



Global FX: Weekly Snapshot - WK.32

Central Banks:

- MXN 2y swaps are pricing (spread of 17.97 bps vs. 1 week ago) that Banco de México will hold the overnight interbank rate interest rate at 11.25%.
- MXN 3m carry (%) is accelerating before the meeting, moving 8.73% higher vs. 1 week ago.
- 3m 25 delta risk reversal suggests MXN is weakening in the near term.
- Citi Economic Surprise Index LATAM is trending higher, supporting MXN performance (Exhibit 1).
- Spread between Citi Inflation Surprise Index US and LATAM suggest MXN weakness is short-lived, in the absence of exogenous factors.

Inflation expectations:

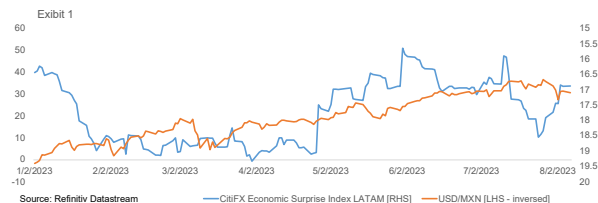
	Δ% 3M	Δ% 1M	Δ% 1WK	Current value (%)	TTM Z-Score
USD 2y Inflation Linked Swap	0.069	0.095	0.020	-3.144	-0.43
EUR 2y2y Forward Inflation Linked Swap	0.147	0.119	-0.012	-2.906	-1.88
GBP 2y Inflation Linked Swap	0.067	0.002	0.000	-1.570	-0.67
JPY 2y2y Forward Inflation Linked Swap	0.034	0.034	0.034	-5.431	-1.91
AUD 1y1y Forward Inflation Linked Swap	0.083	-0.013	-0.002	-2.772	0.84
BRL 2y Implied CPI Inflation Linked Swap	0.010	0.051	0.000	0.730	0.46
CLP 1y Inflation Linked Swap	0.389	0.000	0.000	19.500	0.29
ZAR 2y Inflation Linked Swap	0.245	-0.006	0.000	-2.200	0.99
ILS 1y1y Forward Inflation Linked Swap	-0.024	0.035	0.000	-2.876	0.34

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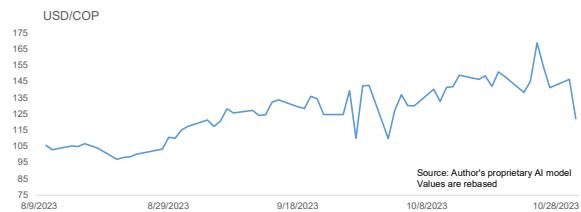
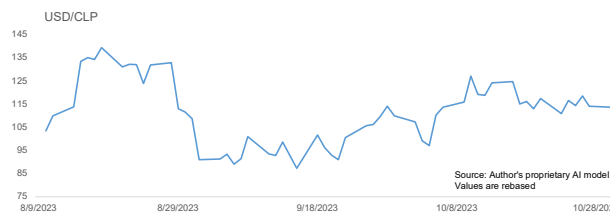
- 10 August - Mexico

AI-based predictions:

- USD/MXN
- USD/CLP
- USD/COP



AI 60-day prediction:



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