

FX

CONSENSUS FORECAST

A LOOK AT THE MONTH AHEAD

January 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



In November, the US economy was heading through supply chain bottlenecks, the Omicron virus development, and robust inflation. Presently, the nation is gripped by surging Covid-19 daily infections, the Fed's monetary policy tightening phase to combat inflation, improved unemployment situations, and geopolitical tensions such as the approval of the Build Back Better (BBB) plan, as well as tensions over Ukraine. The U.S. Gross Domestic Product, which measures the total output of the economy, grew by 2.3% in December for a quarter-on-quarter annualized basis, surpassing expectations of 2.1% and a previous print of 2.1%. The new strength can be credited to better consumer spending as well as improved unemployment conditions. However, prospects for a strong rebound are being clouded by the rapidly growing Omicron strain in the nation. Furthermore, with consumer prices pinching albeit a healing economy, policymakers are reducing bond purchases and preparing to hike interest rates in the next year.

Although Consumer confidence and labor market conditions have improved, Covid has upgraded itself with a new variant. The final reading of the University of Michigan's consumer confidence index was 70.6 in December, slightly higher than the preliminary estimate of 70.4 and up from 67.4 in November. The index increased as a result of large increments in income for families in the lowest third of the wealth distribution. Additionally, it is important to consider the turnaround in labor market conditions. The unemployment rate decreased to 4.2%, down from 4.6% previously in November, whereas the Labour Force Participation Rate improved marginally. With respect to that, figures stood at 61.8%, up from 61.6% in November. On the flip side, numerous flights have been canceled, and plans to return to the workplace have been abandoned. College football games and Broadway productions have been canceled, and Apple outlets in New York City have shut down. With 301,472 cases in a single day on 30th December, the U.S. set a new global record for daily average cases, with Omicron accounting for 59% of all new infections. Lately, Americans are putting pressure on the Biden administration as they spend hours waiting to be tested for Covid-19, and experts worry that the virus will 'threaten essential infrastructure' in the United States, forcing personnel at hospitals, grocery shops, and petrol stations into isolation.

Consumer prices have skyrocketed to the highest levels in nearly four decades while the Fed starts to chase inflation after a long time. The Consumer Price Index, a key indicator to measure inflation and change in purchasing power at a broader level, stands at 6.8% on an annual basis in November, the highest in the last 39 years. According to the Census, prices increased substantially, with fuel, housing, food, used cars, and trucks, as well as new vehicles all contributing significantly. In November, the energy index increased by 3.5%, while the gasoline index increased by 6.1%, as motorists paid extra to fill up their tanks. Food got more costly as well - the food index grew by 0.7% throughout the month, with 'food at home' increasing by 0.8%. In these record-high inflation times, the U.S. central bank Federal Reserve has pulled off the band-aid to start focusing on persistently high inflation. The Federal Reserve will accelerate the winding down of its stimulus program, as it ramps up its reaction to rising inflation. Additionally, the updated predictions indicate that policymakers believe three hikes are necessary for 2023 and two more in 2024. Officials increased their inflation projection for 2022 to 2.6%, from 2.2% in September, while also forecasting a decline in the unemployment rate to 3.5%.

The "Build Back Better" (BBB) plan is on hold while it has already baked many economic projections for the next year. President Joe Biden's inability to get the required votes to approve his \$1.8 trillion Build Back Better proposal implies that the economic boost that was built into many 2022 estimates will be lost. For example, the expiry of the child care tax credit, which was extended in the blocked plan, would coincide with the winding down of several other stimulus programs and the beginning of the Federal Reserve's "tapering" of monetary stimulus. News that West Virginia Democratic Sen. Joe Manchin voted against the plan prompted

Goldman Sachs analysts to lower their first-quarter growth projection from 3% to 2%, while also lowering their full-year estimates.

Looking ahead, it is not just the Omicron that will stymie the economy next year, as Biden's administration Build Back Better (BBB) also plays an important part in the economy. According to Kathy Bostjancic, Oxford's chief U.S. financial economist, the resurgence of COVID-19 could reduce growth next year from 4.3% to 4.1%, and if Biden's Build Back Better program is completely derailed, it could shave another 0.4 percentage point from growth in 2022, lowering it to around 3.7%, and a half-point from growth in 2023, lowering it to below 2%.

The U.S. Dollar Index, which gauges the greenback against the basket of currencies, is on the verge of closing the month with a marginal loss. The dollar index depreciated by 0.18% during December after touching a 16-month high level in the previous month. Although, it is ending the year with a 7% gain, the highest since March 2015, amid prospects that Fed is paving way for interest rate hikes in the next year. The index reacted positively to improved unemployment statistics, strong ISM service PMI for November, improved Michigan Consumer Sentiment index for December, and higher than expected GDP growth results for Q3. The consistently higher inflation measured through Consumer Price Index (CPI) and Core Personal Consumption Expenditure (PCE) prompted the Fed to increase the rate hike expectations and in turn, boosted the dollar. However, lower than expected Non-farm payroll figures and improved risk sentiment due to easing concerns over the new Omicron variant undermined the dollar. Lastly, the halt of Biden's Build Back Better (BBB) \$1.75 trillion bill, due to the fallout of Democrat Joe Manchin, held back the dollar from potential gains. Looking forward, the development of Omicron, and movement around the BBB bill will drive the dollar dynamics in the near term.

The S&P index ended the month with strong gains again after rallying in November. The index started with \$4582.00 on December 1st, and currently trades at \$4767.75 as of writing, gaining almost 4.5% for the month. Additionally, it is on course to close the year with 27% gains annually, the highest among its peer index including Nasdaq and Dow Jones, which have gained 24% and 19% respectively. The key market mover was the Fed's interest rate decision, which surged the S&P index by 1.53% for the day. Although the market was highly reactive during the initial start of the month as Omicron infections were rapidly increasing, the S&P index gained its momentum back as the news rolled out that the new variant is less severe than the previous version and leads to fewer hospitalization cases. Following that, improved labor market conditions and increased risk appetite contributed to the surge. In contrast, the S&P index, while approaching the end of the month, has remained steady and posted losses amid thin liquidity conditions and the festive mood. Wrapping up, the index is closing with double-digit gains for the second consecutive year and has posted 70 record gains over the year. Moving on, the index is expected to be influenced further by the Fed's rate hike movements, Omicron headlines, and the BBB bill news in the near term.

To summarize, the United States' economy is on course for a robust end to 2021, and a decent start to 2022, as consumers and companies continue to spend despite rising inflation, staffing issues, continuing Covid-19 infections, and lingering supply restrictions. Economists predict that the economy will increase by an annualized 6% in the fourth quarter before slowing to a still-solid 3% in the first quarter and 3.5% in the second quarter of 2022. In the short term, inflation is anticipated to reach 7%, while the dread of Omicron is spreading swiftly. The next significant item in 2022 would be the development of the Omicron variant as well as action around the 'Build Back Better' Plan. Finally, in the midst of the virus and social spending stimulus, it will be interesting to see how the Fed fulfills its vow to combat inflation by lowering its pandemic assistance program and delivering three rate hikes in the next year.

EUR/USD



The EUR seems to have found solid support during the course of December, after falling over 3% in November and oscillated between a tight range. Overall, the EUR recovered 0.7% by new year's eve, although it erased it during the first trading session amid an unexpected spike in U.S. Yields.

The common currency was one of the biggest losers when Omicron first appeared amid localized lockdown in continental Europe, looming market morale ahead of the Festive season. However, as the strain proves to be less harmful, the market progressively regains confidence in riskier assets.

What To Watch For This Month

01/07/2022 Retail Sales

Eurostat is due to release retail sales figures to show the performance of the retail sector in the short term, expected 5.6% annually.

01/20/2022 Consumer Price Index

Eurostat will release its monthly CPI report showing a comparison of retail prices of goods and services excluding the volatile components, previously 0.4% monthly.

01/28/2022 Gross Domestic Product

Eurostat will provide quarterly GDP results to show the total value generated by all goods and services for the Eurozone, previously 2.2% annually.

Economic Indicators

European Central Bank Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-6.4	5.1	4.2	2.9
CPI (YOY%)	0.25	2.6	3.2	1.8
Unemployment (%)	7.92	7.7	7.3	6.9

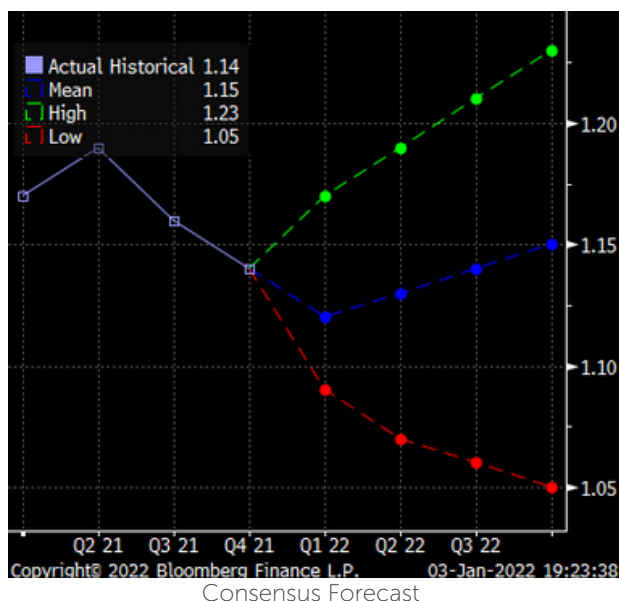


Historical Rates

EUR/USD

Market Consensus & Forecast

	Q1 22	Q2 22	Q3 22	Q4 22
Mean	1.12	1.13	1.14	1.15
High	1.17	1.19	1.21	1.23
Low	1.09	1.07	1.06	1.05



Forecast by Institution

	As of:	Q1 22	Q2 22	Q3 22	Q4 22
Eurobank Cyprus	01/03/22	1.16	1.17	1.18	--
BBVA	12/28/21	1.14	1.13	1.13	1.13
Prestige Economics LLC	12/28/21	1.1	1.1	1.12	1.14
Mizuho Bank	12/27/21	1.13	1.12	1.13	1.15
ABN Amro	12/24/21	1.09	1.07	1.06	1.05
Banco Santander	12/23/21	1.1	1.13	1.17	1.18
Scotiabank	12/21/21	1.12	1.1	1.09	1.08
CIBC	12/20/21	1.11	1.1	1.1	1.1
Swedbank	12/20/21	1.11	1.12	1.15	1.17
Danske Bank	12/17/21	1.12	1.11	1.11	1.1
Landesbank Baden-Wuertt.	12/17/21	1.1	1.1	1.13	1.15
Rabobank	12/17/21	1.11	1.1	1.12	1.12
UniCredit	12/16/21	1.12	1.11	1.1	1.1
Cinkciarz.pl	12/15/21	1.15	1.18	1.15	1.13
CBA	12/13/21	1.14	1.16	1.18	1.2
NAB/BNZ	12/13/21	1.1	1.12	1.15	1.17
Westpac Banking	12/13/21	1.1	1.08	1.09	1.1
RBC Capital Markets	12/10/21	1.11	1.1	1.08	1.08
SEB	12/10/21	1.12	1.1	1.08	1.09
MUFG	12/07/21	1.12	1.14	1.15	1.16

USD/JPY



The Japanese extended its bearish trend amid a broader dollar strength driven by the narrative from the federal reserve to tighten monetary policy and withdraw its stimulus program. The Yen is currently testing December lows in line with its worst price

since January 2017. Tail risk starts to materialize for the JPY ahead of nonfarm payrolls in the U.S. on the first Friday of the month, expected to release strong results with significant risks amid the outbreak of Omicron variant.

What To Watch For This Month

101/18/2022 BoJ Interest Rate Decision

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

01/20/2022 National Consumer Price Index

Statistics Bureau will release Consumer Price Index report for December, previously 0.6% annually.

01/31/2022 Unemployment Rate

Japan Statistical Bureau will release unemployment rate results to show labor market conditions, previously 2.8%.

Economic Indicators

Bank of Japan Forecast

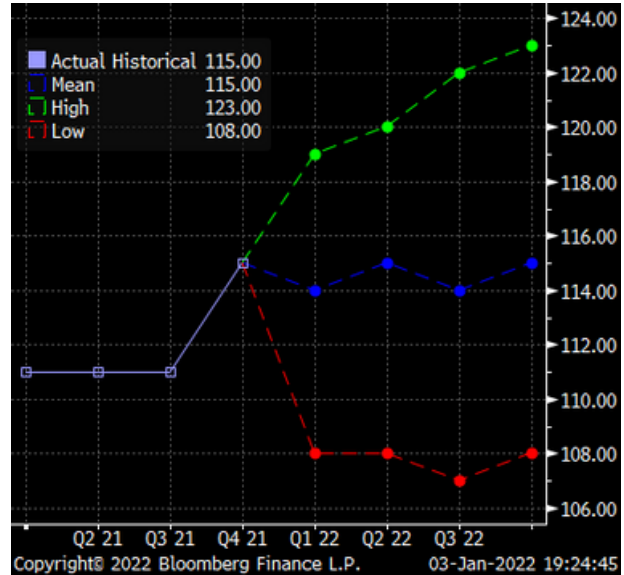
Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-4.55	3.4	2.9	1.3
CPI (YOY%)	-0.02	--	--	--
Unemployment (%)	2.79	2.8	2.8	2.8



USD/JPY

Market Consensus & Forecast

	Q1 22	Q2 22	Q3 22	Q4 22
Mean	114	115	114	115
High	119	120	122	123
Low	108	108	107	108



Consensus Forecast

Forecast by Institution

	As of:	Q1 22	Q2 22	Q3 22	Q4 22
Eurobank Cyprus	01/03/22	110	108	107	--
BBVA	12/28/21	113	114	111	109
Prestige Economics LLC	12/28/21	118	117	116	114
Mizuho Bank	12/27/21	116	117	118	119
ABN Amro	12/24/21	119	120	122	123
Mouvement Desjardins	12/23/21	114	115	116	116
Banco Santander	12/23/21	114	116	117	117
Scotiabank	12/21/21	113	115	116	118
CIBA	12/20/21	115	116	115	114
Swedbank	12/20/21	116	116	117	115
Danske Bank	12/17/21	112	111	110	109
Landesbank Baden-Wuertt.	12/17/21	118	120	118	117
Rabobank	12/17/21	114	115	115	115
UniCredit	12/16/21	114	115	116	116
CBA	12/13/21	116	118	119	121
NAB/BNZ	12/13/21	116	115	113	113
Westpac Banking	12/13/21	116	116	117	117
RBC Capital Markets	12/10/21	112	113	115	117
SEB	12/10/21	113	114	115	115
Sumitomo Mitsui Trust Bank	12/09/21	114	112	110	108
MUFG	12/07/21	111	110	109	108

GBP/USD

The Pound Sterling sustained momentum throught the course of December driven by the surprise interest rate hike from the Bank of England and lockdown measures in the United Kingdom. British policymakers announced an 15 bps interest rate hike to offset surging inflation.

The tightening in monetary policy underpinned the Pound Sterling, although its resilience got to the test amid the exponential spread of the Omicron variant. However, despite the record high daily infections, hospitalization and deaths remain low nurturing market sentiment.

What To Watch For This Month

01/14/2022 *Gross Domestic Product*

National Statistics will release November month GDP results of value generated by all goods and services provided by the country in, previously 0.1% monthly.

1/18/2022 *ILO Unemployment Rate*

National Statistics will release unemployment rate results of November to show labor market conditions, previously 4.2%.

01/19/2022 *Consumer Price Index*

National Statistics Office will release Consumer Price Index report for December to show price movements of goods and services excluding volatile items, previously 5.1% annually.

Economic Indicators

Bank of England Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-9.38	7	5	1.5
CPI (YOY%)	0.85	4.25	3.5	2.25
Unemployment (%)	4.42	4.5	4	4.25

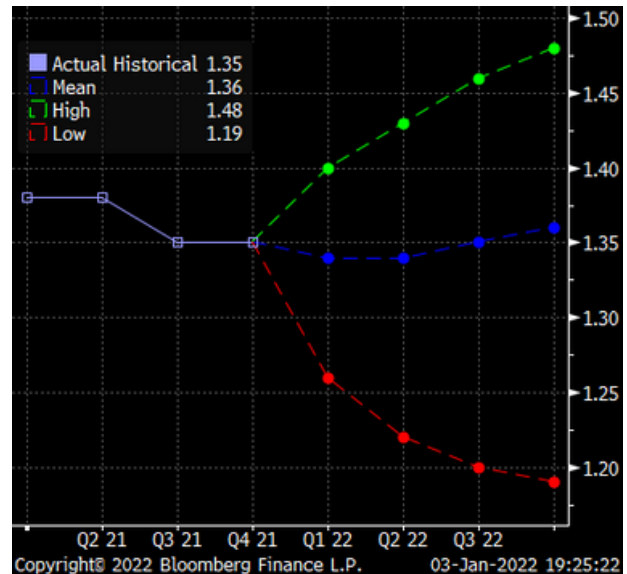


Historical Rates

GBP/USD

Market Consensus & Forecast

	Q1 22	Q2 22	Q3 22	Q4 21
Mean	1.34	1.34	1.35	1.36
High	1.4	1.43	1.46	1.48
Low	1.26	1.22	1.2	1.19



Consensus Forecast

Forecast by Institution

	As of:	Q1 22	Q2 22	Q3 22	Q4 22
Eurobank Cyprus	01/03/22	1.4	1.42	1.46	--
BBVA	12/28/21	1.35	1.36	1.37	1.38
Prestige Economics LLC	12/28/21	1.34	1.35	1.36	1.37
ABN Amro	12/24/21	1.36	1.35	1.34	1.33
Banco Santander	12/23/21	1.35	1.35	1.34	1.34
Scotiabank	12/21/21	1.33	1.34	1.36	1.38
CIBC	12/20/21	1.31	1.29	1.3	1.32
Swedbank	12/20/21	1.32	1.33	1.35	1.36
Danske Bank	12/17/21	1.32	1.32	1.32	1.32
Landesbank Baden-Wuertt.	12/17/21	1.31	1.31	1.35	1.37
Rabobank	12/17/21	1.31	1.27	1.3	1.29
UniCredit	12/16/21	1.34	1.35	1.36	1.37
CBA	12/13/21	1.35	1.36	1.38	1.4
NAB/BNZ	12/13/21	1.29	1.3	1.32	1.34
Westpac Banking	12/13/21	1.36	1.37	1.38	1.38
RBC Capital Markets	12/10/21	1.26	1.22	1.2	1.19
SEB	12/10/21	1.35	1.34	1.32	1.35
MUFG	12/07/21	1.32	1.35	1.37	1.38
Credit Agricole CIB	12/07/21	1.34	1.35	1.36	1.38
Bayerische Landesbank	12/06/21	1.38	1.43	1.42	1.43

USD/CHF

The Swiss Franc gained momentum following the announcement of Omicron on the last day of November. This new strain of the Coronavirus kept the market cautious, especially after realizing the fast-spreading capabilities of the new variant. Amid the outburst of Omicron, daily

infections reached over 2 million globally, the highest ever recorded since the pandemic started. Localized lockdown in Europe and a broader risk-off sentiment underpinned the risk-free appeal of the Swiss Franc, appreciating 1.36% against the dollar.



What To Watch For This Month

01/04/2022 Consumer Price Index

Swiss federal statistical office will announce CPI reading expected 1.6%, higher than its previous release at 1.5% driven by Swiss national bank monetary policy.

01/07/2022 Unemployment Rate

The State Secretariat for Economic Affairs (SECO) will announce the monthly unemployment rate results for December, expected at 2.5%.

01/27/2022 KOF leading indicator

KOF Swiss Economic Institute will publish a leading KOF indicator that measures future trends of the overall economic activity.

Economic Indicators

Swiss National Bank Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-2.5	3.5	3.2	1.7
CPI (YOY%)	-0.73	0.6	1.1	0.7
Unemployment (%)	3.24	3	2.4	2.3

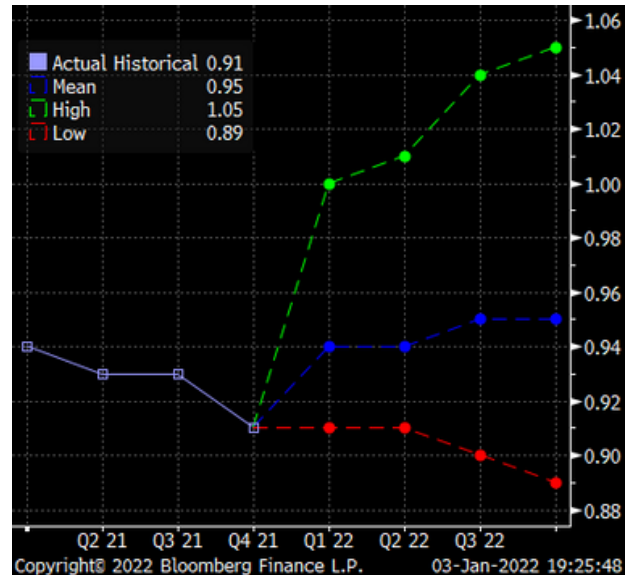


Historical Rates

USD/CHF

Market Consensus & Forecast

	Q1 22	Q2 22	Q3 22	Q4 22
Mean	0.94	0.94	0.95	0.95
High	1	1.01	1.04	1.05
Low	0.91	0.91	0.9	0.89



Consensus Forecast

Forecast by Institution

	As of:	Q1 22	Q2 22	Q3 22	Q4 22
Eurobank Cyprus	01/03/22	0.93	0.94	0.96	--
BBVA	12/28/21	0.92	0.95	0.98	0.99
Prestige Economics LLC	12/28/21	0.92	0.92	0.91	0.91
ABN Amro	12/24/21	0.98	1.01	1.04	1.05
Banco Santander	12/23/21	0.97	0.96	0.93	0.93
Scotiabank	12/21/21	0.93	0.95	0.97	0.98
CIBC	12/20/21	0.95	0.97	0.98	0.99
Swedbank	12/20/21	0.95	0.96	0.94	0.96
Danske Bank	12/17/21	0.92	0.91	0.91	0.91
Landesbank Baden-Wuertt.	12/17/21	0.97	0.99	0.98	0.97
Rabobank	12/17/21	0.95	0.97	0.96	0.98
UniCredit	12/16/21	0.94	0.95	0.97	0.98
CBA	12/13/21	0.94	0.93	0.91	0.9
NAB/BNZ	12/13/21	0.93	0.92	0.9	0.89
Westpac Banking	12/13/21	0.94	0.95	0.95	0.94
RBC Capital Markets	12/10/21	0.93	0.95	0.99	1.01
SEB	12/10/21	0.96	0.98	0.97	1.01
MUFG	12/07/21	0.93	0.92	0.92	0.92
Credit Agricole CIB	12/07/21	0.93	0.94	0.94	0.94
Commerzbank	12/03/21	0.95	0.95	0.96	0.96

USD/CAD



The Canadian Dollar closed out its third consecutive year recording gains against the greenback and it's the only G-10 currency to have outperformed the U.S. dollar. The Loonie advanced 1.11% in December, driven mainly by activity in crude oil prices.

The West Texas Intermediate enjoyed some tailwind from Omicron, revealing that the new variant is less severe than previous versions of the virus. The WTI closed out its most significant annual advance since 2009 as the rollout of vaccines drove recovery in energy demand from the depths of the pandemic.

What To Watch For This Month

01/11/2022 Unemployment Rate

Statistics Canada will announce the monthly unemployment rate results for December, expected at 6%.

01/18/2022 Consumer Price Index

Statistics Canada will announce CPI reading for December month to show the price movement of goods and services excluding volatile components, previously 4.7% annually.

01/26/2022 BoC Interest Rate Decision

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

Economic Indicators

Bank of Canada Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-5.23	5.1	4.3	3.7
CPI (YOY%)	0.73	3.4	3.4	2.3
Unemployment (%)	9.6	--	--	--

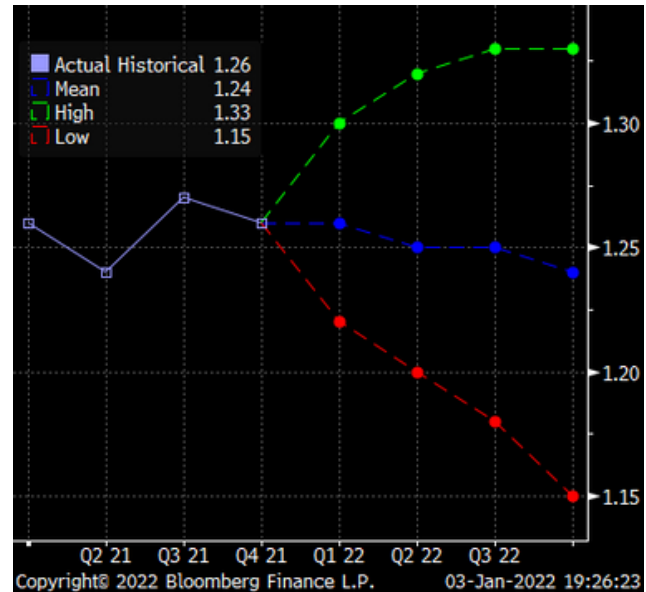


Historical Rates

USD/CAD

Market Consensus & Forecast

	Q1 22	Q2 22	Q3 22	Q4 22
Mean	1.26	1.25	1.25	1.24
High	1.3	1.32	1.33	1.33
Low	1.22	1.2	1.18	1.15



Consensus Forecast

Forecast by Institution

	As of:	Q1 22	Q2 22	Q3 22	Q4 22
Eurobank Cyprus	01/03/22	1.23	1.32	1.33	--
BBVA	12/28/21	1.27	1.26	1.25	1.24
Prestige Economics LLC	12/28/21	1.27	1.26	1.26	1.25
ABN Amro	12/24/21	1.23	1.22	1.21	1.2
Banco Santander	12/23/21	1.23	1.22	1.25	1.27
Scotiabank	12/21/21	1.22	1.21	1.2	1.2
CIBC	12/20/21	1.29	1.3	1.32	1.31
Swedbank	12/20/21	1.25	1.24	1.22	1.22
Danske Bank	12/17/21	1.3	1.32	1.33	1.33
Landesbank Baden-Wuertt.	12/17/21	1.29	1.27	1.26	1.26
Rabobank	12/17/21	1.3	1.28	1.3	1.3
UniCredit	12/16/21	1.26	1.25	1.24	1.23
Laurentian Bank of Canada	12/15/21	1.25	1.23	1.23	1.22
CBA	12/13/21	1.24	1.22	1.21	1.2
NAB/BNZ	12/13/21	1.25	1.24	1.23	1.21
Westpac Banking	12/13/21	1.25	1.24	1.24	1.23
RBC Capital Markets	12/10/21	1.26	1.27	1.27	1.27
SEB	12/10/21	1.24	1.23	1.22	1.21
MUFG	12/07/21	1.26	1.24	1.22	1.21
Credit Agricole CIB	12/07/21	1.24	1.22	1.21	1.2

USD/CNY



The Chinese Yuan advanced 0.37% during the course of December, with a strong rally in the last day of 2021 driven mainly by thin end-of-year liquidity and broader dollar weakness. The Renmimbi closed out the year a three year high, marking the end

of robust export growth and solid investor flows. However, risks remain latent in the Chinese economy, with tight covid-induced lockdown, a compromised real estate & financial market, and Beijing's crackdown in technology and education.

What To Watch For This Month

01/12/2022 Consumer Price Index

National Bureau of Statistics will announce CPI reading for December month to show the price movement of goods and services excluding volatile components, previously 2.3% annually.

01/18/2022 Gross Domestic Product

National Bureau of Statistics of China will release quarterly GDP results of value generated by all goods and services provided by the country, previously 4.9% annually.

01/20/2022 PBoC Interest Rate Decision

The People's Bank of China 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	2020	2021	2022	2023
Real GDP (YOY%)	2.2	8	5.2	5.3
CPI (YOY%)	2.51	1	2.2	2.15
Unemployment (%)	4.24	3.9	3.7	3.99

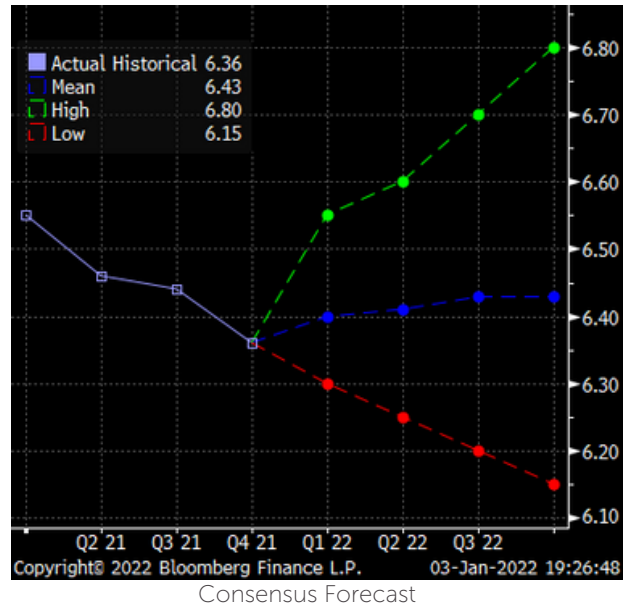


Historical Rates

USD/CNY

Market Consensus & Forecast

	Q1 22	Q2 22	Q3 22	Q4 22
Mean	6.4	6.41	6.43	6.43
High	6.55	6.6	6.7	6.8
Low	6.3	6.25	6.2	6.15



Forecast by Institution

	As of:	Q1 22	Q2 22	Q3 22	Q4 22
Commerzbank	11/30/21	6.5	6.55	6.6	6.65
Rabobank	11/26/21	6.65	6.55	6.55	6.57
Credit Agricole CIB	11/25/21	6.38	6.35	6.32	6.32
Nomura Bank International	11/25/21	6.4	6.35	6.3	6.35
JPMorgan Chase	11/24/21	6.5	6.35	6.35	6.45
BNP Paribas	11/22/21	6.55	6.6	6.5	6.55
Jyske Bank	11/22/21	6.77	6.73	6.79	6.67
Landesbank Baden-Wuertt.	11/22/21	6.4	6.47	6.48	6.52
Maybank Singapore	11/22/21	6.46	6.43	6.43	6.4
ABN Amro	11/19/21	6.4	6.3	6.3	6.2
CBA	11/19/21	6.45	6.4	6.32	6.25
Australia & NZ Banking Group	11/18/21	6.4	6.37	6.35	6.32
DZ Bank	11/17/21	6.41	6.47	6.5	6.5
SEB	11/17/21	6.4	6.38	6.35	6.33
Barclays	11/16/21	6.4	6.35	6.3	6.4
Oversea-Chinese Banking	11/16/21	6.38	6.36	6.34	6.32
United Overseas Bank	11/16/21	6.48	6.52	6.56	6.6
Danske Bank	11/15/21	6.41	6.5	6.61	6.73
Morgan Stanley	11/15/21	6.42	6.48	6.45	6.43
NAB/BNZ	11/12/21	6.55	6.47	6.42	6.34

USD/BRL



The Brazilian sustained significant pressure against the greenback through the course of the last month of the year. Overall, the Real closed out December marginally unchanged, although recorded new year lows amid uncertainty around monetary and fiscal policy.

Market participants expect further monetary policy tightening in the upcoming meeting, which is expected to hike 150 bps. However, the BRL struggles to find its feet amid growth forecast cuts among investors and expected strikes in the country.

What To Watch For This Month

101/03/2022 HSBC PMI Manufacturing

Bureau for Economic Research will release a leading indicator to show the economic situation in December.

01/21/2022 Mid-month Inflation

The IBGE will release its mid-month inflation results for January to show the inflation outlook and change in purchase trend, previously 0.78%.

01/28/2022 Unemployment Rate

The IBGE will announce the monthly unemployment rate results for November, previously 12.1%.

Economic Indicators

Brazil's Central Bank Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-3.87	4.8	0.75	--
CPI (YOY%)	3.21	8.3	5.8	--
Unemployment (%)	2	9.2	11.45	--

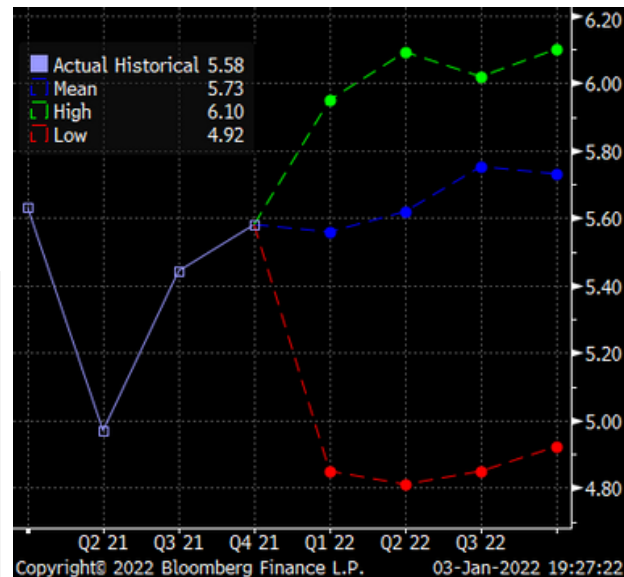


Historical Rates

USD/BRL

Market Consensus & Forecast

	Q1 22	Q2 22	Q3 22	Q4 22
Mean	5.56	5.62	5.75	5.73
High	5.95	6.09	6.02	6.1
Low	4.85	4.81	4.85	4.92



Consensus Forecast

Forecast by Institution

	As of:	Q1 22	Q2 22	Q3 22	Q4 22
Eurobank Cyprus	01/03/22	5.5	5.45	5.65	--
BBVA	12/28/21	5.55	5.7	5.95	5.75
Prestige Economics LLC	12/28/21	5.6	5.58	5.55	5.5
Mizuho Bank	12/27/21	5.53	5.6	5.85	5.7
ABN Amro	12/24/21	5.5	5.5	5.5	5.5
Scotiabank	12/21/21	4.85	4.81	4.85	4.92
CIBC	12/20/21	5.7	5.7	6	5.7
Landesbank Baden-Wuertt.	12/17/21	5.95	6.09	6.02	6
Rabobank	12/17/21	5.6	5.75	5.75	5.7
RBC Capital Markets	12/10/21	5	5	6	5.5
SEB	12/10/21	5.6	5.65	5.8	6
MUFG	12/07/21	5.58	5.65	5.73	5.8
Nomura Bank International	12/03/21	5.9	6	6	6
Standard Chartered	12/01/21	5.8	5.9	5.95	6
MPS Capital Services	11/30/21	5.64	5.77	5.71	--
Silicon Valley Bank	11/30/21	5.57	5.55	5.53	5.5
JPMorgan Chase	11/24/21	5.35	5.5	5.5	5.5
BNP Paribas	11/22/21	5.35	5.55	5.85	5.6
DZ Bank	11/17/21	5.57	5.68	5.63	--
Barclays	11/16/21	5.3	5.4	5.7	5.5

USD/MXN



The Mexican Peso recovered over 4.62% against the dollar in the last month of 2021, closing out the year 3% lower against the dollar. This particular year was very volatile in the Mexican market owing to a combination of risks-off movement caused

by the outbreak of the Delta and Omicron variants. Additionally, inflationary pressures significantly weigh over the Mexican economy with policymakers initiating the tightening cycle and putting an end to pandemic-era stimulus.

What To Watch For This Month

01/05/2022 Consumer Confidence Index

The INEGI will release Consumer confidence for the month of December, expected at 44.9.

01/07/2022 12-Month Inflation

Banxico will release inflation reading for December month to show the price movement of goods and services excluding volatile components, expected at 7.6%.

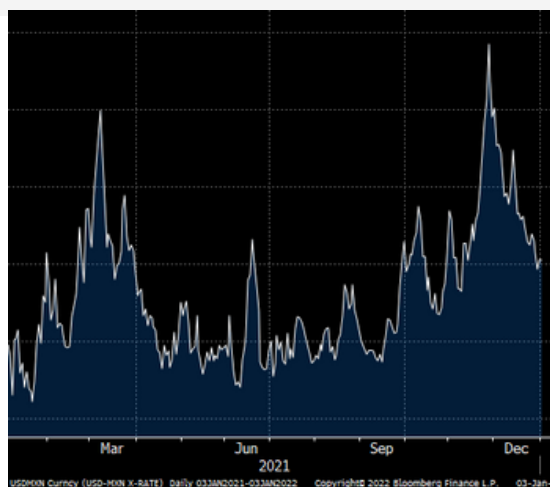
01/20/2022 Jobless Rate

The INEGI will announce the monthly unemployment rate results for December, previously 3.7%.

Economic Indicators

Banco de Mexico Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-8.2	5.6	2.8	2.05
CPI (YOY%)	3.4	5.7	4.55	3.5
Unemployment (%)	4.43	4.2	3.9	3.7

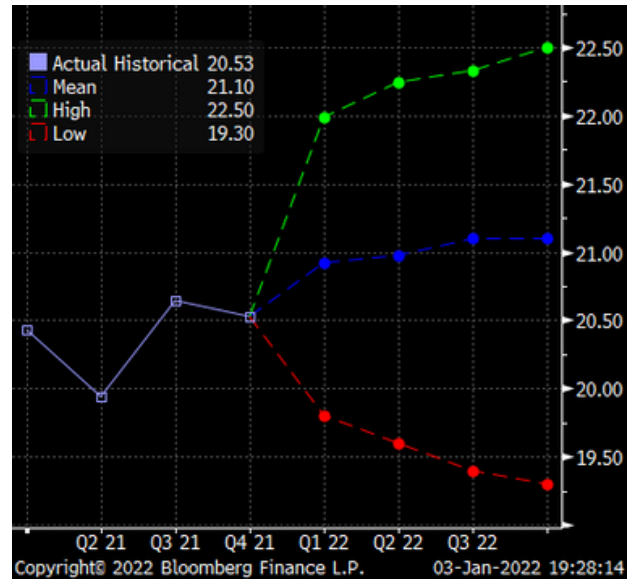


Historical Rates

USD/MXN

Market Consensus & Forecast

	Q1 22	Q2 22	Q3 22	Q4 22
Mean	20.92	20.98	21.1	21.1
High	21.99	22.24	22.33	22.5
Low	19.8	19.6	19.4	19.3



Consensus Forecast

Forecast by Institution

	As of:	Q1 22	Q2 22	Q3 22	Q4 21
BBVA	12/28/21	20.45	20.75	21.05	21.35
Prestige Economics LLC	12/28/21	21.2	20.6	20.4	20.2
Mizuho Bank	12/27/21	20.5	20.6	20.8	21
Scotiabank	12/21/21	20.76	21.03	21.27	21.45
CIBC	12/20/21	21	22	22	21.5
Landesbank Baden-Wuertt.	12/17/21	20.91	21.36	21.24	21.04
Rabobank	12/17/21	21	21.5	22	22.5
RBC Capital Markets	12/10/21	20	19.8	20.66	20.16
Banorte	12/07/21	21.2	21.5	21.6	21.8
MUFG	12/07/21	21.75	21.8	22	22.1
Nomura Bank International	12/03/21	21.5	21.5	21.5	21.5
Klarity FX	11/30/21	21	20.75	20.75	20.75
Silicon Valley Bank	11/30/21	20.87	20.57	20.2	19.85
JPMorgan Chase	11/24/21	21.3	21.5	21.8	22
BNP Paribas	11/22/21	20.5	20	19.6	19.5
DZ Bank	11/17/21	20.07	20.2	20.2	--
Barclays	11/16/21	20.4	20.3	20.1	20.1
Morgan Stanley	11/15/21	20.7	21	20.5	20
ING Financial Markets	10/12/21	20.5	20.75	21	21.25
Commerzbank	10/08/21	20.5	21	21	21.5

GET IN TOUCH

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

