	20.25
Morgan Stanley	07/11/22	21.5	21.2	21	20.7
Barclays	07/01/22	20.25	20	19.75	19.5
BNP Paribas	06/13/22	19.9	19.8	19.8	19.9
Scotiabank	03/30/22	21.21	21.52	--	--

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