

FX

CONSENSUS FORECAST

A LOOK AT THE MONTH AHEAD

April 2022

moneycorp 

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QUICK GLANCE



The US economy was gripped by a slew of activities in March. The Russia-Ukraine crisis, supply chain troubles, rising commodities, and energy prices, persistently high inflation, and finally Biden's budget for the new year, kept markets on the backfoot and risk sentiment cautious. However, according to the latest data, the U.S. economy concluded 2021 by increasing at a robust 6.9% annual rate in the last quarter of the year, slightly below predictions. The nation's Gross Domestic Product — the total output of goods and services — increased by 5.7% in 2021, the strongest calendar-year rise since a 7.2% increase in 1984 in the aftermath of a severe recession. This is slightly less than the government's initial prediction of 7%. The lower figure is owed to a slowdown in consumer spending as well as fewer exports. Moreover, economists think that growth would decelerate considerably this year, particularly in the first quarter of 2022. Higher inflation is anticipated to weigh on consumer spending as Americans become more gloomy about the economy. Home sales have declined as the Federal Reserve has begun to raise borrowing costs, resulting in a dramatic increase in mortgage rates. Exports may suffer as a result of the disruption to international economies caused by Russia's invasion of Ukraine.

Inflation is at a four-decade high, and the Fed is pondering a half-point rise at its next meeting to bring it down. Latest data shows that consumer prices in the United States increased in February to a new 40-year high, with inflation expected to soar much more in the aftermath of Russia's invasion of Ukraine. The consumer price index increased 7.9% year on year, following a 7.5% annual gain in January. The widely observed inflation gauge was up 0.8% month on month in February, indicating higher gasoline, food, and shelter expenses. Excluding volatile food and energy components, so-called core prices rose 0.5% month on month and 6.4% year on year. The results demonstrate that the inflationary cloud has become more persistent and expansive over the economy. The price increase has compelled the Federal Reserve to halt its two-year period of near-zero interest rates. This month, Fed officials lifted their benchmark lending rate from zero to a quarter-point increase. To ensure that this persistent pricing pressure subsides, Chair Powell and his colleagues have shifted from a long-standing preference for slow and gradual interest-rate increases and signaled a front-loading policy with a half-point hike on the table in May and more to come.

Consumer confidence upholds and business investments are ramping up. Consumer confidence in the United States increased in March, indicating that good job growth offset Americans' concerns about decades-high inflation, which threatens spending and growth. The Conference Board's index, which measures consumer confidence rose to 107.2 from 105.7 in February, which was the lowest score in a year. Despite the increase in confidence, Americans are experiencing the biggest inflation since 1982, which is already forcing some to curtail their purchases of particular goods or services, and a slowdown in consumption would represent a risk to economic growth. Having said that, according to the most recent statistics, retail sales in February climbed modestly at 0.3%, compared to predictions of 0.4%

Moreover, despite rising inflationary pressures, persistent labor market improvements have pushed employment back to pre-pandemic levels in several areas, bolstering US households. The economy likely added about half a million jobs in March, while the unemployment rate dipped to 3.7%. Despite solid labor market and salary growth, the average interest rate on a 30-year fixed-rate mortgage in the United States jumped to 4.42%, such market volatility is uncommon and the last time interest rates recovered so swiftly was nearly two decades ago.

On the business side, as a result of the pandemic, American corporations are developing their investments in technology and other capital expenditures. After adjusting for inflation, private nonresidential business investment increased 7.4% in 2021 compared to the previous year, the quickest rate since 2012 and a notable rebound from the 5.3% decrease in 2020. Economists predict that company expenditure will remain strong this year. According to the Institute for Supply Management, manufacturing firms intend to increase capital expenditures by 7.7% in nominal terms in 2022. Service companies anticipate a 10.3% increase.

On the [political side, Geopolitical tensions have been high since Russia launched its invasion of Ukraine one month ago. In the most recent updates, Ukrainian President Volodymyr Zelensky has accused Russia of attempting to harm the country's agriculture industry, perhaps causing a global food crisis, while NATO sees no sign of Russian troops retreating and mentions that the alliance will keep pressure on Kyiv. Meanwhile, direct discussions between Russia and Ukraine continue to build hopes despite failing to yield meaningful progress at this point and are set to continue in Turkey.

The hostile action has produced a significant increase in commodity prices, particularly oil, which is costing nearly \$6 per gallon in California, considering the national average of \$4.24. To tackle increasing gasoline costs and supply constraints, the Biden administration is planning to release about a million barrels of oil per day from US reserves for several months. The prospective move comes as OPEC+ opposes US pressure to increase output in order to reduce prices.

In addition, the administration has called for a \$5.8 trillion budget for the new year, in which President Biden proposed the highest amount of military spending in history with \$813 billion in the fiscal year 2023, roughly 4% higher than the current budget. The budget, which was released in the latter week of March, also proposes greater taxes on businesses and the wealthiest Americans, as part of a renewed emphasis on decreasing the government deficit from last year's budget. Also included in the proposal is \$682 million in assistance for Ukraine's efforts to fight Russia and strengthen its security and economic interests.

In the currency markets, the US dollar has extended its recent run, and it is on track to end the month almost 1.4% higher, owing to heightened market volatility caused by the Russian invasion, as well as the Fed's hawkish tone in an effort to curb record-high inflation. The US dollar index, which measures the value of the US currency against a basket of foreign currencies, reached a high of 99.45 in March, its highest level since May 2020. This scenario is known as the dollar's half-smile, a market theory in which the dollar's value emerges as the global economic sentiment dwindles and traders seek safe havens. Furthermore, economic data on labor market development, consumer confidence, PMI growth, and hotter inflation bolstered the index, but a moderate increase in consumer spending, slow retail sales, and sluggishly lower GDP growth compared to earlier estimates weighed on the index. Moving forward, the geopolitical tensions, Fed's monetary stance, and market sentiments will continue to influence the Dollar Index in the short term.

In March, The U.S. stock market is expected to end a tumultuous first quarter on a mixed note. The S&P 500 rebounded this month, increasing 5%, but the broad index is still down 3.6% for the quarter. Investors have managed to remain cool in the face of the escalating Russia-Ukraine crisis, while also ignoring new Covid-19 lockdowns in China. Instead, they are focusing on falling oil costs in the expectation that inflation will subside. Furthermore, March was the worst month for Treasuries since July 2003, with the Bloomberg US Treasury Aggregate index falling 3.5%. The US two years treasury yields are hovering around 3 years high at 2.31%, while the 10-year Treasury yields were seen near two years high. In the coming weeks, investors will be keenly watching the yield curve, which narrowed to 0.02% points in the last week of March, an inversion of the yield curve in the past has eventually led to periods of economic slowdown.

In a nutshell, the US economy has shown resilience thus far, with high consumer confidence and business expenditure, despite geopolitical uncertainties and high inflation pressures. However, economists argue that price pressure will have a short-term impact on consumer spending. Furthermore, while the housing market has hit record high mortgage rates, residential homeowners are preferring to invest their money somewhere else. In the medium run, the drop in oil prices will bring some relief to the present energy shock and pricing pressures, while the ongoing business investment will boost labor productivity and eventually contribute to economic development.

EUR/USD

Amid the escalation of the conflict in Ukraine, the EUR have sustained selling pressure due to market risk flows. The common currency dropped 3.7% in early days of March, reaching levels last seen in Q1 2020 when the outbreak of Covid-19 flipped global markets. Despite the EUR recovering 2%, the old continent's dependency to Russian gas in combination to

surging energy prices increase inflation prospects in Europe which keep policymakers concerned as the system urges tightening of monetary policy. Fears around stagflation and a potential nuclear risk keep markets on the backfoot, although recent dialogues between Russians and Ukraine show a spark of hope to bring peace in the region.



What To Watch For This Month

04/01/2022 - HICP (Marf)

Eurostat will announce the HICP for March which is a significant way to measure purchasing trends and inflation in Eurozone.

04/14/2022 ECB interest rate decision

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

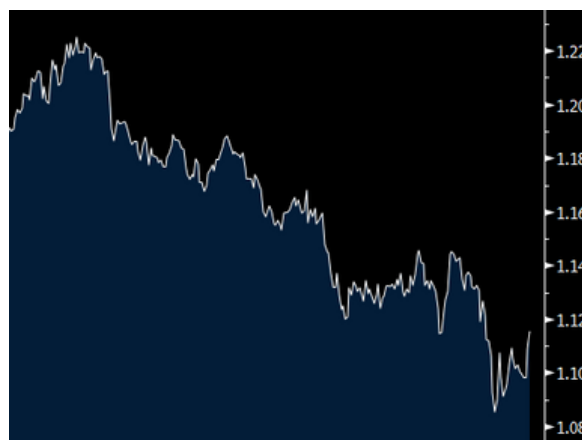
04/21/2022 CPI

Eurostat will announce the Consumer Price index for the month of March, expected at 5.8% annually.

Economic Indicators

European Central Bank Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-6.4	5.3	3.7	2.8
CPI (YOY%)	0.25	2.6	5.1	2.1
Unemployment (%)	7.97	7.7	7.3	7.2

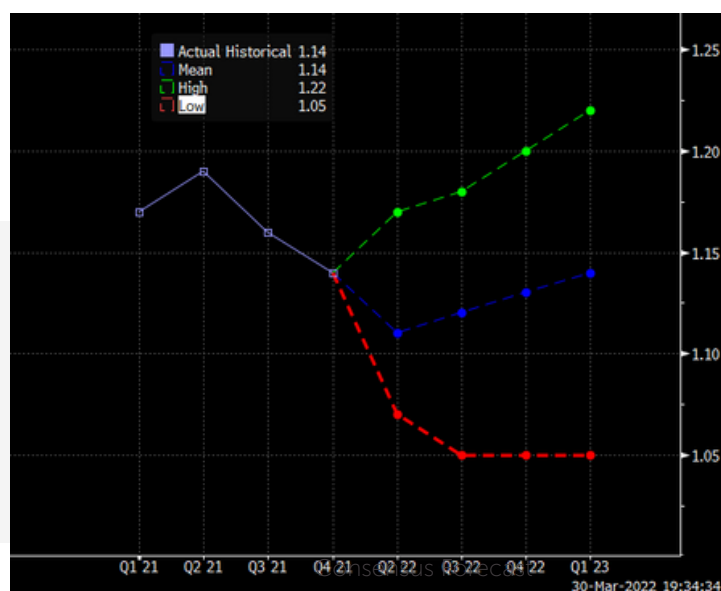


Historical Rates

EUR/USD

Market Consensus & Forecast

	Q2 22	Q3 22	Q4 22	Q1 23
Mean	1.11	1.12	1.15	1.14
High	1.17	1.18	1.20	1.22
Low	1.07	1.05	1.05	1.05



Forecast by Institution

	As of:	Q2 22	Q3 22	Q4 22	Q1 23
Jyske Bank	03/29/22	1.09	1.16	1.19	1.19
Landesbank Baden-Wuertt.	03/29/22	1.1	1.09	1.08	1.08
ABN Amro	03/28/22	1.08	1.06	1.05	1.05
TD Securities	03/28/22	1.08	1.13	1.17	1.2
United Overseas Bank	03/28/22	1.08	1.07	1.06	1.06
CIBC	03/25/22	1.1	1.11	1.12	1.13
Rabobank	03/25/22	1.1	1.1	1.1	--
SEB	03/24/22	1.07	1.05	1.09	1.12
Emirates NBD	03/23/22	1.09	1.09	1.1	1.12
Nomura Bank	03/22/22	1.08	1.1	1.14	--
Swedbank	03/22/22	1.13	1.14	1.15	1.16
Westpac Banking	03/21/22	1.1	1.11	1.12	1.13
Danske Bank	03/18/22	1.08	1.06	1.05	1.05
Morgan Stanley	03/18/22	1.08	1.11	1.14	1.15
NAB/BNZ	03/18/22	1.11	1.13	1.15	1.17
Sumitomo Mitsui Trust Bank	03/15/22	1.09	1.12	1.15	1.14
JPMorgan Chase	03/14/22	1.1	1.11	1.12	1.13
Credit Agricole CIB	03/11/22	1.11	1.12	1.15	1.16
Commerzbank	03/11/22	1.12	1.14	1.16	1.15

USD/JPY



The Japanese Yen was one of the worst performing currencies against the dollar, depreciating 8.91% and hitting levels last seen in 2015. However, a slight recovery in market sentiment weighed on the dollar towards the end of the month closing out 5.8% lower since the beginning of the month.

The Yen fails to gain from its safe haven appeal despite the outburst of the conflict in Ukraine, which many would have expected a pick up in the Yen valuation. However, the lack of inflationary pressures in Japan drives the BoJ in an opposite direction than its global peers in terms of monetary policy. While the Fed, BoE and ECB change gears on tightening monetary policy, the BoJ boosted its bond purchases for April.

What To Watch For This Month

04/01/2022 *Tankan Manf index Q1*

The Japanese Cabinet office will release the Manufacturing index to show the business conditions of the manufacturing corporate and enterprises in the nation.

04/08/2022 *Current Accounts (Feb)*

Statistics Bureau will show the trade balance condition of the economy for February

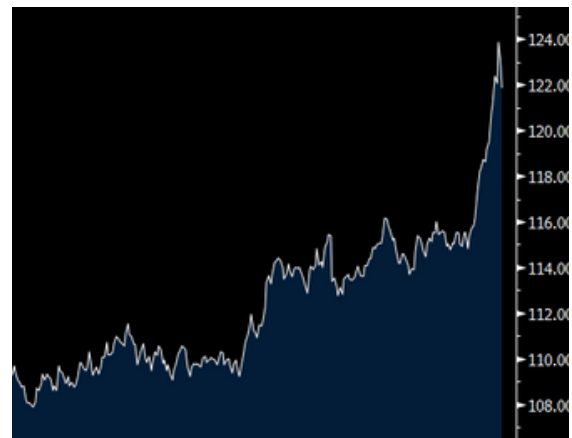
04/22/2022 *National CPI*

Statistics Bureau will release Consumer Price Index report for March, previously 0.9% annually.

Economic Indicators

Bank of Japan Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-4.53	1.78	3.8	1.1
CPI (YOY%)	-0.02	-0.25	--	--
Unemployment (%)	2.79	2.81	2.73	2.73

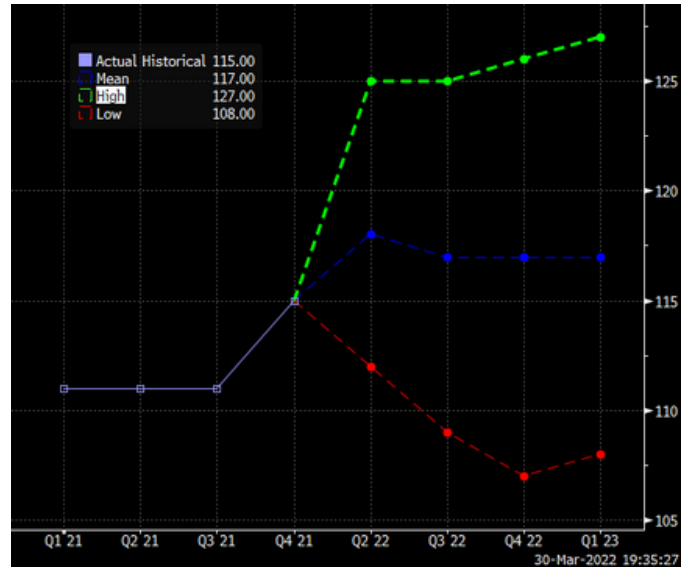


Historical Rates

USD/JPY

Market Consensus & Forecast

	Q2 22	Q3 22	Q4 22	Q1 23
Mean	118	117	117	117
High	125	125	126	127
Low	112	109	107	108



Consensus Forecast

Forecast by Institution

	As of:	Q2 22	Q3 22	Q4 22	Q1 23
Jyske Bank	03/29/22	114	109	108	108
Landesbank Baden-Wuertt.	03/29/22	120	122	125	125
ABN Amro	03/28/22	119	120	120	121
TD Securities	03/28/22	125	122	120	118
United Overseas Bank	03/28/22	119	120	121	122
CIBC	03/25/22	118	118	116	115
Rabobank	03/25/22	118	120	121	--
Emirates NBD	03/23/22	125	125	120	120
Nomura Bank	03/22/22	120	118	116	--
Swedbank	03/22/22	121	122	122	120
Westpac Banking	03/21/22	117	117	118	118
Danske Bank	03/18/22	116	115	112	110
Morgan Stanley	03/18/22	120	117	115	113
NAB/BNZ	03/18/22	116	116	113	112
Sumitomo Mitsui Trust Bank	03/15/22	115	112	110	108
JPMorgan Chase	03/14/22	118	119	120	121
Credit Agricole CIB	03/11/22	118	118	116	115
Commerzbank	03/11/22	117	119	120	120
CBA	03/09/22	118	119	121	121
Banco Santander	03/09/22	116	117	117	118

GBP/USD



The British Pounds suffered 3.13% losses reaching a key level last seen in December 2020. The war in Ukraine continues to be the main driver of the Sterling weakness, although a hawkish stance from the BoE provided a boost to the currency recovering 1.3% by the end of the month.

However, the rapid recovery from the pandemic seems to be at risk as surging inflations raise concerns over another recession. Sky high inflation hitting 6.2% is expected to top 8.4% in April driven mainly by higher fuel and energy costs, set to jump by 54%. Market participants expect the BoE to hike rates again in May.

What To Watch For This Month

04/05/2022 Service PMI (Mar)

National statistics will show the performance of the service industry in the nation, expected 61

04/12/2022 Unemployment Rate (Feb)

National Statistics will release unemployment rate results to show labor market conditions, expected 4%.

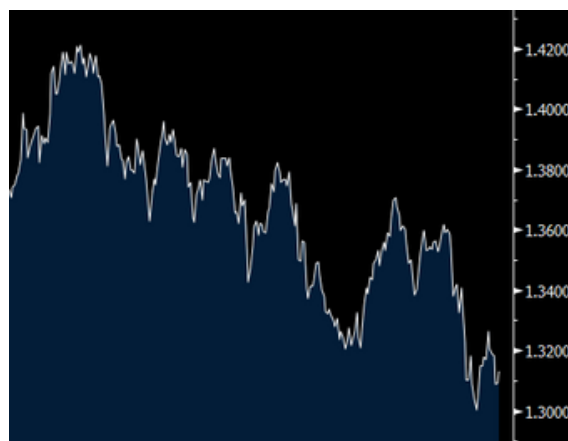
04/22/2022 Retail Sales (Mar)

National Statistics will release retail sales for the month of March, expected at 7.8% annually.

Economic Indicators

Bank of England Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-9.38	--	3.75	1.25
CPI (YOY%)	0.85	2.58	5.75	2.50
Unemployment (%)	4.42	4.59	4.00	4.50

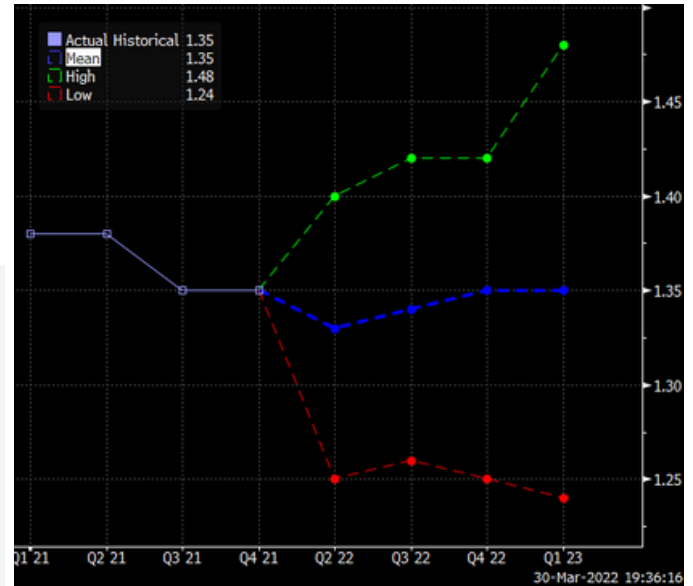


Historical Rates

GBP/USD

Market Consensus & Forecast

	Q2 22	Q3 22	Q4 22	Q1 23
Mean	1.33	1.34	1.35	1.35
High	1.4	1.42	1.42	1.48
Low	1.25	1.26	1.25	1.24



Consensus Forecast

Forecast by Institution

	As of:	Q2 22	Q3 22	Q4 22	Q1 23
Jyske Bank	03/29/22	1.25	1.35	1.4	1.4
Landesbank Baden-Wuertt.	03/29/22	1.33	1.33	1.33	1.33
ABN Amro	03/28/22	1.3	1.29	1.28	1.27
TD Securities	03/28/22	1.29	1.33	1.34	1.37
United Overseas Bank	03/28/22	1.3	1.32	1.34	1.36
CIBC	03/25/22	1.3	1.31	1.31	1.33
Rabobank	03/25/22	1.31	1.29	1.28	--
SEB	03/24/22	1.3	1.27	1.3	1.33
Emirates NBD	03/23/22	1.34	1.36	1.38	1.4
Ebury	03/23/22	1.34	1.36	1.37	1.38
Nomura Bank	03/22/22	1.29	1.31	1.34	--
Swedbank	03/22/22	1.36	1.36	1.35	1.35
Westpac Banking	03/21/22	1.33	1.34	1.35	1.36
Danske Bank	03/18/22	1.28	1.26	1.26	1.25
Morgan Stanley	03/18/22	1.3	1.32	1.34	1.33
NAB/BNZ	03/18/22	1.32	1.33	1.35	1.37
JPMorgan Chase	03/14/22	1.31	1.33	1.34	1.34
Credit Agricole CIB	03/11/22	1.33	1.34	1.38	1.39
Commerzbank	03/11/22	1.32	1.33	1.33	1.34
CBA	03/09/22	1.36	1.38	1.4	1.43

USD/CHF

The Swiss Franc suffered a major pullback against the dollar, retracing 3.18% amid a broader greenback strength driven by geopolitical tensions in Europe and tightening policy in the U.S. making the dollar an attractive alternative for risk averse flows. The Franc recovered toward month end closing 0.5% lower.

Inflation in Switzerland remains relatively low reaching 1.9% in their latest CPI report. Concerns around the overvaluation of the Swiss Franc forced policymakers to increase its foreign exchange interventions in the last quarter of 2021. In the SNB report released by end Q1, showed that transactions totalled 12.63 Billion Francs, up from 2.79 billion the previous quarter.



What To Watch For This Month

04/01/2022 CPI (Mar)

The SECO will announce the monthly consumer price index results for March, expected at 0.6%

04/07/2022 Unemployment rate

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

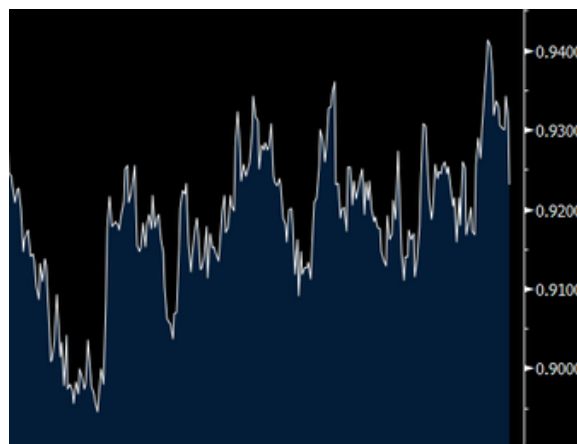
04/14/2022 PPI (Mar)

The SECO will announce the monthly Producer price index results for March, previously 5.8% annually

Economic Indicators

Swiss National Bank Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-2.53	3.80	3.00	1.70
CPI (YOY%)	-0.73	0.58	1.90	0.70
Unemployment (%)	3.24	2.98	2.10	2.00

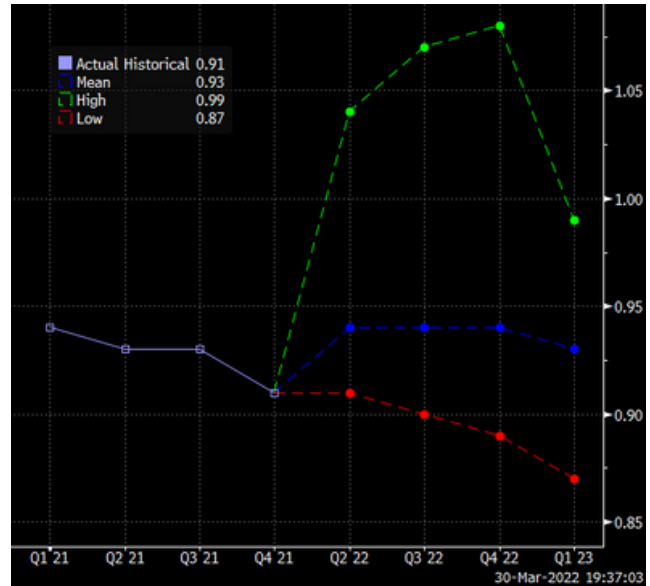


Historical Rates

USD/CHF

Market Consensus & Forecast

	Q2 22	Q3 22	Q4 22	Q1 23
Mean	0.94	0.94	0.94	0.93
High	1.04	1.07	1.08	0.99
Low	0.91	0.9	0.89	0.87



Consensus Forecast

Forecast by Institution

	As of:	Q2 22	Q3 22	Q4 22	Q1 23
Jyske Bank	03/29/22	0.94	0.9	0.89	0.89
Landesbank Baden-Wuertt.	03/29/22	0.94	0.95	0.97	0.99
ABN Amro	03/28/22	0.94	0.97	0.98	0.99
TD Securities	03/28/22	0.93	0.92	0.92	0.91
CIBC	03/25/22	0.95	0.96	0.96	0.96
Rabobank	03/25/22	0.94	0.94	0.95	--
SEB	03/24/22	0.94	0.99	0.96	0.95
Emirates NBD	03/23/22	0.92	0.91	0.9	0.9
Ebury	03/23/22	0.95	0.94	0.94	0.94
Nomura Bank	03/22/22	0.94	0.94	0.92	--
Swedbank	03/22/22	0.93	0.92	0.92	0.93
Westpac Banking	03/21/22	0.93	0.94	0.94	0.95
Danske Bank	03/18/22	0.95	0.95	0.95	0.95
Morgan Stanley	03/18/22	0.96	0.95	0.93	0.94
NAB/BNZ	03/18/22	0.92	0.9	0.89	0.87
JPMorgan Chase	03/14/22	0.92	0.92	0.92	0.91
Credit Agricole CIB	03/11/22	0.94	0.95	0.94	0.95
Commerzbank	03/11/22	0.93	0.92	0.91	0.91
CBA	03/09/22	0.93	0.91	0.89	0.88
Banco Santander	03/09/22	0.96	0.93	0.93	0.93

USD/CAD

The Canadian dollar is one of the best-performing currencies against the greenback throughout the course of March, closing 2% higher amid strong momentum in energy prices. The west texas intermedia topped 130.5 dollars per barrel amid the conflict in Ukraine

and its impact on global markets. Supply chain constraints, geopolitical plays and enormous sanctions have reshuffled output allocation in several economies. The EU and the US signed an agreement to commercialize liquid gas and remove European dependency to Russian commodities. President Joe Biden is looking to control oil prices by releasing oil reserves into the market.



What To Watch For This Month

04/08/2022 Unemployment rate (Mar)

Statistics Canada will release the jobless report for March to show labor market conditions, expected at 6.2% annually.

04/13/2022 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.

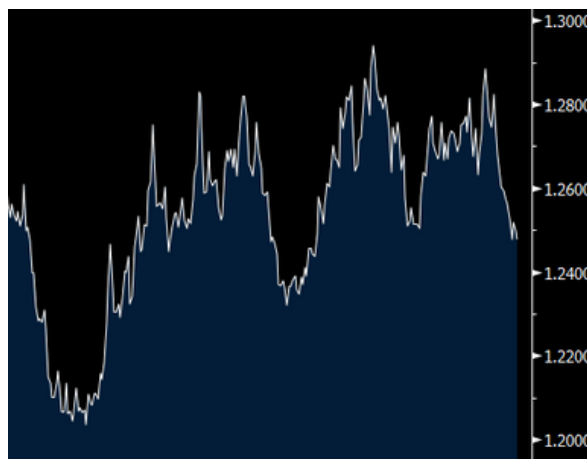
04/20/2022 BoC Consumer Price Index

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

Economic Indicators

Bank of Canada Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-5.23	4.75	4.00	3.50
CPI (YOY%)	0.73	3.40	4.20	2.30
Unemployment (%)	9.58	7.43	--	--

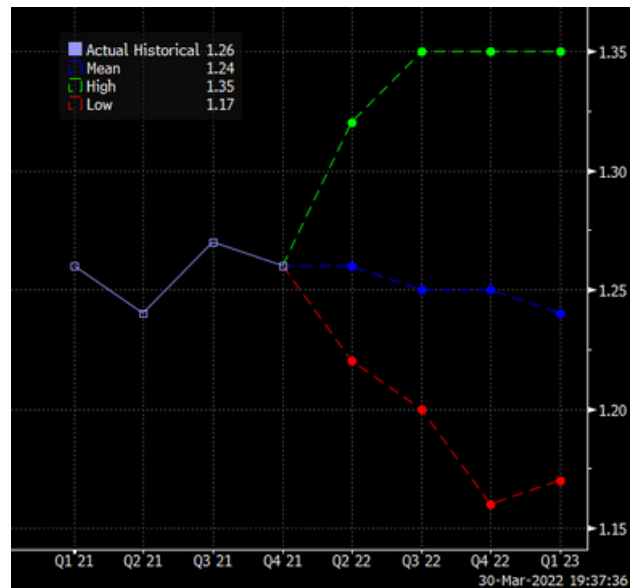


Historical Rates

USD/CAD

Market Consensus & Forecast

	Q2 22	Q3 22	Q4 22	Q1 23
Mean	1.26	1.26	1.25	1.22
High	1.32	1.34	1.35	1.26
Low	1.19	1.16	1.12	1.14



Consensus Forecast

Forecast by Institution

	As of:	Q2 22	Q3 22	Q4 22	Q1 23
ATB FINANCIAL	03/29/22	1.22	1.23	1.24	--
Landesbank Baden-Wuertt.	03/29/22	1.27	1.27	1.27	1.28
ABN Amro	03/28/22	1.24	1.23	1.22	1.22
TD Securities	03/28/22	1.24	1.24	1.26	1.28
CIBC	03/25/22	1.26	1.27	1.28	1.28
Rabobank	03/25/22	1.28	1.28	1.27	--
SEB	03/24/22	1.26	1.25	1.24	1.23
Emirates NBD	03/23/22	1.24	1.23	1.2	1.18
Nomura Bank	03/22/22	1.27	1.26	1.26	--
Swedbank	03/22/22	1.24	1.2	1.2	1.2
Westpac Banking	03/21/22	1.27	1.26	1.25	1.24
Danske Bank	03/18/22	1.32	1.35	1.35	1.35
Morgan Stanley	03/18/22	1.24	1.2	1.16	1.17
NAB/BNZ	03/18/22	1.25	1.24	1.22	1.2
JPMorgan Chase	03/14/22	1.27	1.27	1.27	1.25
Credit Agricole CIB	03/11/22	1.25	1.23	1.21	1.2
Commerzbank	03/11/22	1.28	1.27	1.27	1.26
CBA	03/09/22	1.22	1.21	1.2	1.19
Banco Santander	03/09/22	1.22	1.25	1.27	1.3
MUFG	03/08/22	1.23	1.21	1.2	--

USD/CNY



The Chinese Yuan had a tough month amid a broader dollar strength driven by hawkish policy and surging inflation while the Asian giant struggles with Covid lockdown in Shanghai and a crippled economy which required deployment of dovish policy to incentivize growth.

The Peoples Bank of China's monetary policy continues to diverge from major central banks as inflation oscillates between 7-8% in the U.S. and Europe, pushing policymakers to tighten liquidity conditions. The PBoC released further liquidity to markets although economists expect China to miss its 2022 growth target of 5.5%.

What To Watch For This Month

04/01/2022 Caixin Manufacturing OMI

The National Bureau of Statistics will announce manufacturing OMI to show the business conditions of Manufacturers in the nation.

04/11/2022 CPI (Mar)

National Bureau of Statistics will announce CPI readings for February to show the price movement of goods and services excluding volatile components, expected at 0.9% annually.

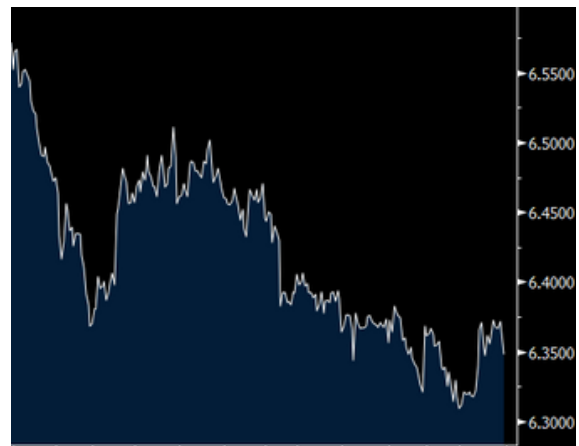
04/18/2022 GDP Q1

The National Bureau of Statistics will announce GDP results of Q1 2022 showing the value generated by all goods and services provided by the country, expected at 3.6% annually

Economic Indicators

People's Bank of China Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	2.20	8.1	5.05	5.20
CPI (YOY%)	2.51	0.9	2.20	2.20
Unemployment (%)	4.24	--	3.93	3.80

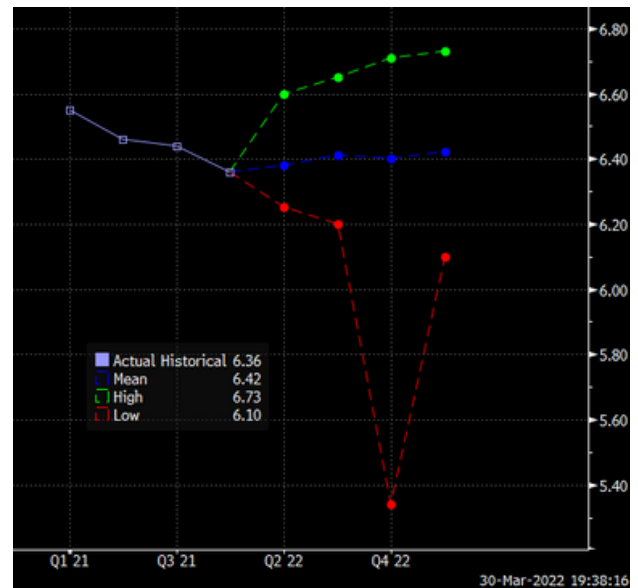


Historical Rates

USD/CNY

Market Consensus & Forecast

	Q2 22	Q3 22	Q4 22	Q1 23
Mean	6.38	6.41	6.4	6.42
High	6.6	6.65	6.71	6.73
Low	6.25	6.2	5.34	6.1



Consensus Forecast

Forecast by Institution

	As of:	Q2 22	Q3 22	Q4 22	Q1 23
BNP Paribas	03/29/22	6.5	6.55	6.65	6.61
Jyske Bank	03/29/22	6.47	6.25	6.3	6.3
Landesbank Baden-Wuertt.	03/29/22	6.5	6.61	6.71	6.67
ABN Amro	03/28/22	6.3	6.3	6.3	6.3
TD Securities	03/28/22	6.41	6.43	6.45	6.6
United Overseas Bank	03/28/22	6.5	6.55	6.6	6.65
CIBC	03/25/22	6.25	6.2	6.15	6.1
Rabobank	03/25/22	6.4	6.5	6.55	--
Nomura Bank	03/22/22	6.33	6.28	6.2	--
Westpac Banking	03/21/22	6.3	6.3	6.25	6.2
Danske Bank	03/18/22	6.41	6.45	6.48	6.5
Morgan Stanley	03/18/22	6.35	6.42	6.4	6.4
NAB/BNZ	03/18/22	6.4	6.45	6.5	6.45
JPMorgan Chase	03/14/22	6.35	6.35	6.45	6.55
Commerzbank	03/11/22	6.6	6.65	6.7	6.73
CBA	03/09/22	6.32	6.25	6.2	6.2
MUFG	03/08/22	6.43	6.5	6.55	--
Mizuho Bank	03/01/22	6.38	6.4	6.45	--
BBVA	02/28/22	6.29	6.31	5.34	--
Prestige Economics LLC	02/28/22	6.31	6.33	6.35	6.38

USD/BRL



Latam currencies were the best performing peers against the dollar globally, with the Brazilian Real leading the charge throughout the month capitalizing 6.30%. The Real holds strong support from an aggressive interest rate hike policy which gives a yielding advantage in terms of carry. .

Surging commodities and energy prices boosted the trade balance for the economy, triggering a vast amount of dollars flowing into Brazil amid its exports. Given the results and the performance of the pair, the BCB tsingalled that the next rate hike will be the last from the aggressive tightening cycle.

What To Watch For This Month

04/01/2022 Manufacturing PMI

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

04/08/2022 CPI (Mar)

The IBGE will release the consumer price index for March, expected at 10.50% annually.

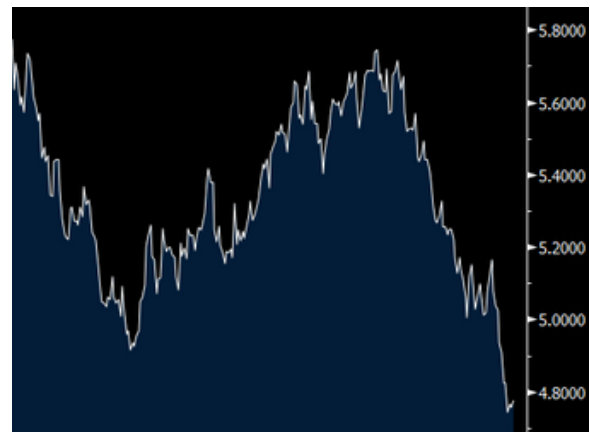
04/13/2022 Retail Sales (Feb)

The IBGE will release business retail sales figures for February, expected to increase at 0.3% monthly

Economic Indicators

Brazil's Central Bank Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-3.87	4.80	0.50	1.80
CPI (YOY%)	3.21	8.29	8.09	4.10
Policy Rate (%)	2.00	9.25	13.00	8.80

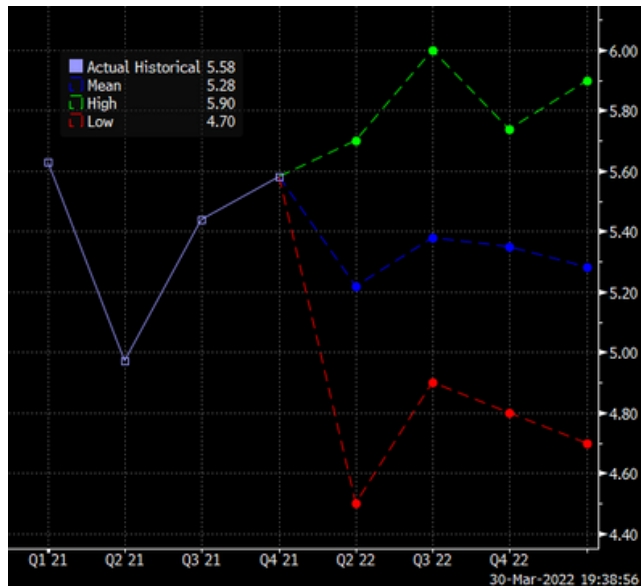


Historical Rates

USD/BRL

Market Consensus & Forecast

	Q2 22	Q3 22	Q4 22	Q1 23
Mean	5.22	5.38	5.35	5.28
High	5.7	6	5.74	5.9
Low	4.5	4.9	4.8	4.7



Consensus Forecast

Forecast by Institution

	As of:	Q2 22	Q3 22	Q4 22	Q1 23
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
TD Securities	03/28/22	5	4.9	4.9	4.95
CIBC	03/25/22	5.7	6	5.7	5.9
Rabobank	03/25/22	5.4	5.55	5.5	--
SEB	03/24/22	4.9	5	5.1	5.15
Nomura Bank	03/22/22	5.6	6	5.6	--
Morgan Stanley	03/18/22	5.3	5.6	5.2	5.3
JPMorgan Chase	03/14/22	5.3	5.4	5.4	5.4
MUFG	03/08/22	5.15	5.45	5.6	--
Mizuho Bank	03/01/22	5.5	5.65	5.5	--
BBVA	02/28/22	5.21	5.48	5.4	--
Prestige Economics LLC	02/28/22	5.35	5.3	5.25	5.25
Silicon Valley Bank	02/28/22	5.2	5.18	5.15	--
ING Financial Markets	02/18/22	5.6	5.75	5.75	--
Eurobank Cyprus	02/16/22	5.4	5.6	--	--
Scotiabank	02/02/22	5.71	5.72	5.68	--
DZ Bank	01/18/22	5.7	5.67	5.62	--
Standard Chartered	01/13/22	5.9	5.95	6	--

USD/MXN



The Mexican Peso recorded important gains against the greenback, closing the month 3.34% higher amid momentum in the Latam region. Surging commodities and energy prices keep boosting commodities linked economies adjusting USD flows into the economies.

However, economists cut 2022 growth estimates in Mexico to 1.8% from 3% due to weaker than expected activity in H2 2021 and additional internal drivers of inappropriate policy. High inflation and increasing global rates will keep policy tight although the fiscal policy does not support growth,

What To Watch For This Month

04/01/2022 Manufacturing PMI

The INEGI will announce Manufacturing OPMI for the month of March, previously at 48.

04/07/2022 CPI (Mar)

The Banxico will announce the monthly Consumer Price Index for March, expected at 7.23% annually.

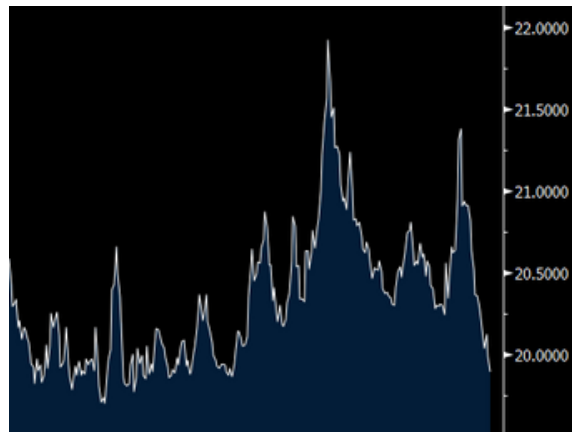
04/11/2022 Industrial Production (Feb)

The INEGI will announce industrial production figures for February, expected at 2.4% annually.

Economic Indicators

Banco de Mexico Forecast

Forecast	2020	2021	2022	2023
Real GDP (YOY%)	-8.20	4.80	2.00	2.10
CPI (YOY%)	3.40	5.68	5.50	4.00
Unemployment (%)	4.43	4.14	3.90	3.77

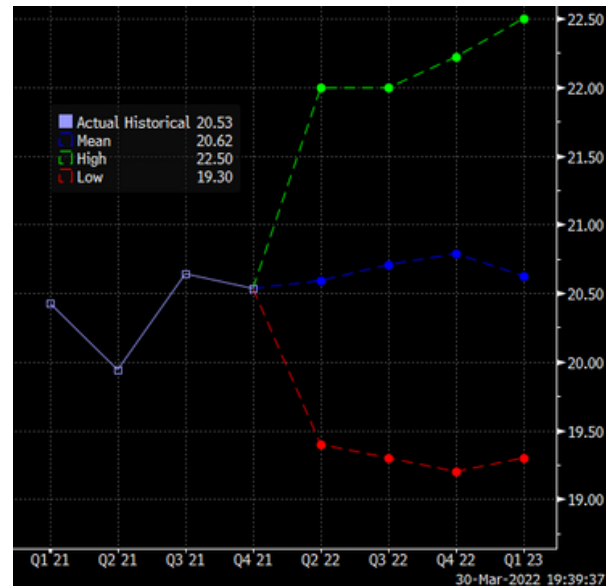


Historical Rates

USD/MXN

Market Consensus & Forecast

	Q2 22	Q3 22	Q4 22	Q1 23
Mean	20.59	20.71	20.79	20.62
High	22	22	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
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
TD Securities	03/28/22	21	21	21.25	21.5
CIBC	03/25/22	22	22	21.5	21
Rabobank	03/25/22	20.5	21	21	--
Nomura Bank	03/22/22	20.3	20	19.8	--
Morgan Stanley	03/18/22	21.3	20.8	20.5	20.35
Banorte	03/15/22	21.5	21.6	21.8	--
JPMorgan Chase	03/14/22	20.9	21.2	21.4	21.6
MUFG	03/08/22	20.85	21.25	21.35	--
Mizuho Bank	03/01/22	20.5	20.6	20.7	--
BBVA	02/28/22	20.45	20.62	20.8	--
Prestige Economics LLC	02/28/22	20.35	20.2	20	20
Silicon Valley Bank	02/28/22	20.27	20.07	20.17	--
ING Financial Markets	02/18/22	20.75	21	21	--
Scotiabank	02/02/22	20.82	21.21	21.52	--
DZ Bank	01/18/22	21	20.83	20.58	--
Standard Chartered	01/13/22	19.6	19.4	19.3	--
RBC Capital Markets	12/10/21	19.8	20.66	20.16	--
Barclays	11/16/21	20.3	20.1	20.1	--

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