

**FX**

# CONSENSUS FORECAST

A LOOK AT THE MONTH AHEAD

*November 2022*

moneycorp 

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# QUICK GLANCE



The United States Gross Domestic Product (GDP) has fallen for the last two quarters, leading many to believe that the world's biggest economy is in recession. The most recent scorecard alters perspective by exceeding economists' consensus and providing the first positive reading since the start of the 2022 fiscal year. Stronger exports and consumer spending, backed by a solid labor market, helped the world's largest economy regain growth.

Despite a strong reading for Q3, the economy is being weighed down by a number of problems. High inflation, the Fed's monetary tightening snowball, and global downturn concerns are lowering consumer demand ahead of the November midterm elections. Let's take a closer look at the forces weighing on the world's strongest economy.

## Key details:

According to the latest economic scorecard provided by the Commerce Department on Thursday, GDP climbed 2.6% on an annualized basis between July and September. This exceeded experts' estimates and was a remarkable reversal from the 0.6% dip in the second quarter of 2022 and the 1.6% reduction in the first three months of the year.

The third-quarter expansion was pushed by a narrowing of the trade deficit, as dwindling consumer demand dampened imports while exports rose overall, thanks in part to sales from the oil sector. War-related shortages in Ukraine have spurred exceptional demand for American petroleum products abroad. However, those trade patterns mask a slowing of domestic consumer demand, indicating that the economy is losing vigor. According to the Commerce Department's GDP report, consumer spending increased by just 1.4%, which was higher than predicted but significantly slower than the prior quarter of 2% in Q2.

Housing investment, on the other hand, fell 26% year on year, dragged down by rising mortgage rates as the Federal Reserve aggressively boosts borrowing costs to combat chronic inflation. As a result, residential investment dropped for the sixth consecutive quarter.

In terms of the labor market, the economy showed a silver lining. Employers have added 420,000 jobs each month on average this year, putting 2022 on track to be the second-best year for employment creation (behind 2021) in Labor Department statistics dating back to 1940. Last month, the jobless rate was 3.5%, matching a half-century

Even though the economy showed signs of growth this quarter, economists are skeptical about the future because inflation remains at a 40-year high, and the Fed remains steadfast in its monetary tightening campaign.

The most recent inflation estimate shows a downward trend at 8.2% yearly, nevertheless exceeding predictions. This gives Fed every motive to continue its rising rampage. In the same lines, the Fed is expected to raise interest rates by 0.75 percentage points early next month, bringing its benchmark policy rate to a new target range of 3.75 percent to 4%. Chair Jerome Powell has already cautioned that the Fed's rate increases will cause "pain" in the form of rising unemployment and, maybe, a recession.

In the same lines, the Fed is expected to raise interest rates by 0.75 percentage points early next month, bringing its benchmark policy rate to a new target range of 3.75 percent to 4%. Chair Jerome Powell has already cautioned that the Fed's rate increases will cause "pain" in the form of rising unemployment and, maybe, a recession.

Many economists have already started considering the effects of aggressive rate hikes and have highlighted a few of them. For example, while exceeding estimates in Q3, consumer spending is exhibiting symptoms of slowing. Furthermore, rate-sensitive industries such as housing have declined as mortgage rates have risen beyond 7%, while other areas of the economy, most notably the labor market, continue to show growth.

Finally, Americans concerned about inflation and the possibility of a recession have begun to cast ballots in elections that will determine whether President Joe Biden's Democratic Party holds control of Congress. Inflation has been a signature topic for Republican attacks on Democrats' managing the economy.

In a nutshell, the current reading does show a positive point, but it does not ensure economists about a highly positive future. Indeed, it portrays a bleak picture going forward, underscored by the elevated levels of inflation and interest rate hikes, which would particularly affect households and businesses moving forward. Not only this, the prognosis for the global economy also shows gloomy signs as Russia's war against Ukraine drags on.

What matters ahead is how far and fast the Fed goes to control inflation and its consequences on the economy. An aggressive cycle increases the likelihood of the economy entering a recession beginning next year. A gradual approach, on the other hand, leaves the Fed with a mountain of high inflation. For the time being, the Fed appears to be on a difficult path.

## US Dollar and Stocks

The U.S. dollar index is on its approach to breaking a four-month upswing and is currently trading at a 0.53% low for October. That would be its first drop since May and only the second this year, amid predictions that the U.S. Federal Reserve will announce a less aggressive future rate hike program at its policy meeting on Tuesday. Currency markets are in a holding pattern ahead of the (Fed's rate-setting) FOMC meeting on Wednesday after market participants observed several other central banks adopt a more balanced tone. Meanwhile, in October, U.S. stock markets made a huge rebound. The Dow led those gains, finishing the month up 14.1%. The 30-stock index is on track to have its best month since 1976 as investors place their bets on more traditional companies, such as banks, to lead the next bull market. The S&P 500 and Nasdaq Composite are also up more than 8% and 4% in October, respectively. Build up was also supported by prospects of less hawkish Fed going forward.

# EUR/USD

The euro broke its losing skid and gained 0.86% against the dollar in October. Consumer prices increased to a new high of 10.7% in October, above predictions of 10.2% and putting additional pressure on the ECB as the need for tighter monetary policy weighs against growing growth concerns.

Fresh data showed that the Eurozone economy grew 0.2% quarter on quarter in the three months to September 2022, following a 0.7% increase in the previous quarter, according to flash estimates. It was the slowest GDP growth since the Covid-19 limits were lifted in Q2 2021, and indicators indicate a turn from expansion to decline in Q4.

## What To Watch For This Month

### **11/08/2022 Retail Sales (Sep)**

Eurostat will publish retail sales for September, which will demonstrate the retail sector's performance and consumer spending in the short term. Expected to increase by 2.9% compared to a decline of -2% prior

### **11/15/2022 GDP Q3 (Prel)**

Eurostat will announce GDP estimates for the third quarter, indicating the total value of all goods and services generated by the Eurozone. Previously 2.1% annually.

### **11/17/2022 H I C P (Oct)**

Eurostat will release the HICP for October, which will reflect changes in the prices of goods and services across the Eurozone. Previously 5% annually.

## 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

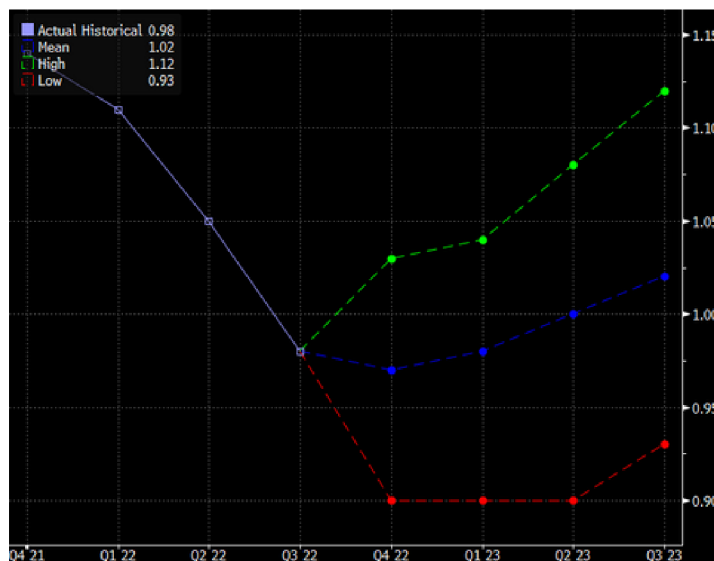


Historical Rates

# EUR/USD

## Market Consensus & Forecast

	Q4 22	Q1 23	Q2 23	Q3 23
Mean	0.97	0.98	1	1.02
High	1.03	1.04	1.08	1.12
Low	0.9	0.9	0.9	0.93



Consensus Forecast

## Forecast by Institution

	As of:	Q4 22	Q1 23	Q2 23	Q3 23
Rabobank	10/31/22	0.95	0.95	0.99	1.04
Mouvement Desjardins	10/28/22	0.97	0.97	0.99	1.01
Skandinaviska Enskilda Banken	10/28/22	0.96	0.97	1.01	1.04
Nomura Bank International	10/27/22	0.9	0.9	0.93	--
Investec	10/26/22	0.99	1	1.02	1.04
Landesbank B-W	10/26/22	0.93	0.9	0.93	0.95
C.Bank of Australia	10/24/22	0.97	0.93	0.96	0.98
Capital Economics	10/24/22	0.95	0.92	0.9	0.93
Wells Fargo	10/24/22	0.95	0.92	0.92	0.94
Swedbank	10/21/22	0.97	0.99	1.02	1.04
Mizuho Bank	10/19/22	0.97	0.95	0.96	1
JPMorgan Chase	10/17/22	0.95	0.9	0.97	1.03
Danske Bank	10/14/22	0.96	0.95	0.94	0.93
CanadianBank of Commerce	10/12/22	0.98	1	1.02	1.04
Jyske Bank	10/12/22	1	1	1.08	1.12
NAB/BNZ	10/12/22	0.96	0.99	1	1.02
Barclays	10/11/22	0.98	0.98	1	1.03
Standard Chartered	10/11/22	0.97	1.02	1.05	1.08
Sumitomo Mitsui Trust Bank	10/11/22	1	1.02	1.04	1.06
Commerzbank	10/06/22	0.95	0.98	1	1.02
ING Financial Markets	10/06/22	0.92	0.92	0.95	0.98

# USD/JPY

In October, the Japanese yen fell 2.88% against the US dollar. As a result of the Bank of Japan's and the Federal Reserve's differing monetary policy stances, the Yen fell to a 32-year low during the third week. Meanwhile, at its October meeting, BOJ reaffirmed its ultra-low interest rate policy.

Japan's reliance on foreign goods also put pressure on the Yen, as businesses were compelled to buy even more dollars to settle imports. In other news, the Financial Times reports that the government likely spent \$30 billion on Yen purchases in October. However, it only provided brief support as the fundamentals of monetary policy remained weak around the Yen.

## What To Watch For This Month

### **11/01/2022 BoJ Interest Rate Decision**

The Bank of Japan meeting minutes will reveal the inflation prognosis as well as the future monetary stance.

### **11/14/2022 GDP Q3**

Japanese Cabinet Office will announce GDP estimates for the third quarter, indicating the total value of all goods and services generated by Japan. Expecting a modest growth of 0.7% compared to 0.9% in the last quarter.

### **11/24/2022 National CPI (Oct)**

Japan's statistics bureau will publish the National CPI for October, which will reflect changes in the prices of products and services throughout the country. Previously 3% annually.

## Economic Indicators

Bank of Japan Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	1.83	2.0	1.90	1.50
CPI (YOY%)	-0.25	--	--	--
Unemployment (%)	2.82	2.57	2.57	2.57

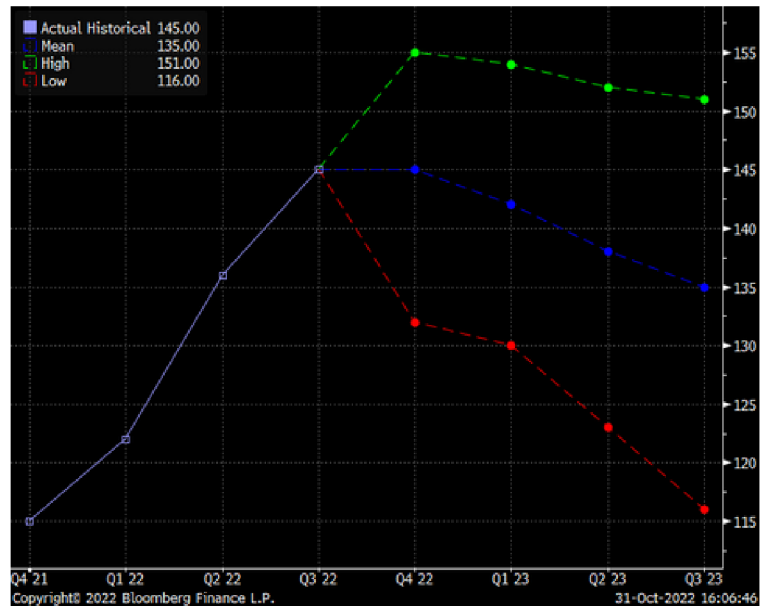


Historical Rates

# USD/JPY

## Market Consensus & Forecast

	Q4 22	Q1 23	Q2 23	Q3 23
Mean	145	142	138	135
High	155	154	152	151
Low	132	130	123	116



Consensus Forecast

## Forecast by Institution

	As of:	Q4 22	Q1 23	Q2 23	Q3 23
Rabobank	10/31/22	150	150	143	137
Mouvement Desjardins	10/28/22	140	132	126	120
Nomura Bank International	10/27/22	145	135	130	123
Investec	10/26/22	150	148	143	139
Landesbank B-W	10/26/22	148	150	152	151
C.Bank of Australia	10/24/22	152	150	140	130
Capital Economics	10/24/22	145	143	140	138
Wells Fargo	10/24/22	151	153	152	150
Swedbank	10/21/22	152	154	145	140
Mizuho Bank	10/19/22	146	145	145	147
JPMorgan Chase	10/17/22	155	150	145	140
Danske Bank	10/14/22	145	140	135	131
Canadian Bank of Commerce	10/12/22	140	138	136	135
Jyske Bank	10/12/22	140	135	123	116
NAB/BNZ	10/12/22	145	135	130	125
Barclays	10/11/22	140	139	135	130
Standard Chartered	10/11/22	132	130	128	126
Sumitomo Mitsui Trust Bank	10/11/22	142	138	135	130
Commerzbank	10/06/22	145	150	145	140

# GBP/USD

Despite the country's political upheaval, the British Pound gained 1.25% against the US dollar. As a result, it rebounded from a record low set in response to the effects of former Prime Minister Liz Truss's mini-budget announcement. Investors applauded Rishi Sunak's appointment as Prime Minister.

Meanwhile, investors were braced for another interest rate hike from the Bank of England next week, with a 75 basis point increase expected, pushing borrowing costs to levels not seen since 2008. Annual consumer inflation in the United Kingdom rebounded to a 40-year high of 10.1% in September, indicating that policymakers will need to do more to reduce it.

## What To Watch For This Month

### **11/02/2022 BOE Interest Rate Decision**

The Bank of England meeting minutes will reveal the inflation prognosis as well as the future monetary stance. Expected to continue with a hawkish stance and a 75bps.

### **11/11/2022 GDP Q3**

National Statistics will announce GDP estimates for the third quarter, indicating the total value of all goods and services generated. Expecting a contraction of 0.1% compared to an increase of 0.2% prior.

### **11/16/2022 CPI (Oct)**

National Statistics will release the CPI for October, which will reflect changes in the prices of goods and services. Previously 10.1% annually.

## Economic Indicators

Bank of England Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	8.48	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



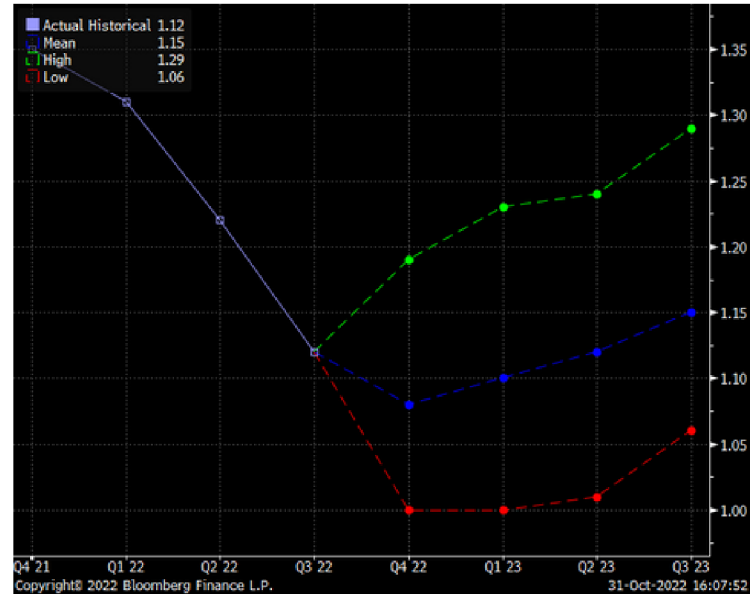
Historical Rates



# GBP/USD

## Market Consensus & Forecast

	Q4 22	Q1 23	Q2 23	Q3 23
Mean	1.08	1.1	1.12	1.15
High	1.19	1.23	1.24	1.29
Low	1	1	1.01	1.06



Consensus Forecast

## Forecast by Institution

	As of:	Q4 22	Q1 23	Q2 23	Q3 23
Rabobank	10/31/22	1.09	1.06	1.09	1.13
Mouvement Desjardins	10/28/22	1.11	1.1	1.12	1.14
Skandinaviska E. Banken	10/28/22	1.14	1.17	1.2	1.22
Nomura Bank International	10/27/22	1.05	1	1.03	--
Investec	10/26/22	1.15	1.17	1.21	1.22
Capital Economics	10/24/22	1.05	1.05	1.05	1.08
Wells Fargo	10/24/22	1.11	1.06	1.06	1.07
Swedbank	10/21/22	1.1	1.11	1.17	1.2
JPMorgan Chase	10/17/22	1.05	1.08	1.1	1.11
Danske Bank	10/14/22	1.08	1.09	1.09	1.08
Jyske Bank	10/12/22	1.11	1.11	1.23	1.29
NAB/BNZ	10/12/22	1.1	1.13	1.16	1.18
Barclays	10/11/22	1.13	1.13	1.15	1.18
Standard Chartered	10/11/22	1.05	1.02	1.03	1.06
Sumitomo Mitsui Trust Bank	10/11/22	1.12	1.14	1.16	1.18
Commerzbank	10/06/22	1.01	1.07	1.11	1.16
ING Financial Markets	10/06/22	1	1	1.06	1.11
RBC Capital Markets	10/06/22	1.08	1.04	1.08	1.13
Banco Santander	10/06/22	1.05	1.07	1.09	1.14
Amdocs Development Ltd	10/05/22	1.18	1.2	1.23	--

# USD/CHF

The Swiss franc fell 0.9% against the dollar in October, as the yield on the Swiss 10-year government bond fell to 1.1% at the end of the month, hovering near four-week lows and tracking the global decline in bond yields amid expectations that major central banks will slow the pace of monetary tightening.

In addition, investors are assessing the Swiss National Bank's imminent policy decision in light of the recent price data, which shocked to the downside. Consumer inflation fell to 3.3% in September, down from a 29-year high of 3.5% the previous month. In September, the SNB raised its main rate by 75 basis points to 0.5%, pushing interest rates out of negative territory for the first time since 2011.

## What To Watch For This Month

### 11/03/2022 CPI (Oct)

The Swiss Federal Statistical office will release the inflation for October. Expected to slow down to 3.2% annually from 3.3% previously.

### 11/24/2022 GDP Q3

Swiss Statistics will announce GDP estimates for the third quarter, indicating the total value of all goods and services generated. Previously 2.8% annually.

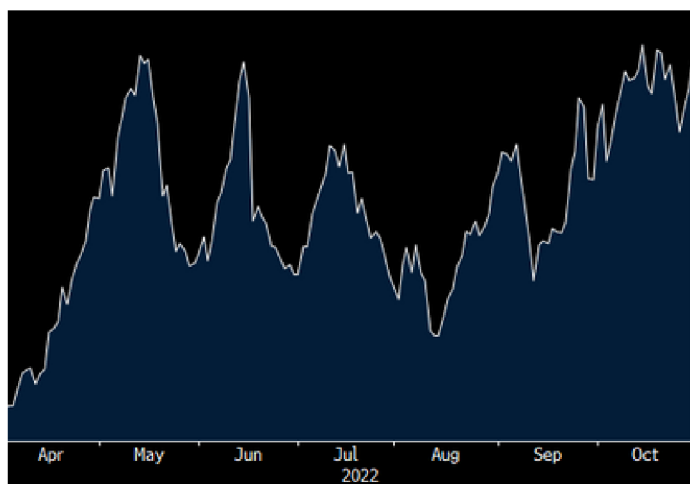
### 11/30/2022 ZEW Survey (Nov)

The Centre for European Economic Research's ZEW Survey Expectations provides company circumstances, job conditions, and other variables. Previously -51.3.

## 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	--

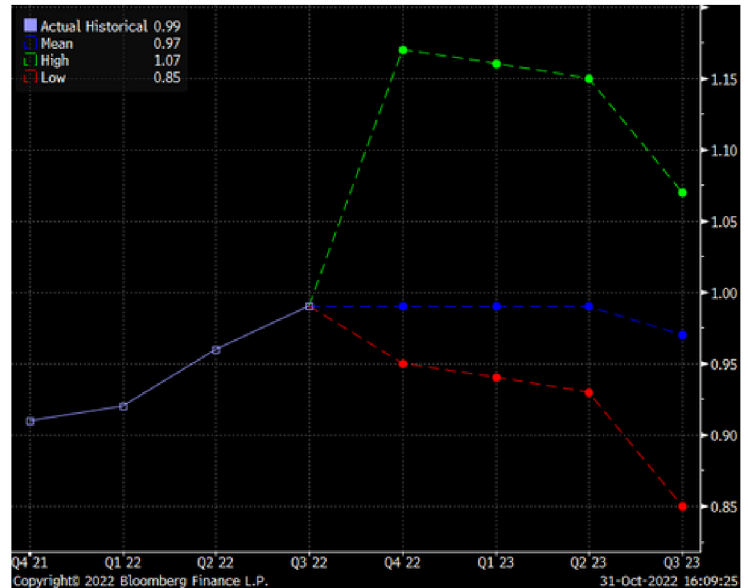


Historical Rates

# USD/CHF

## Market Consensus & Forecast

	Q4 22	Q1 23	Q2 23	Q3 23
Mean	0.99	0.99	0.99	0.97
High	1.17	1.16	1.15	1.07
Low	0.95	0.94	0.93	0.85



Consensus Forecast

## Forecast by Institution

	As of:	Q4 22	Q1 23	Q2 23	Q3 23
Rabobank	10/31/22	1.02	1.02	1	1
Mouvement Desjardins	10/28/22	1	0.99	0.99	0.99
Nomura Bank International	10/27/22	1.17	1.16	1.15	--
Investec	10/26/22	0.99	0.99	0.98	0.98
Capital Economics	10/24/22	1	1.05	1.08	1.07
Wells Fargo	10/24/22	1.03	1.06	1.06	1.04
Swedbank	10/21/22	1.01	0.99	0.98	0.98
JPMorgan Chase	10/17/22	0.99	1.02	0.93	0.85
Danske Bank	10/14/22	0.99	0.99	0.99	1
Jyske Bank	10/12/22	1	1	0.95	0.95
Barclays	10/11/22	0.97	0.99	1	1
Standard Chartered	10/11/22	1.01	0.98	0.99	0.97
Commerzbank	10/06/22	0.99	0.96	0.95	0.94
RBC Capital Markets	10/06/22	0.99	1	0.96	0.91
Banco Santander	10/06/22	0.96	0.95	0.95	0.95
Amdocs Development Ltd	10/05/22	1	1.01	1.02	--
Alpha Bank	10/03/22	0.96	0.95	0.95	0.94
BBVA	09/30/22	0.99	0.96	1.01	1.01

# USD/CAD



The Canadian Dollar has become the best performing G10 currency in the year to date, although it is down 7.60% against its US counterpart. This result is supported by a positive economic growth in the last months. the Canadian economy grew by 0.4% in the third quarter of the year, marking the fifth consecutive quarter of growth,

albeit at a slower pace. Nonetheless, further CAD's gains might be limited by a dimming outlook for China which weighs oil prices. Looking ahead, market players will assess the new policy rate after BoC raised it by 50bps to 3.75%.

## What To Watch For This Month

### **11/16/2022 CPI (Oct)**

Statistics Canada will release the CPI for October, which will reflect changes in the prices of goods and services. Previously 6.9% annually.

### **11/18/2022 Retail Sales (Sep)**

Statistics Canada will publish retail sales for September, which will demonstrate the retail sector's performance and consumer spending in the short term. Previously 0.7%.

### **11/30/2022 GDP Q3**

Statistics Canada will announce GDP estimates for the third quarter. Previously expanded by 3.3% annually.

## Economic Indicators

Bank of Canada Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	4.73	3.30	0.90	2.00
CPI (YOY%)	3.40	6.90	4.10	2.20
Unemployment (%)	7.43	--	--	--

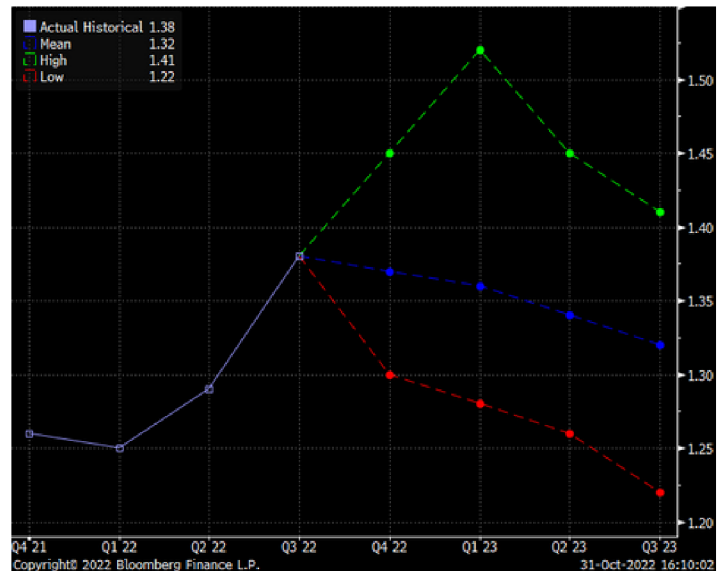


Historical Rates

# USD/CAD

## Market Consensus & Forecast

	Q4 22	Q1 23	Q2 23	Q3 23
Mean	1.37	1.36	1.34	1.32
High	1.45	1.52	1.45	1.41
Low	1.3	1.28	1.26	1.22



Consensus Forecast

## Forecast by Institution

	As of:	Q4 22	Q1 23	Q2 23	Q3 23
Rabobank	10/31/22	1.39	1.37	1.35	1.35
Mouvement Desjardins	10/28/22	1.39	1.41	1.39	1.37
Nomura Bank International	10/27/22	1.4	1.39	1.38	--
C. Bank of Australia	10/24/22	1.4	1.42	1.4	1.37
Capital Economics	10/24/22	1.35	1.37	1.39	1.41
Wells Fargo	10/24/22	1.39	1.41	1.41	1.4
Swedbank	10/21/22	1.38	1.36	1.32	1.28
Laurentian Bank of Canada	10/19/22	1.37	1.41	--	--
JPMorgan Chase	10/17/22	1.4	1.42	1.4	1.38
Danske Bank	10/14/22	1.4	1.41	1.41	1.41
Canadian Bank of Commerce	10/12/22	1.38	1.37	1.37	1.34
NAB/BNZ	10/12/22	1.35	1.32	1.3	1.3
Barclays	10/11/22	1.3	1.29	1.28	1.27
Standard Chartered	10/11/22	1.32	1.28	1.26	1.22
Commerzbank	10/06/22	1.38	1.36	1.34	1.32
ING Financial Markets	10/06/22	1.34	1.31	1.27	1.24
RBC Capital Markets	10/06/22	1.38	1.4	1.39	1.38
Banco Santander	10/06/22	1.3	1.28	1.27	1.27

# USD/CNY



The nation's Covid Zero policy and an ongoing slump in the property market have weighed heavily on the nation's economy this year. As a result, the yuan has been trading near to 15-year low. Furthermore, market players are pricing in another Fed rate hike, which could further widen the US-China yield gap and drive outflows.

Looking ahead, the currency might continue under pressure, as an unprecedented leadership reshuffle that gives President Xi Jinping unchallenged control should spark fears and uncertainty for the market.

## What To Watch For This Month

### **11/09/2022 CPI (Oct)**

National Bureau of Stats China will release the CPI for October. Expected to increase at 2.3% annually compared to 2.8% prior.

### **11/17/2022 Retail Sales (Oct)**

The National Bureau of Statistics will publish retail sales for October, which will demonstrate the retail sector's performance and consumer spending in the short term. Previously 2.5% annually.

### **11/30/2022 Manufacturing PMI (Sep)**

CFLP will issue September NBS and Non-Manufacturing data to demonstrate the health of the manufacturing sector. Previously 48.7.

## Economic Indicators

People's Bank of China Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	8.10	3.30	5.0	4.90
CPI (YOY%)	0.92	2.20	2.40	2.20
Unemployment (%)	--	4.10	4.0	3.99

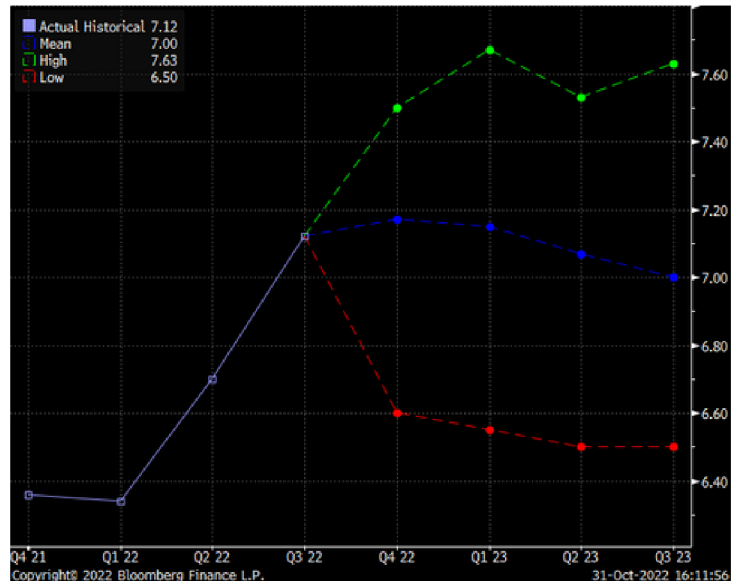


Historical Rates

# USD/CNY

## Market Consensus & Forecast

	Q4 22	Q1 23	Q2 23	Q3 23
Mean	7.17	7.15	7.07	7
High	7.5	7.67	7.53	7.63
Low	6.6	6.55	6.5	6.5



Consensus Forecast

## Forecast by Institution

	As of:	Q4 22	Q1 23	Q2 23	Q3 23
Rabobank	10/31/22	7.23	7.28	7.33	7.25
Mouvement Desjardins	10/28/22	7.3	7.4	7.4	7.25
Nomura Bank International	10/27/22	7.5	7.45	7.35	--
Capital Economics	10/24/22	7.3	7.3	7.3	7.15
Wells Fargo	10/24/22	7.4	7.4	7.35	7.3
Mizuho Bank	10/19/22	7.1	7.15	7.15	7.1
JPMorgan Chase	10/17/22	7.3	7.4	7.3	7.2
Danske Bank	10/14/22	7.23	7.33	7.41	7.49
Jyske Bank	10/12/22	7	7	6.76	6.52
NAB/BNZ	10/12/22	7.25	7	6.75	6.65
Barclays	10/11/22	7.15	7.25	7	7
Standard Chartered	10/11/22	6.6	6.55	6.5	6.6
CICC	10/10/22	7.1	7.1	6.9	6.75
Commerzbank	10/06/22	7.25	7.35	7.35	7.2
ING Financial Markets	10/06/22	7.35	7.3	7.1	6.95
RBC Capital Markets	10/06/22	7.2	7.25	7.15	7.1
Amdocs Development Ltd	10/05/22	7.15	7.1	7	--
Credit Agricole CIB	10/05/22	7.15	7.02	6.92	6.85
BBVA	09/30/22	7.1	7.02	7.05	7.08

# USD/BRL

After Lula won the presidential ballot, Latin America's largest economy now has a new leader who promises to boost the country's economic growth. Even though Lula has brought vague plans for 2023, the fierce election results suggest the new president will take a much more moderate approach from now on.

Overall, Luiz Inacio da Lula won the presidential election. The narrowest vote margin in the country's history. In addition, Lula's biggest challenge and investors' worries is how the fiscal situation will be addressed. Lula mentioned that a change in the spending cap is inevitable, but there's little clue yet on what the plan is.

## What To Watch For This Month

### **11/09/2022 Retail Sales (Sep)**

IBGE will report retail sales for September, which will show the performance of the retail sector and consumer spending in the short term. Previously declined by 0.1%.

### **11/10/2022 IPCA Inflation (Oct)**

IBGE will publish the October inflation rate, which will reflect changes in the prices of goods and services throughout Brazil. Previously declined by 0.29%.

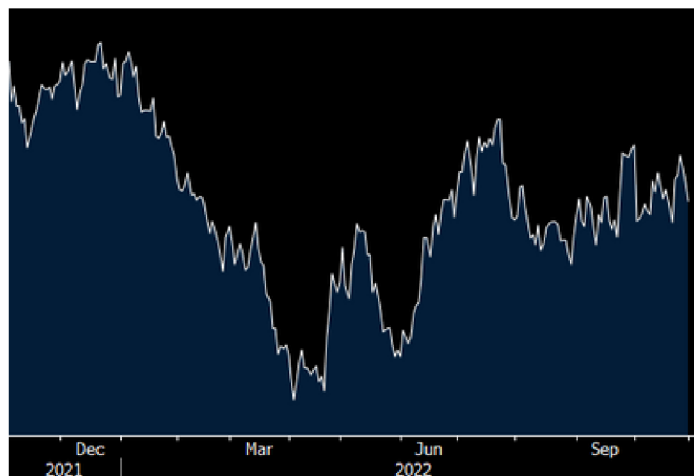
### **11/30/2022 Unemployment level (Oct)**

The IBGE will release October unemployment figures. Previously 8.7%.

## Economic Indicators

Brazil's Central Bank Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	4.81	2.70	0.80	1.93
CPI (YOY%)	8.29	9.22	5.0	3.85
Policy Rate (%)	9.25	13.75	10.80	7.95



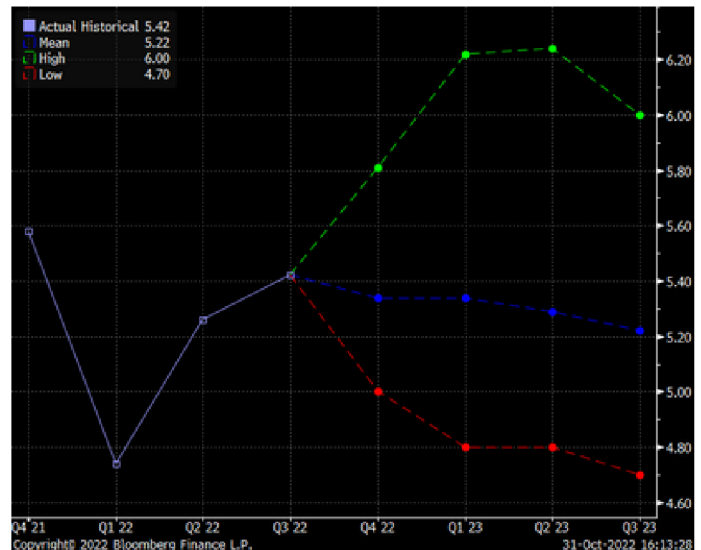
Historical Rates



# USD/BRL

## Market Consensus & Forecast

	Q4 22	Q1 23	Q2 23	Q3 23
Mean	5.34	5.34	5.29	5.22
High	5.81	6.22	6.24	6
Low	5	4.8	4.8	4.7



Consensus Forecast

## Forecast by Institution

	As of:	Q4 22	Q1 23	Q2 23	Q3 23
Rabobank	10/31/22	5.33	5.2	5.15	5.22
Mouvement Desjardins	10/28/22	5.5	5.6	5.5	5.4
Nomura Bank International	10/27/22	5.6	5.55	5.5	--
Landesbank B-W	10/26/22	5.81	6.22	6.24	6
Capital Economics	10/24/22	5.25	5.38	5.5	5.38
Wells Fargo	10/24/22	5.35	5.45	5.35	5.2
Mizuho Bank	10/19/22	5.15	5.05	4.95	4.9
JPMorgan Chase	10/17/22	5.3	5.25	5.25	5.3
Canadian Bank of Commerce	10/12/22	5.7	5.9	5.7	5.5
Standard Chartered	10/11/22	5.2	5.15	5.1	5.05
ING Financial Markets	10/06/22	5.5	5.75	5.8	5.9
RBC Capital Markets	10/06/22	5.13	5	5	5
Amdocs Development Ltd	10/05/22	5.2	5.25	5.35	--
Monex Europe Ltd	10/04/22	5	4.8	5	5
BBVA	09/30/22	5.2	5.08	5.12	5.16
Barclays	09/28/22	5.35	5.35	5	4.9
Morgan Stanley	09/23/22	5	5.05	5.1	5.15
Citigroup	09/20/22	5.28	5.27	5.25	5.24
BNP Paribas	09/15/22	4.9	4.95	5.15	5.35

# USD/MXN



The Mexican peso remains the LATAM's strongest performer, with a lower-than-expected 1H inflation print an encouraging sign for some investors. Moreover, official data show that Mexico's GDP increased 4.2% year on year in the third quarter of 2022, up from 2% the previous quarter and exceeding analysts' expectations of 2.8%.

Overall, the MXN's strength may be limited despite the upbeat economic numbers. Expectations that the Fed will remain hawkish, as well as concerns about China's growth, could cast a negative spin on the Latin region.

## What To Watch For This Month

### **11/10/2022 Central Bank Interest Rate**

The minutes of the Banxico meeting will contain the inflation forecast as well as the future monetary stance.

### **11/22/2022 Retail Sales (Sep)**

The INEGI will publish retail sales data for September. Previously 4.7% annually.

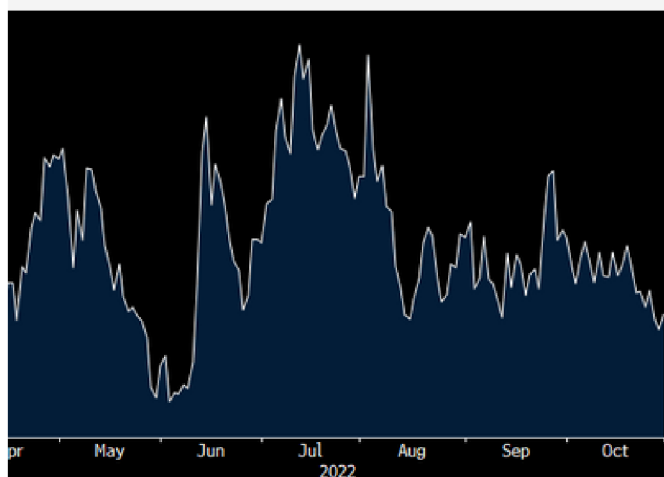
### **11/24/2022 GDP Q3**

GDP figures for the third quarter will be released by INEGI. In the previous quarter, the economy grew by 2% year on year.

## Economic Indicators

Banco de Mexico Forecast

Forecast	2021	2022	2023	2024
Real GDP (YOY%)	4.80	2.03	1.20	2.0
CPI (YOY%)	5.68	8.0	5.50	3.90
Unemployment (%)	4.14	3.50	3.75	3.50

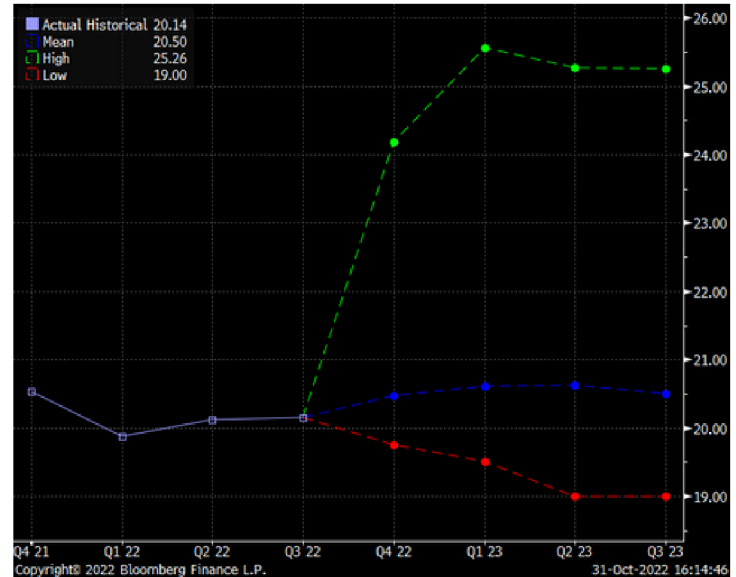


Historical Rates

# USD/MXN

## Market Consensus & Forecast

	Q4 22	Q1 23	Q2 23	Q3 23
Mean	20.47	20.6	20.62	20.5
High	24.19	25.56	25.27	25.26
Low	19.75	19.5	19	19



Consensus Forecast

## Forecast by Institution

	As of:	Q4 22	Q1 23	Q2 23	Q3 23
Rabobank	10/31/22	20.65	21.17	21.17	21
Mouvement Desjardins	10/28/22	20.5	20.75	20.5	20.25
Nomura Bank International	10/27/22	19.8	19.7	19.7	--
Landesbank B-W	10/26/22	24.19	25.56	25.27	25.26
Capital Economics	10/24/22	21	21.75	22.5	21.25
Wells Fargo	10/24/22	20.25	20.25	20	19.75
Mizuho Bank	10/19/22	20.5	20.7	20.8	20.9
JPMorgan Chase	10/17/22	20.25	20.5	20.75	20.75
Banorte	10/14/22	20.7	20.88	22.5	21.82
Canadian Bank of Commerce	10/12/22	21.5	21	21.5	21.3
Standard Chartered	10/11/22	19.9	19.7	19.4	19.2
ING Financial Markets	10/06/22	20.5	20.5	20	20
RBC Capital Markets	10/06/22	20.35	21	20.24	20.35
BBVA	09/30/22	20.1	19.88	20.35	20.54
Barclays	09/28/22	19.75	19.5	19.25	19
Prestige Economics LLC	09/27/22	20.8	20.6	20.4	20.2
Morgan Stanley	09/23/22	20.25	20.3	20.5	20.8
Citigroup	09/20/22	20.6	20.8	21	21.1
BNP Paribas	09/15/22	20	20.1	20.3	20.9
MUFG	09/06/22	20.3	20.35	20.4	--

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