Global FX Outlook

April 2025

convera

Key insights

Pivotal month for economies, policy and trade

April is shaping up to be a pivotal month, with inflation data, labor market signals, and growth indicators shaping central bank expectations.

Markets will be watching closely for any shifts in policy guidance, particularly from the US Federal Reserve and European Central Bank.

With equities showing signs of vulnerability and the dollar under pressure, the interplay between inflation, growth, and central bank responses will drive risk sentiment heading into the summer months.

This monthly guide provides analysis of the global trends and events driving FX volatility, to help SMEs and corporates uncover the potential opportunities or risks involved with cross-border trade.

We hope that with better access to insights, more informed international trade and payment strategies may lead to better financial outcomes for our customers.

US

The US dollar fell to five-month lows in March as a slowdown in key US data weighed on the greenback. The USD fell to lows last seen before President Trump's election victory.

EU

The euro was one of the largest beneficiaries from USD weakness with the EUR/USD up 4.4% in the first week of March – its best weekly performance since 2009. The euro later eased.

UK

The British pound was another winner in March helped by a reluctance to cut interest rates from the Bank of England. The GBP/USD touched 1.3000 -- the highest level since November.

Australia

The Australian dollar remains stuck near recent lows as worries about the Chinese economy and, of course, trade issues weigh on the currency. The AUD/USD remains broadly stuck in a two-cent range.

Global economic outlook

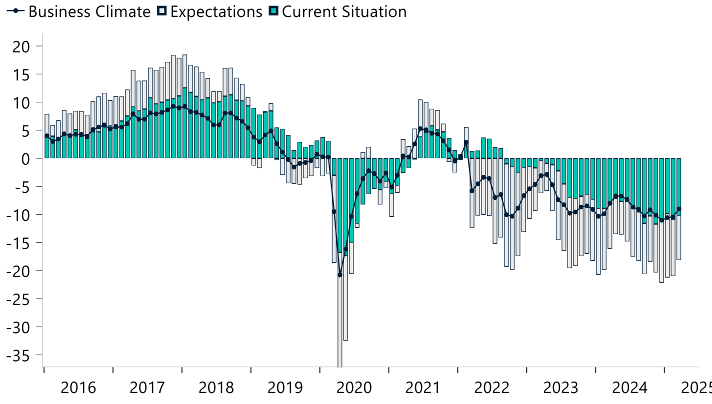
Key market themes to watch

Germany's fiscal impulse

The historic German debt announcement may have just marked the bottom of the economic cycle in Europe. For years, Germany's economy has been weighed down by sluggish productivity growth, aging infrastructure, and demographic headwinds. Germany is finally addressing the structural weaknesses that have held back growth. If executed effectively, this could raise productivity, attract investment, and shift the broader European economic outlook. This shift is more than just about spending, it's about positioning Germany for the next decade.

Ifo sentiment could be bottoming

German Ifo manager survey - business climate (deviation from mean)

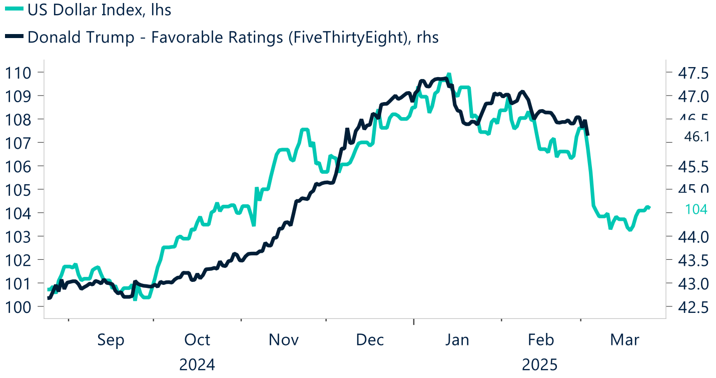


Watch out for the dollar (and Trump)

The Greenback posted its worst month in over a year with a drawdown of 3.2% in March, weighed down by trade policy uncertainty and weaker macro data. While the currency's fall is primarily market-driven, history suggests that Trump's favorability ratings tend to follow a similar trajectory. A strong dollar has often coincided with confidence in his economic policies, while periods of weakness signal increasing investor skepticism. This isn't to say that the dollar dictates poll numbers, but both serve as indicators of market and public sentiment.

Falling dollar does not bode well for Trump's favorability

The US dollar and Trump's favorability in polling



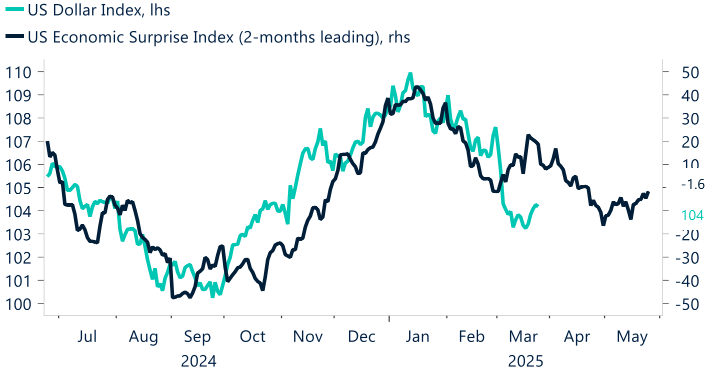
Source: Convera, Macrobond

Fading US exceptionalism

US equity markets are still in drawdown territory, with the S&P 500 around 7% from its recent peak. Heightened uncertainty surrounding tariff policy and fears of a US economic slowdown have driven these moves. But comments from President Trump on his tariff plans and flash PMI data called into question these fears, helping stocks rebound and the dollar rise across the board. Where is the US economy in the business cycle? This is a question without a definite answer…for now. April data will be key.

US macro momentum has stabilised

US Dollar and the Citi Economic Surprise Index



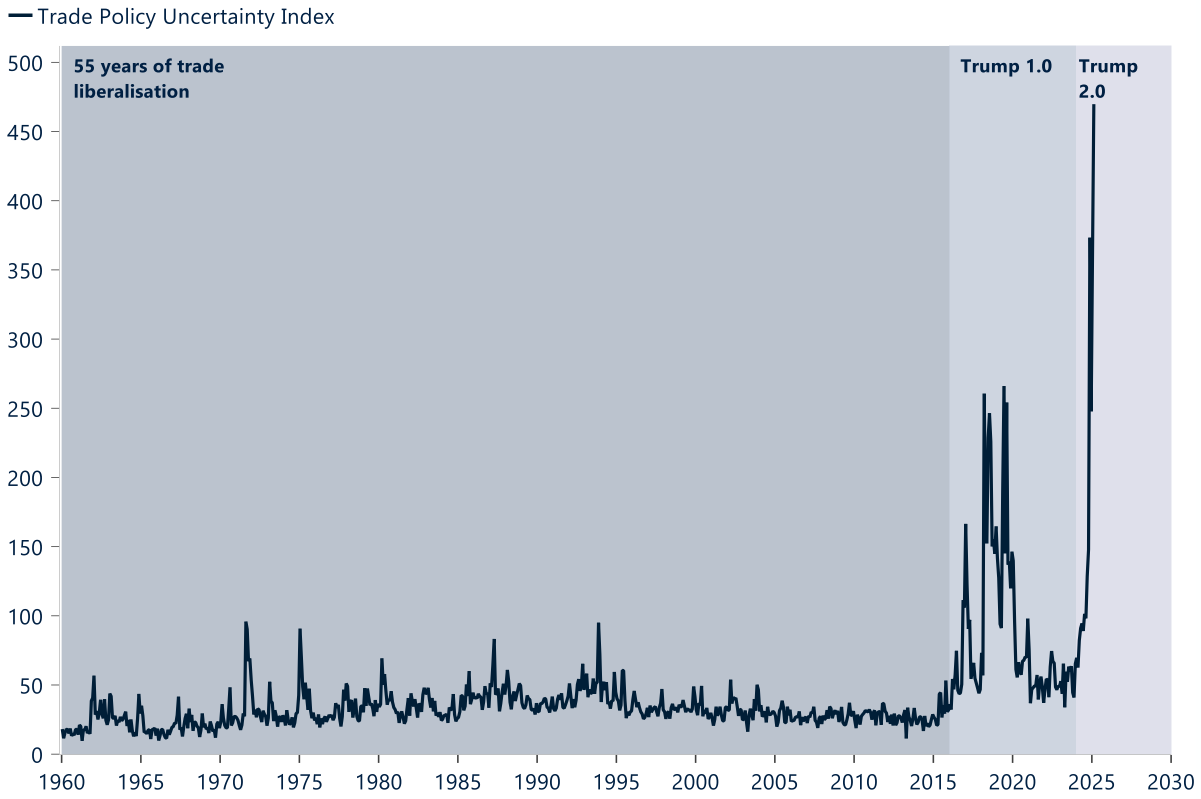
Source: Convera, Macrobond

Chart sources: Convera, Macrobond – March 26, 2025

Theme in focus: An overall uncertain outlook

The nail in the coffin of the Washington Consensus

United States - Trade Policy Uncertainty Index (TPU)

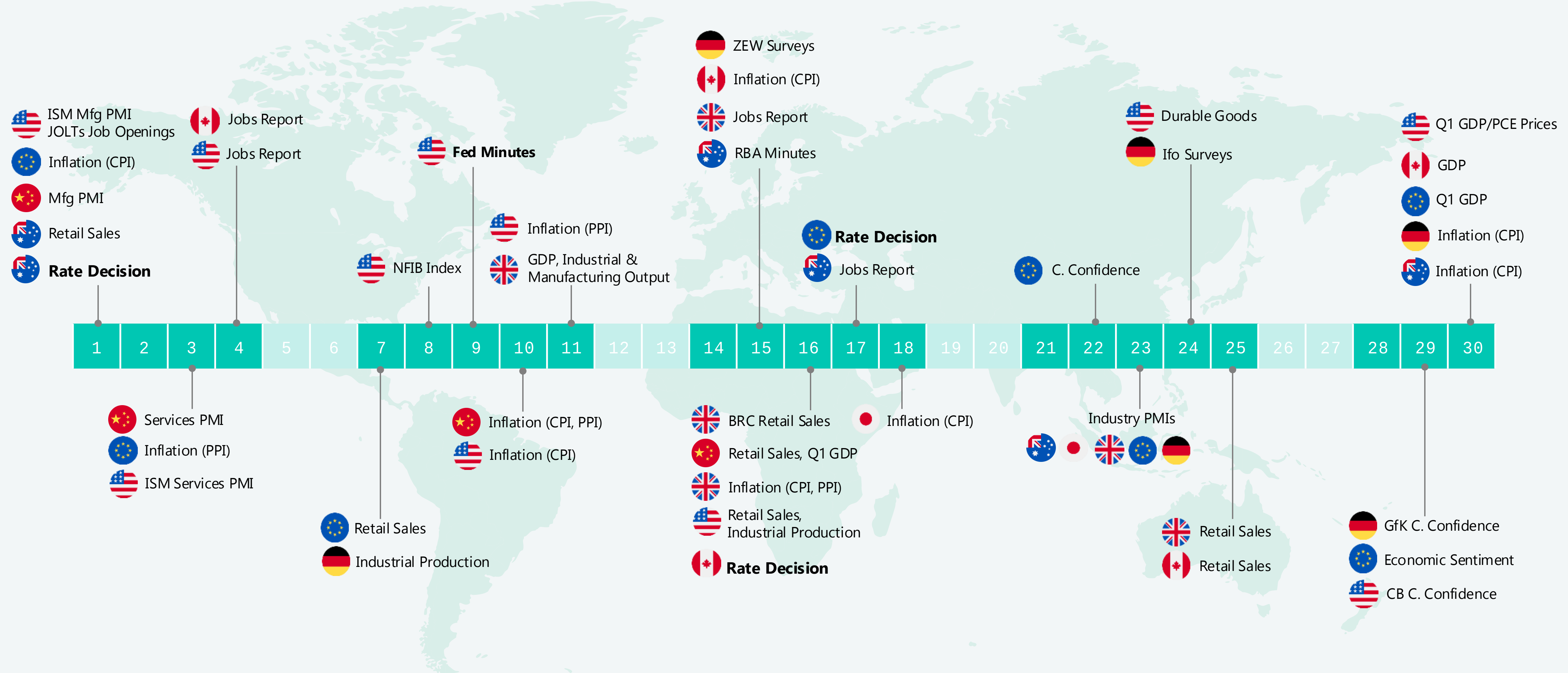


Source: Convera, policyuncertainty.com Macrobond

- Markets this month have been driven by a growing sense of uncertainty, ambiguous macro-outlook and the mounting risks posed by tariff policy and rising inflation. The combination of slowing momentum and sticky price pressures has left investors questioning whether the global economy can sustain its recovery without falling into stagflation.
- One of the key factors weighing on sentiment has been the uncertainty surrounding tariffs. President Donald Trump's evolving stance on trade policy has injected volatility into the market, with investors struggling to price in the potential effects of new levies. The threat of "secondary tariffs" on nations dealing with Venezuela has added another layer of geopolitical risk, underscoring the administration's willingness to use economic policy as a tool for broader strategic objectives. While some market participants had hoped for a more measured approach, the erratic nature of these announcements has created an unpredictable environment, leading to swings in both equity and currency markets.
- The stock market has also reflected these crosscurrents, with early pessimism now giving way to a cautious price rebound as the recent hard data outperformed expectations. However, sentiment data has weakened, and US consumer confidence has fallen to its lowest level in four years.
- With inflation concerns still lingering and the divergence between hard and soft data broadening, investors are increasingly focused on how the Federal Reserve will navigate this landscape. While Fed officials have signaled that rates are likely to remain steady for now, the market remains skeptical.

Key market events to watch

April 2025

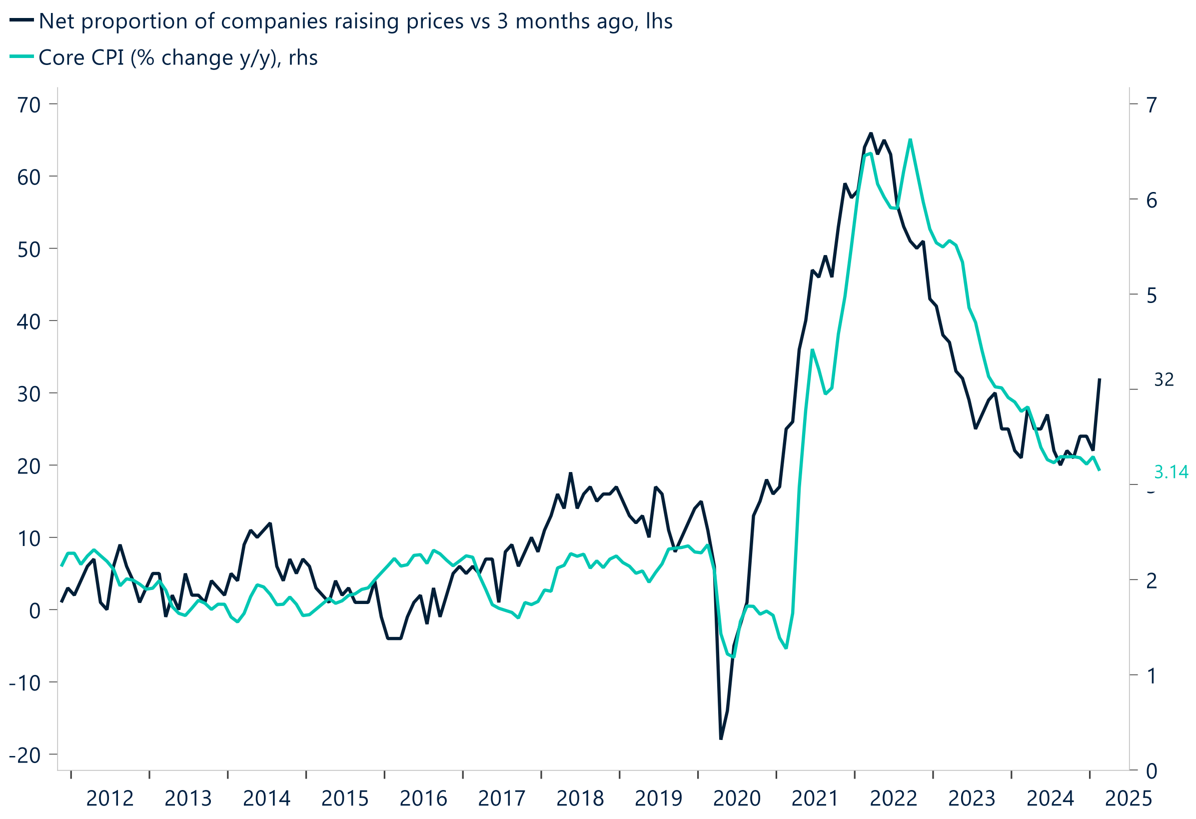


Source: Convera, Bloomberg – March 27, 2025

Event in focus: In a delicate balance

Businesses increasingly inclined to hike prices on tariff fears

US core CPI and NFIB's SME survey



Source: Convera, Macrobond

- As we enter April, markets will be navigating a delicate balance between inflation concerns, growth trajectories, and central bank policy decisions. Several key economic data releases and central bank meetings will set the tone for investor sentiment, particularly as uncertainties around inflation persistence, labor market resilience, and economic growth continue to unfold.
- **Inflation data: still stubborn or easing?** April will be packed with inflation releases from the US, Eurozone, Germany, and China, making price pressures a central theme. US CPI (April 10) and PCE prices (April 30) will be crucial in determining the Fed's policy stance. If inflation proves sticky, rate-cut expectations could get pushed further out.
- **US jobs reports: resilience or cracks?** The US labor market remains a key pillar of economic strength. The JOLTS job openings (April 2) and the monthly nonfarm payrolls (April 5) will be critical indicators of employment health. If job growth starts softening, it could reinforce expectations that the Fed will cut rates later this year. A strong labor market, however, may fuel concerns about wage-driven inflation.
- **Central bank decisions: rate cuts on the horizon?** April features several key central bank rate decisions. The Fed's March meeting minutes (April 10) will give investors deeper insight into the Fed's inflation concerns and whether policymakers are aligned with Powell's cautious stance on cuts. The European Central Bank (April 11) and Bank of Canada (April 17) will also announce rate decisions. Any hints at rate cuts could boost risk appetite.

UK currency outlook

GBP volatility analysis

Japanese yen outperforming in 2025

Chart: GBP 30-day, year-to-date trading range

Increasing volatility

	Spot	High 30D	Low 30D	High YTD	Low YTD	Trading range 30D	Trading range YTD	Position within the range 30D	Position within the range YTD
GBP/NOK	13.60	14.27	13.51	14.34	13.51	5.6%	6.1%	12%	11%
GBP/CAD	1.838	1.877	1.799	1.877	1.745	4.3%	7.6%	50%	70%
GBP/JPY	194.0	195.0	187.6	198.2	187.0	3.9%	6.0%	86%	63%
GBP/AUD	2.046	2.065	1.987	2.065	1.959	3.9%	5.4%	76%	82%
GBP/USD	1.288	1.301	1.255	1.301	1.21	3.7%	7.5%	72%	86%
GBP/NZD	2.249	2.275	2.202	2.275	2.168	3.3%	4.9%	64%	76%
GBP/ZAR	23.53	23.88	23.16	23.88	22.71	3.1%	5.2%	51%	70%
GBP/CNY	9.373	9.414	9.142	9.414	8.873	3.0%	6.1%	85%	92%
GBP/EUR	1.198	1.213	1.183	1.213	1.180	2.5%	2.8%	50%	55%
GBP/CHF	1.139	1.150	1.128	1.150	1.108	2.0%	3.8%	50%	74%

Source: Bloomberg, Convera – March 27, 2025

- Sterling has appreciated against over 60% of its global peers so far this year. This is largely thanks to hawkish BoE commentary and the fact the UK is less exposed to Trump's tariff threats due to its goods trade surplus with the US.
- **GBP/USD** is trading in the top 15% of its year-to-date trading range but is struggling to break and hold above the key $1.30 handle given wavering risk sentiment and global growth fears.
- **GBP/EUR** has been in a steady uptrend for the best part of two years, gaining almost 8% in that time and hitting its highest level of 2025, but due to the fiscal boost for the euro, we may have already seen €1.21 as the top for this year.
- **GBP/NOK** recorded the largest trading range of the GBP FX pairs in March of 5.6%. It's trading near the 10th percentile of its 2025 range due to the hawkish Norges Bank amidst renewed inflation concerns.

GBP value indicator

A sea of green for sterling

Chart: GBP performance versus year-to-date, 1, 2, and 5-year averages

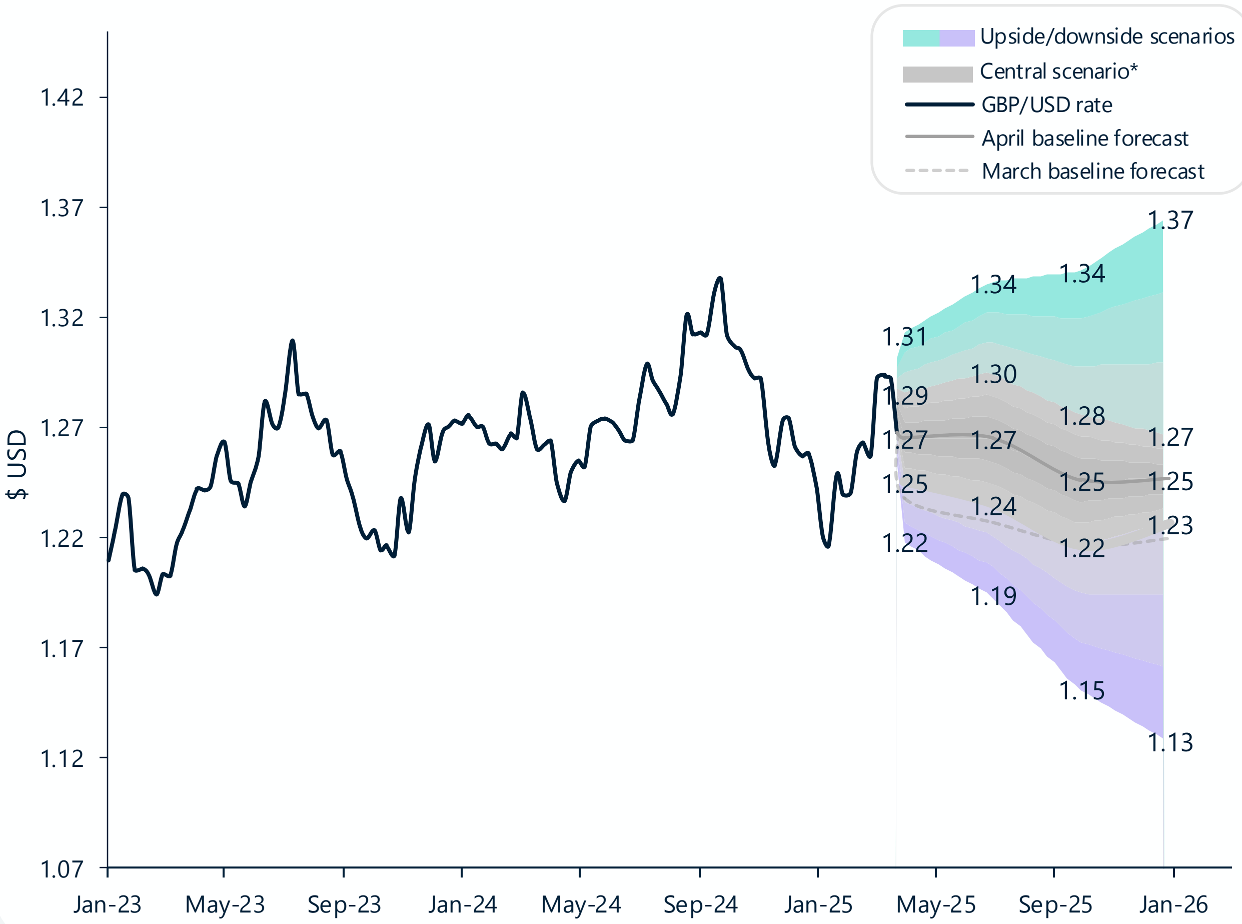
Appreciation Depreciation

	Spot (As of 27.03.2025)	Spot vs YTD average	1-year average	2-year average	5-year average
GBP/USD	1.288	2.3% Avg.: 1.258	1.0% Avg.: 1.275	1.7% Avg.: 1.266	0.4% Avg.: 1.282
GBP/CNY	9.373	2.4% Avg.: 9.153	1.8% Avg.: 9.207	3.0% Avg.: 9.104	6.3% Avg.: 8.819
GBP/AUD	2.046	2.0% Avg.: 2.005	4.6% Avg.: 1.955	5.9% Avg.: 1.932	10.0% Avg.: 1.860
GBP/CAD	1.838	1.8% Avg.: 1.805	3.6% Avg.: 1.773	6.0% Avg.: 1.733	8.1% Avg.: 1.700
GBP/NZD	2.249	1.5% Avg.: 2.216	4.7% Avg.: 2.147	6.9% Avg.: 2.103	11.9% Avg.: 2.010
GBP/JPY	194.0	1.0% Avg.: 192.0	-0.2% Avg.: 194.4	3.3% Avg.: 187.8	16.8% Avg.: 166.1
GBP/CHF	1.139	0.6% Avg.: 1.132	0.7% Avg.: 1.131	1.5% Avg.: 1.122	-2.8% Avg.: 1.171
GBP/EUR	1.198	0.0% Avg.: 1.197	0.8% Avg.: 1.188	2.1% Avg.: 1.173	3.3% Avg.: 1.160

- The pound is still trading above most of its key long-term averages against most of its major peers thanks to its yield advantage and optimism that the UK will avoid the worst of Trump's reciprocal tariff plan.
- The pound's yield advantage can be a blessing and a curse though. In deteriorating global risk conditions, the pound becomes more vulnerable as investors ditch high yielding assets for safer ones.
- **GBP/USD's** recovery from $1.21 in January to $1.30 in March means the pair is up over 3% now this year and almost 2% higher than its two-year average, but gains could be limited from here amidst risk aversion.
- **GBP/EUR** looks to have established a new higher trading range with a low of €1.18 in place for now and €1.21 a top, with the pair still more than 3% above its five-year average.
- **GBP/JPY** has had a tough start to the year, but a solid 3% gain in March mean's it's still almost 17% above its five-year average due to the still wide gap of UK-Japanese interest rate differentials.

Source: Bloomberg, Convera – March 27, 2025. Note: YTD average refers to the following time periods: 01.01.2025 - 27.03.2025; 1Y: 27.03.2024 - 27.03.2025; 2Y: 28.03.2023 - 27.03.2025; 5Y: 27.03.2020 - 27.03.2025.

GBP/USD future scenarios



Upside scenario: Global recovery & risk appetite

- UK economic recovery gathers pace. The BoE keeps interest rates elevated due to persistent services inflation, whilst US economy underperforms.
- Geopolitical risks recede and China's growth outlook improves, fueling increased demand for risk assets and hurting the safe haven USD.

Central scenario: Policy uncertainty elevated

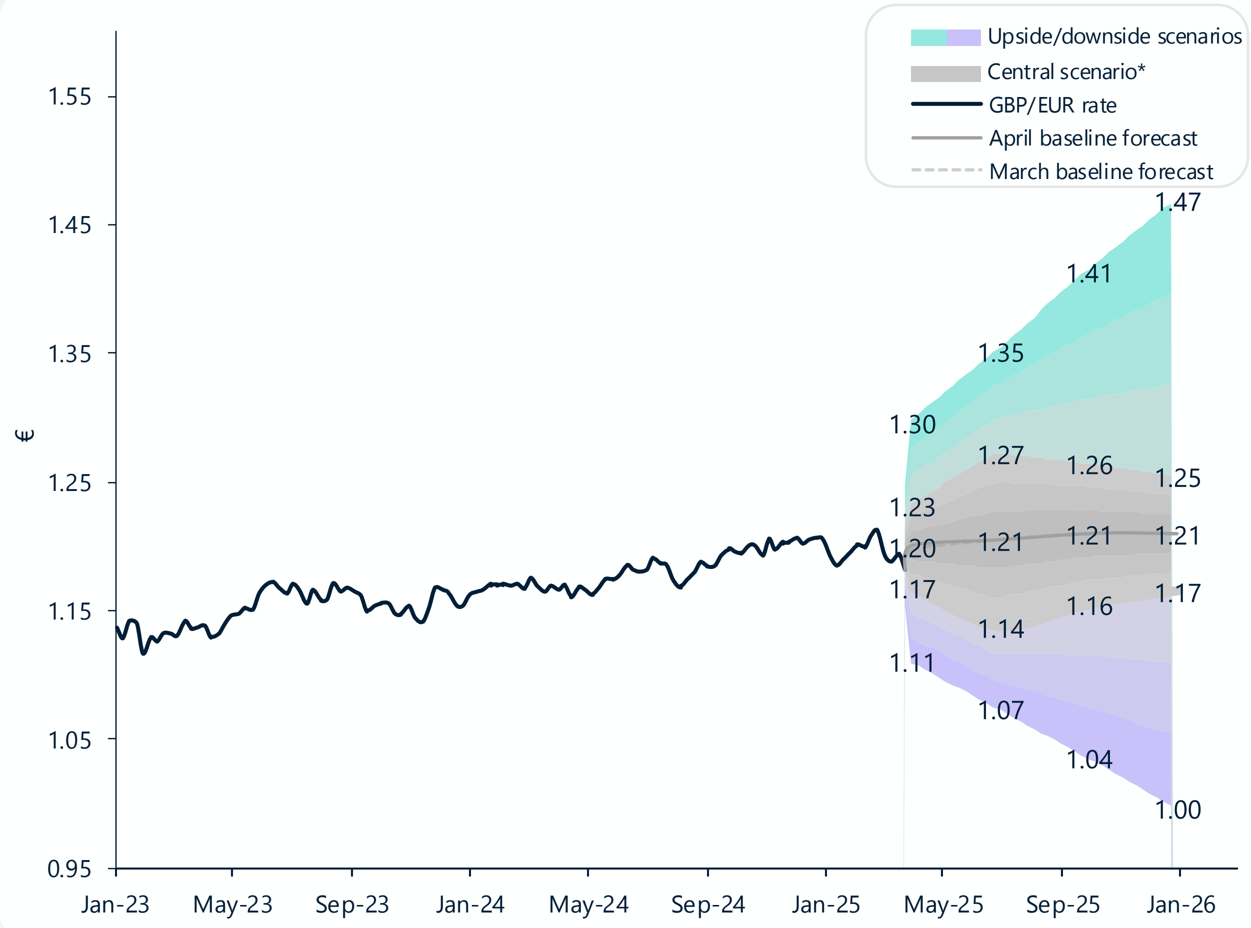
- Despite narrowing UK-US economic growth divergence, geopolitical uncertainty and tariffs weigh on the risk-sensitive pound.
- However, UK less exposed to tariff risks due to goods trade deficit with the US, keeping GBP losses in check.

Downside scenario: Trade tariffs & dovish BoE

- Increased risk of US-China tensions and wider universal tariffs, weighing on global growth and hurting risk-sensitive GBP.
- BoE forced to cut interest rates more as UK falls into recession, hurting GBP. Geopolitical risks inflate safe haven USD demand.

Chart sources: Oxford Economics, Bloomberg, Convera – March 27, 2025. For more information about the Convera-Oxford Economics economic modelling, framework and methodology used to derive the FX forecast scenarios please contact AskMarketInsights@convera.com
*+/-1 standard deviation from baseline (68% chance rate falls within this range)

GBP/EUR future scenarios



Upside scenario: UK avoids tariff risks

- BoE keeps interest rates high for longer amid sticky inflation, whilst ECB is forced to cut rates sooner amid disinflationary impulse accelerating.
- Meanwhile, the Eurozone hit hard by US tariffs, whilst the UK economy is more immune and continues to surprise stronger than expected.

Central scenario: Tariffs and policy divergence

- The euro faces growing downside risks due to its sensitivity to trade tariffs being greater than that of the GBP.
- BoE also not expected to cut rates as much as ECB, providing the pound a higher yield advantage.

Downside scenario: European recovery accelerates

- Historic fiscal reforms translate to stronger Eurozone economic growth, and a less dovish ECB policy stance, boosting the euro.
- BoE forced to cut rates more than currently priced in by markets, eroding sterling's yield advantage.

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EU currency outlook

EUR volatility analysis

EUR/USD swings almost 6% in March

Chart: EUR 30-day, year-to-date trading range

Increasing volatility

		30D		YTD		30D	YTD	30D	YTD
EUR/CAD	1.534	1.585	1.491	1.585	1.468	6.3%	8.0%	46%	56%
EUR/JPY	161.9	164.1	154.8	164.5	154.8	6.0%	6.3%	76%	73%
EUR/USD	1.075	1.095	1.036	1.095	1.014	5.7%	8.0%	66%	75%
EUR/AUD	1.707	1.741	1.647	1.741	1.635	5.7%	6.5%	64%	68%
EUR/NZD	1.877	1.916	1.825	1.916	1.811	5.0%	5.8%	57%	63%
EUR/CNY	7.823	7.915	7.543	7.915	7.383	4.9%	7.2%	75%	83%
EUR/SEK	10.80	11.20	10.76	11.53	10.76	4.1%	7.2%	9%	5%
EUR/CHF	0.950	0.966	0.933	0.966	0.931	3.5%	3.8%	52%	54%
EUR/GBP	0.834	0.844	0.824	0.847	0.824	2.4%	2.8%	50%	43%
EUR/CZK	24.90	25.14	24.84	25.31	24.84	1.2%	1.9%	20%	13%

Source: Bloomberg, Convera – March 27, 2025

- **EUR/USD** dropped over 7% since Trump was re-elected, falling to a two-year low close to $1.01. The pair has since recovered a bulk of those losses and recorded its best month in years thanks to the scope for pronounced fiscal divergence between the US and Europe since historic German fiscal package.
- **EUR/JPY** rose over 4% in March thanks to the flows into European assets, but also because the yen has weakened due to the scope for further rate convergence in the near term being more nuanced since the BoJ's more cautious tone at its meeting a few weeks back.
- **EUR/CNY** has mirrored the move in EUR/USD as the euro's correlation with the yuan hit a record recently. The pair fell to its lowest level since April 2023 before staging a sharp rebound back to eight-month highs.
- **EUR/CZK** was one of the least volatile of the pack, staging a mere 1.2% range in March, mirroring that of previous months, but the koruna continues to outperform dragging the pair to its lowest level since June 2024.

EUR value indicator

More than 2% above 2025 average versus USD

Chart: EUR performance versus year-to-date, 1, 2, and 5-year averages

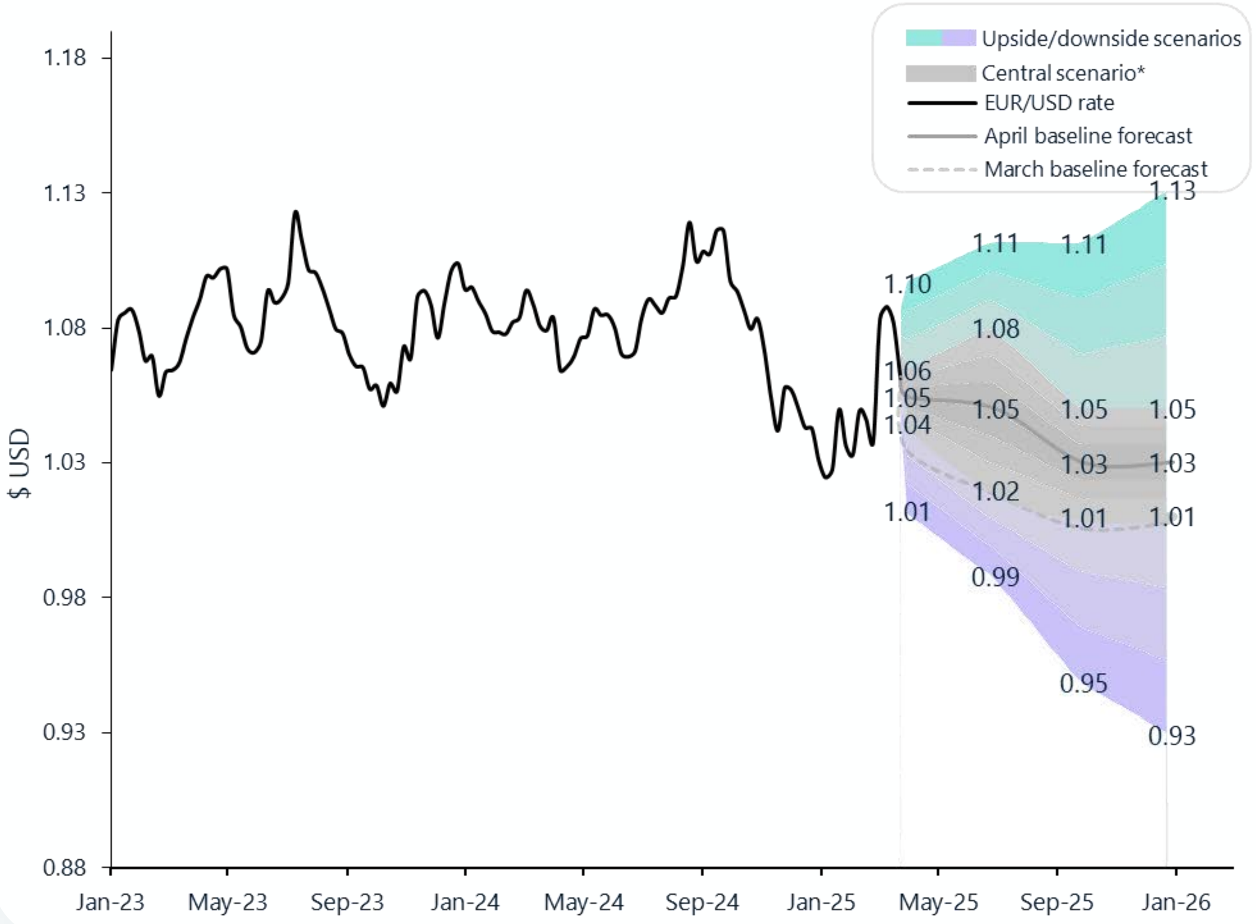
Appreciation Depreciation

	Spot (As of 27.03.2025)	Spot vs YTD average	Spot vs 1-year average	Spot vs 2-year average	Spot vs 5-year average
EUR/USD	1.075	2.3% Avg.: 1.050	0.1% Avg.: 1.073	-0.4% Avg.: 1.079	-2.8% Avg.: 1.105
EUR/AUD	1.707	1.9% Avg.: 1.674	3.7% Avg.: 1.645	3.6% Avg.: 1.647	6.5% Avg.: 1.603
EUR/CAD	1.534	1.7% Avg.: 1.508	2.8% Avg.: 1.492	3.8% Avg.: 1.477	4.6% Avg.: 1.466
EUR/NZD	1.877	1.4% Avg.: 1.851	3.8% Avg.: 1.807	4.7% Avg.: 1.792	8.3% Avg.: 1.733
EUR/JPY	161.9	0.9% Avg.: 160.4	-1.1% Avg.: 163.6	1.1% Avg.: 160.0	13.2% Avg.: 143.0
EUR/CHF	0.950	0.5% Avg.: 0.945	-0.2% Avg.: 0.952	-0.7% Avg.: 0.956	-6.0% Avg.: 1.010
EUR/GBP	0.834	-0.1% Avg.: 0.835	-0.9% Avg.: 0.841	-2.2% Avg.: 0.852	-3.3% Avg.: 0.862
EUR/CZK	24.90	-0.7% Avg.: 25.08	-0.9% Avg.: 25.12	0.8% Avg.: 24.71	-0.9% Avg.: 25.13

- The euro recorded a strong appreciation against most major pairs, with sizeable gains against the USD and CAD in March. The historic fiscal reforms and optimism about future European growth looks promising for EUR/USD, but it will be subject to volatility given the uncertain tariff risks and whether US economic growth continues to slow.
- **EUR/USD** still below long-term averages, but the circa 4% uplift in March, has propelled the pair over 2% above its 2025 average and almost bang in line with in its one- and two-year average rates just under $1.08.
- **EUR/CHF** continues to trade below its long-term moving averages as demand for the safe haven franc remains buoyant but improving rate and growth differentials point to more upside over the year.
- **EUR/CZK** is bottom of the table, as CZK demand supported by wider interest rate differentials versus the Eurozone and perhaps some path towards peace in Ukraine.

Source: Bloomberg, Convera – March 27, 2025. Note: YTD average refers to the following time periods: 01.01.2025 - 27.03.2025; 1Y: 27.03.2024 - 27.03.2025; 2Y: 28.03.2023 - 27.03.2025; 5Y: 27.03.2020 - 27.03.2025.

EUR/USD future scenarios



Upside scenario: EZ economy recovers, US exceptionalism fades

- Economic growth across the Eurozone picks up with the help of fiscal spending reforms and Chinese stimulus, whilst US economy slows.
- Renewed risk appetite as trade tariffs don't come to fruition, supports pro-cyclical euro over the dollar.

Central scenario: Tariff risks vs fiscal support

- Baseline revised higher after historic German fiscal reforms and optimistic EZ growth outlook.
- But given the high uncertainty surrounding tariffs announcements and their timing, we expect heightened volatility.

Downside scenario: Sweeping trade tariffs

- The euro might be pressured even lower by an escalating global trade war, hurting the risk and trade-sensitive euro.
- ECB forced to cut rates more aggressively than the Fed due to deteriorating Eurozone economic outlook if fiscal plans prove less impactful.

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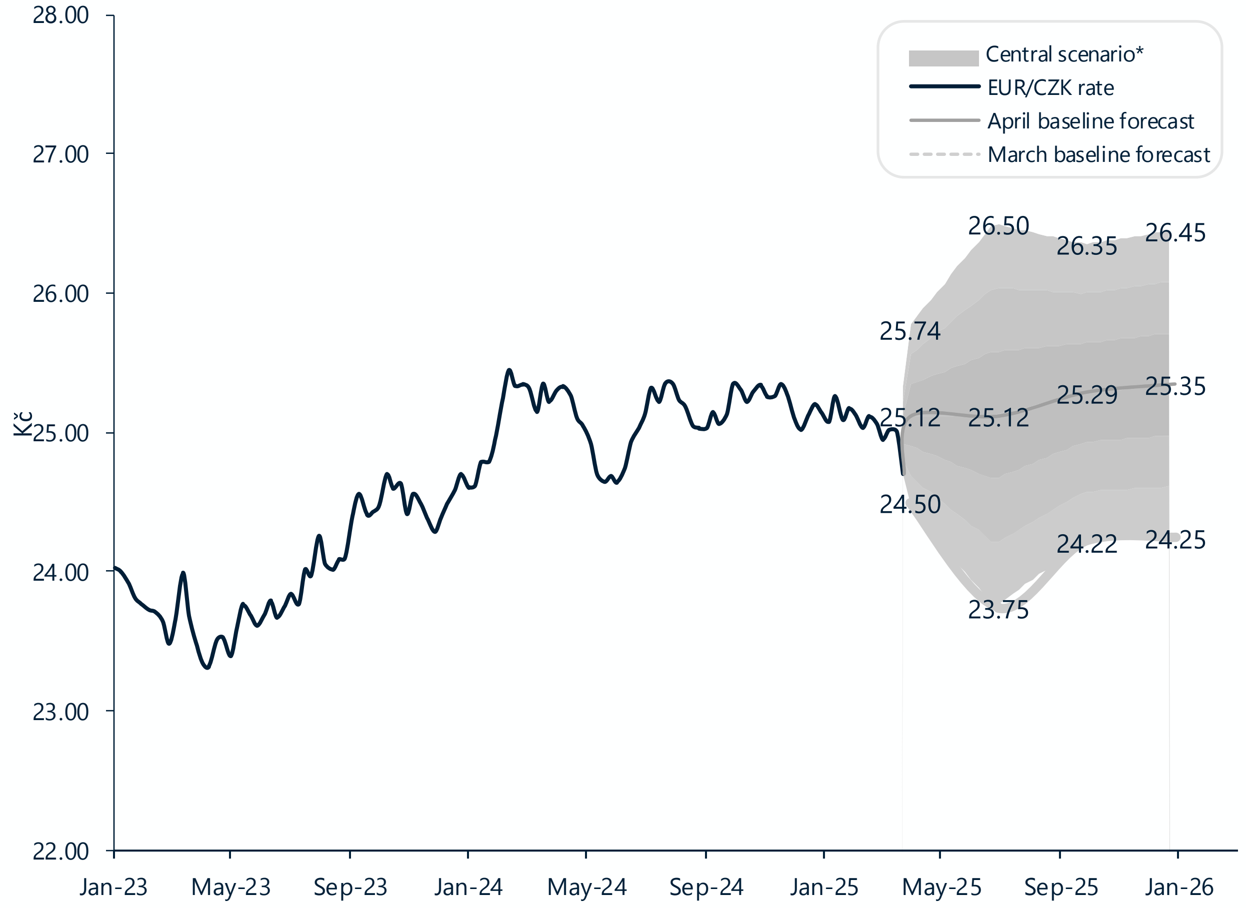
EUR/CZK future scenarios



Central scenario: Holding pattern

- The Czech koruna has been supported by wider interest rate differentials versus the Eurozone and perhaps some path towards peace in Ukraine, though we think this will be less supportive for CZK than for other regional peers.
- Rate differentials suggest a gradual appreciation of the koruna against the euro, as the Czech National Bank held its two-week repo rate steady at 3.75% in March 2025, as anticipated, after a 25bps reduction in February.
- The Czech economy is positioned for an accelerating expansion and renewed convergence to the more advanced eurozone economies regarding prices, wages, and real growth performance. In turn, the growth outperformance vis-a-vis the eurozone should support the koruna against the euro over the coming quarters.
- However, amidst increasing geopolitical, policy, growth and trade uncertainty, the euro might benefit more than its CEE peers due to risk aversion forcing traders to exit less-liquid currencies, which is a reason for the revision in the baseline higher.

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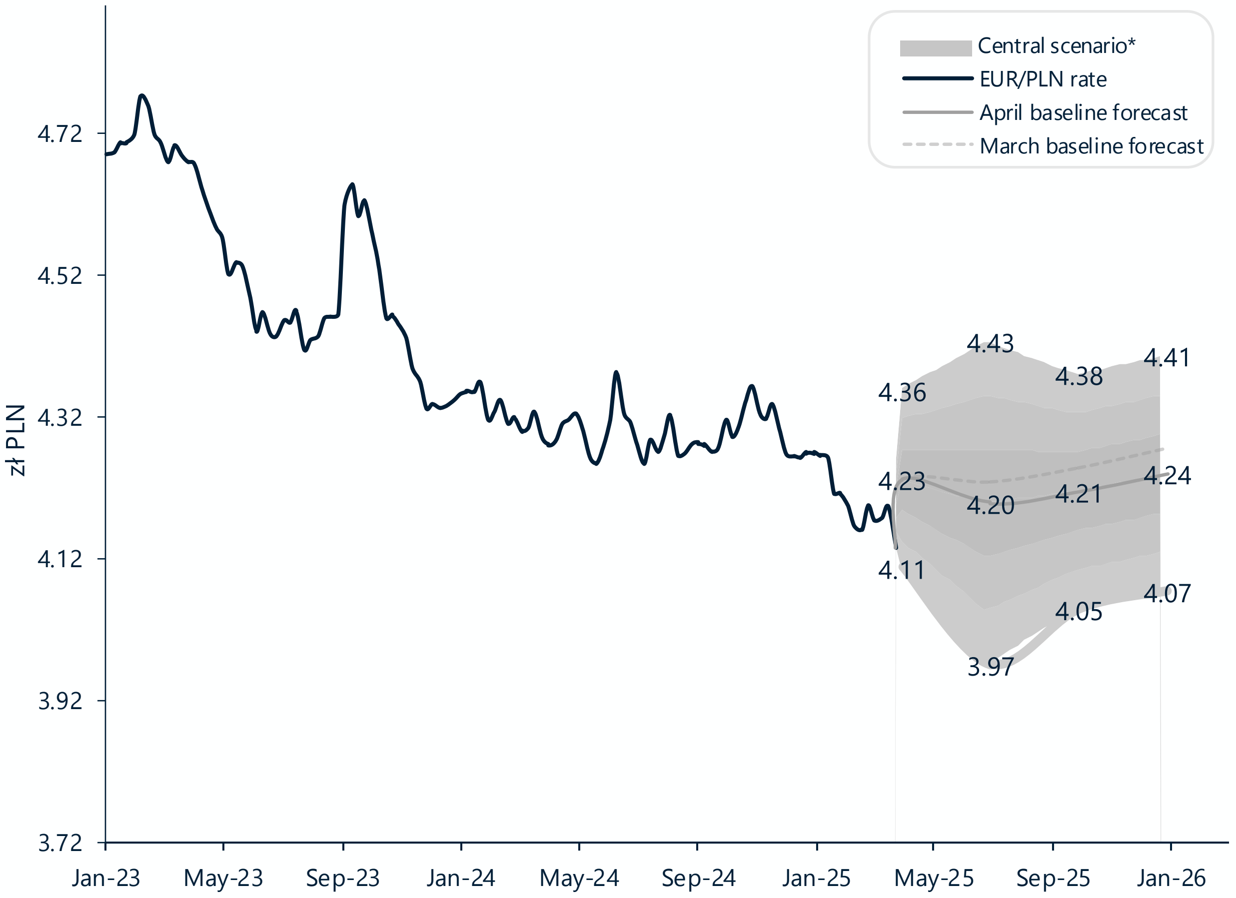
EUR/PLN future scenarios



Central scenario: Hints of NBP easing to weigh on PLN

- Poland's zloty continues to lead gains in the CEE region, and momentum saw it break south of 4.200, over 2% stronger versus the euro now YTD, before gains stalled. Although valuations are pointing to significantly higher levels in EUR/PLN the narrative and market positioning support a stronger PLN.
- Based on Bloomberg's Behavioral Equilibrium Exchange Rate (BEER) model, the zloty is currently 6.6% more expensive relative to its fair value vs. the euro. The zloty has significantly outperformed its move implied by historical beta to the EUR/USD. So, we see scope for EUR/PLN upside realignment in the coming months.
- The Polish central bank has consistently been more hawkish than consensus expectations, supporting the zloty's advance. but data from the beginning of 2025 suggests the conditions for monetary easing are starting to emerge. Headline and core inflation surprised to the downside and wage growth continued to moderate after three years of double-digit growth.
- A potential ceasefire agreement between Russia and Ukraine could potentially lift geopolitical risk premium from the PLN. However, such developments appear partially priced in already.

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APAC currency outlook

APAC volatility analysis

Stability in USD/CNY and NZD/AUD amid broader market swings

Chart: AUD 30-day, year-to-date trading range

Increasing volatility

	Spot	High 30D	Low 30D	High YTD	Low YTD	Trading range 30D	Trading range YTD	Position within the range 30D	Position within the range YTD
AUD/EUR	0.584	0.608	0.574	0.611	0.574	5.9%	6.4%	29%	27%
NZD/EUR	0.531	0.549	0.521	0.552	0.521	5.4%	6.0%	36%	32%
NZD/USD	0.573	0.583	0.558	0.583	0.551	4.5%	5.8%	60%	69%
AUD/JPY	94.49	95.75	91.82	99.17	91.82	4.3%	8.0%	68%	36%
AUD/GBP	0.486	0.504	0.484	0.510	0.484	4.1%	5.4%	10%	8%
AUD/USD	0.630	0.639	0.618	0.640	0.608	3.4%	5.3%	57%	69%
AUD/CNY	4.568	4.627	4.502	4.644	4.410	2.8%	5.3%	53%	68%
USD/SGD	1.336	1.352	1.327	1.375	1.327	1.9%	3.6%	36%	19%
NZD/AUD	0.909	0.916	0.900	0.916	0.894	1.8%	2.5%	56%	68%
USD/CNY	7.263	7.293	7.216	7.332	7.216	1.1%	1.6%	61%	41%

Source: Bloomberg, Convera – March 26, 2025

- **AUD/EUR** (5.9%) and **NZD/EUR** (5.4%) displayed the highest volatility, driven by the Eurozone's fiscal optimism and AUD's inability to sustain early gains despite stronger domestic data.
- For **NZD/AUD,** the pair's low volatility reflects regional alignment in economic fundamentals, as both Australia and New Zealand benefit from improving domestic data.
- **USD/CNY** and **NZD/AUD** recorded the lowest 30-day volatility in APAC, at 1.1% and 1.8%, respectively. These figures reflect the influence of managed monetary policies in **China** and **New Zealand's** stable cross-border outlook against Australia.
- **USD/CNY's** subdued volatility highlights the continued policy-driven stability from the **PBoC,** which has kept the **CNY** tightly anchored amid lower-than-expected commodity demand and ongoing trade uncertainties. This reflects China's cautious stance on monetary easing, with the central bank maintaining stability ahead of upcoming tariff deadlines and geopolitical tensions.

APAC value indicator

Persistent undervaluation in AUD/EUR and AUD/GBP

Chart: AUD performance versus year-to-date, 1, 2, and 5-year averages

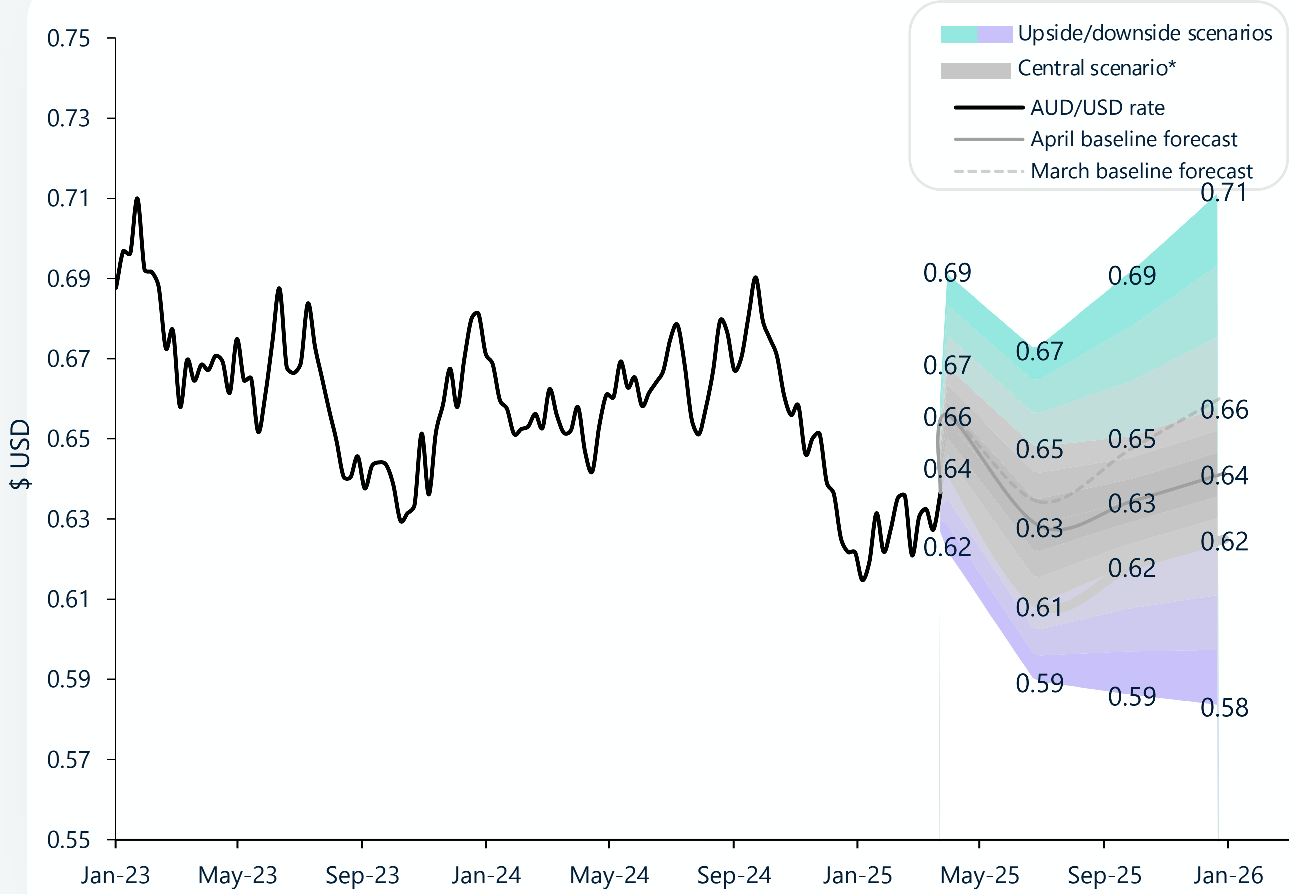
Appreciation Depreciation

	Spot (As of 26.03.2025)	Spot vs YTD average	Spot vs 1-year average	Spot vs 2-year average	Spot vs 5-year average
AUD/USD	0.630	0.4% Avg.: 0.627	-3.5% Avg.: 0.652	-3.9% Avg.: 0.655	-8.8% Avg.: 0.690
AUD/CNY	4.568	0.1% Avg.: 4.562	-3.0% Avg.: 4.708	-3.0% Avg.: 4.711	-3.7% Avg.: 4.743
AUD/CAD	0.899	-0.2% Avg.: 0.900	-0.9% Avg.: 0.906	0.2% Avg.: 0.897	-1.7% Avg.: 0.914
AUD/SGD	0.842	-0.5% Avg.: 0.846	-3.6% Avg.: 0.873	-4.2% Avg.: 0.879	-10.0% Avg.: 0.935
AUD/NZD	1.099	-0.6% Avg.: 1.105	0.1% Avg.: 1.098	1.0% Avg.: 1.088	1.7% Avg.: 1.081
AUD/JPY	94.49	-1.4% Avg.: 95.83	-5.1% Avg.: 99.52	-2.8% Avg.: 97.19	5.9% Avg.: 89.19
AUD/EUR	0.584	-2.3% Avg.: 0.597	-3.9% Avg.: 0.607	-3.8% Avg.: 0.607	-6.5% Avg.: 0.624
AUD/GBP	0.486	-2.6% Avg.: 0.498	-5.0% Avg.: 0.511	-6.1% Avg.: 0.517	-9.8% Avg.: 0.538

- Across APAC, **AUD/CNY** remained steady, trading just 0.1% above its YTD average, as China's managed currency regime and ongoing trade tensions capped any meaningful recovery in value.
- Meanwhile, **AUD/USD's** undervaluation persists, trading 8.8% below its five-year mean, reflecting global hesitancy toward high-beta currencies.
- **AUD/EUR** remains significantly undervalued, trading 6.5% below its five-year average and 3.9% below its one-year average, reflecting **AUD's** weakening as Eurozone fiscal optimism around Germany's infrastructure and defense spending bolstered the **Euro.** Despite strong Australian labor market data, **AUD** has struggled to recover amid global trade uncertainty and soft Chinese commodity demand.
- Similarly, **AUD/GBP** is trading 9.8% below its five-year average and 5.0% below its one-year average, continuing to reflect undervaluation. **GBP** weakness, stems from fiscal concerns and a slowing **UK** economy. **AUD** broader struggles was due to global trade uncertainty and weak Chinese demand.

Note: YTD average refers to the following time periods: 01.01.2025 - 26.03.2025; 1Y: 26.03.2024 - 26.03.2025; 2Y: 27.03.2023 - 26.03.2025; 5Y: 27.03.2020 - 26.03.2025.

AUD/USD future scenarios



Upside scenario: Australian inflation remains high

- The Australian government plans to boost growth prospects by compensating for cost savings with another significant fiscal easing.
- US inflation slows down faster than anticipated, lowering expectations for terminal rates, and boosting risk assets like the AUD.

Central scenario: Greenback recovers

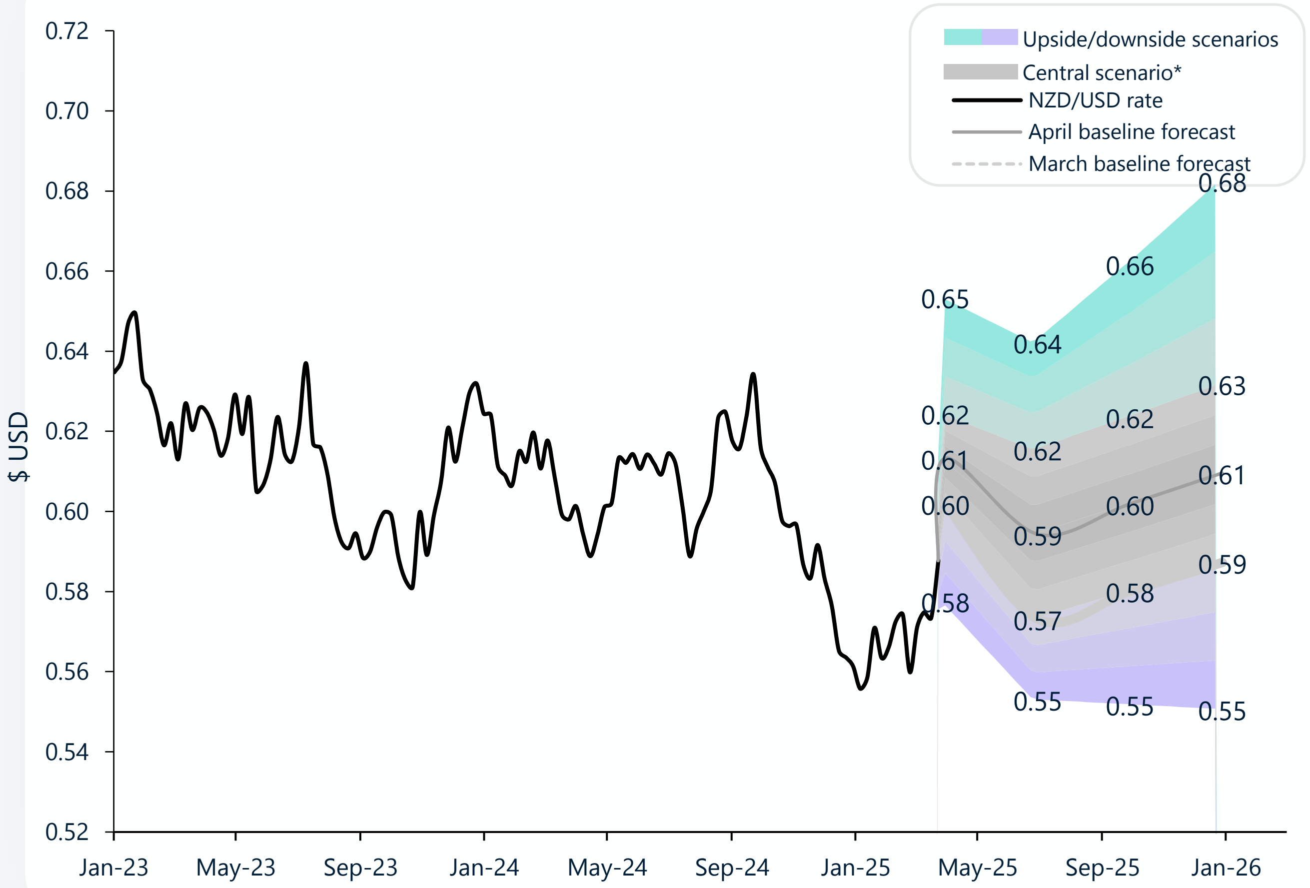
- The Australian dollar might rise in response to the Reserve Bank of Australia's resistance to a worldwide cycle of rate cuts.
- Although the RBA may hold steady in coming meetings, US rates are likely to remain above Australian rates, capping growth in the AUD/USD.

Downside scenario: Financial system stress

- Escalation of tariffs happens more quickly or widely than anticipated.
- Higher-for-longer global policy outlook starts to put pressure on credit markets.

Chart sources: Oxford Economics, Bloomberg, Convera – March 26, 2025. For more information about the Convera-Oxford Economics economic modelling, framework and methodology used to derive the FX forecast scenarios please contact AskMarketInsights@convera.com
*+/-1 standard deviation from baseline (68% chance rate falls within this range)

NZD/USD future scenarios



Upside scenario: Likelihood of global soft landing

- The budget cutbacks promised to finance the new tax package are abandoned by the incoming administration
- The likelihood of soft landing globally is boosted by sharply lower US inflation

Central scenario: NZD susceptible to risk-off events

- NZD is still susceptible to any global risk-off events, even if China surprises to the upside.
- A slowdown in growth means commodities remain under pressure with dairy prices key for NZD.

Downside scenario: More aggressive RBNZ easing

- A more expansive and forceful tariff policy
- When the RBNZ begins to ease, domestic growth stagnates and a more aggressive policy response is pursued,

Chart sources: Oxford Economics, Bloomberg, Convera – March 26, 2025. For more information about the Convera-Oxford Economics economic modelling, framework and methodology used to derive the FX forecast scenarios please contact AskMarketInsights@convera.com
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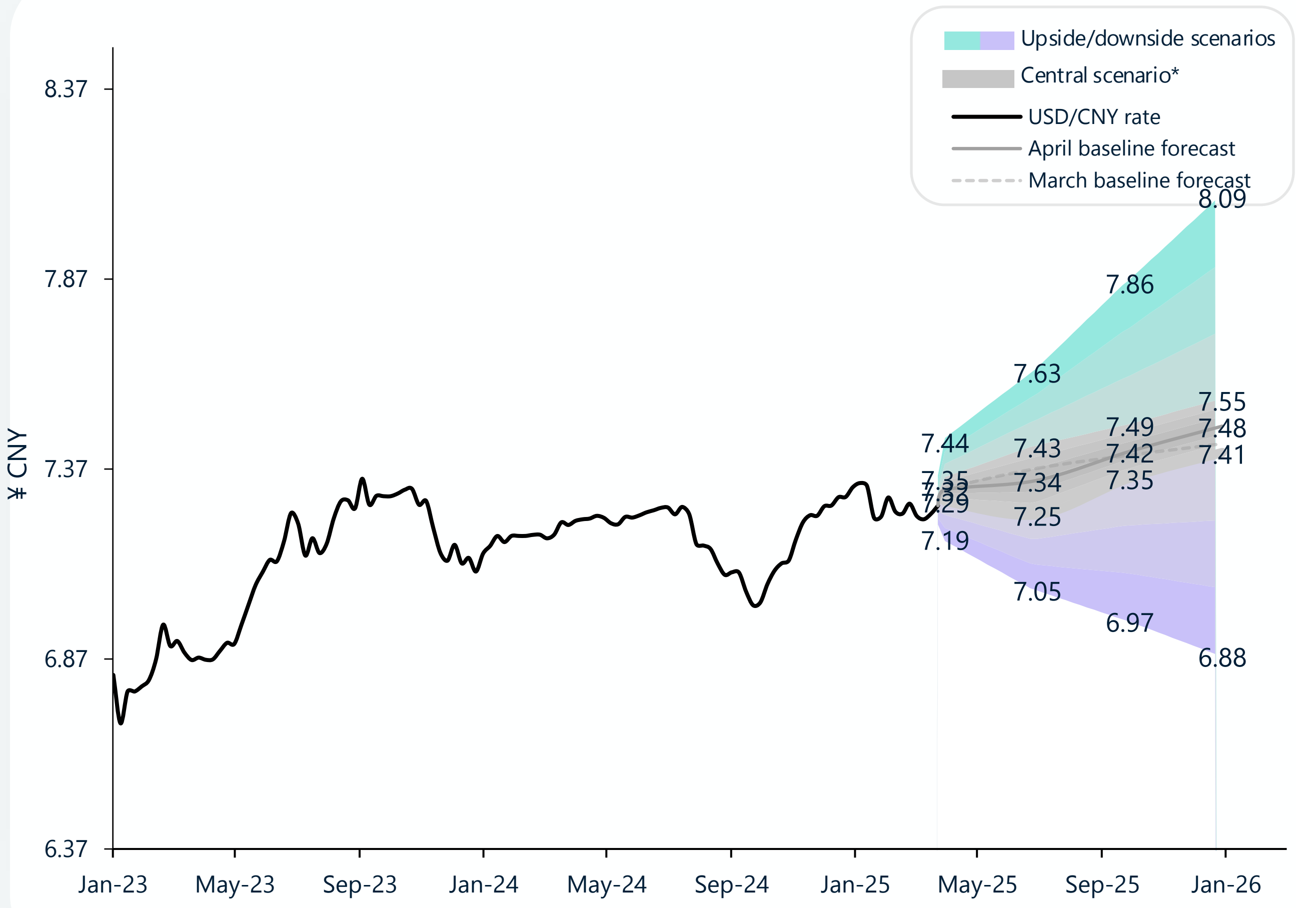
USD/CNY future scenarios



Upside scenario: Higher PBoC tolerance for a yuan that is weaker

- Higher PBoC tolerance for a yuan that is weaker
- Geopolitical unrest intensifies

Central scenario: China recovery improves

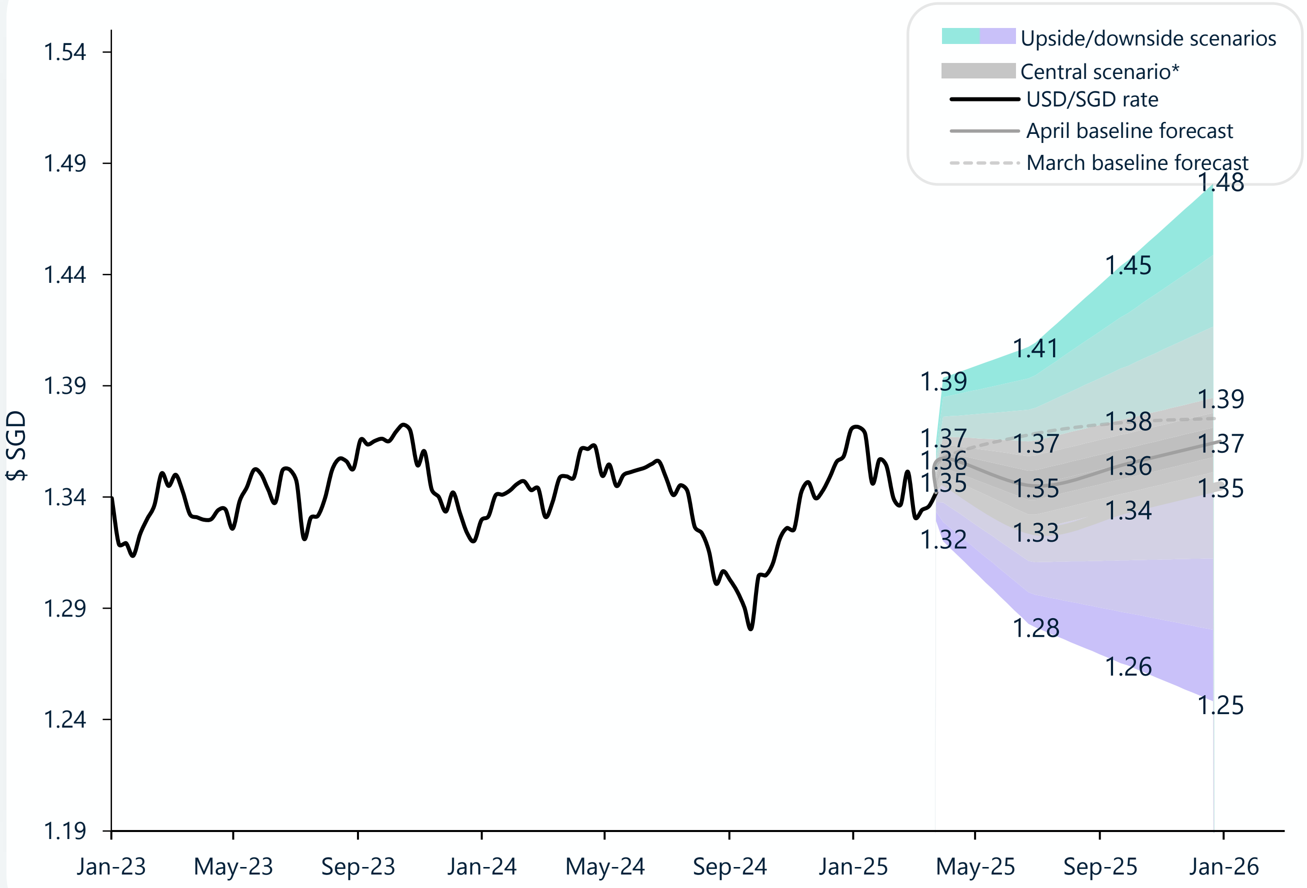
- The Chinese government's recent supportive action to the local economy could see the CNY strengthen.
- Once the Fed confirms a cut in rates, the US dollar might ease.

Downside scenario: Larger-than-expected stimulus from PBoC

- Larger-than-expected stimulus from PBoC.
- The USD could fall if the Fed is forced to cut official interest rates to support the US economy.

Chart sources: Oxford Economics, Bloomberg, Convera – March 26, 2025. For more information about the Convera-Oxford Economics economic modelling, framework and methodology used to derive the FX forecast scenarios please contact AskMarketInsights@convera.com
*+/-1 standard deviation from baseline (68% chance rate falls within this range)

USD/SGD future scenarios



Upside scenario: Global sell-off hits risk

- US equities could turn from higher levels, causing safe-haven FX like the US dollar to gain.
- SGD NEER trades in the top half of the band and pose downside risks to SGD.

Central scenario: Global growth remains underwhelming

- Global trade is likely disappointing as Chinese growth remains sluggish, keeping the USD/SGD near recent highs.
- The USD rises as risk aversion comes to the fore

Downside scenario: Fed cuts – and fast

- USD might weaken if the Fed is forced to cut official interest rates as the US economy slows.
- An improving global growth outlook could help trade – and the SGD.

Chart sources: Oxford Economics, Bloomberg, Convera – March 26, 2025. For more information about the Convera-Oxford Economics economic modelling, framework and methodology used to derive the FX forecast scenarios please contact AskMarketInsights@convera.com
*+/-1 standard deviation from baseline (68% chance rate falls within this range)

NAM currency outlook

NAM volatility analysis

EUR and GBP upward momentum waned towards month-end

Chart: NAM 30-day, year-to-date trading range

Increasing volatility

	Spot	High 30D	Low	High YTD	Low	Trading range 30D	Trading range YTD	Position within the range 30D	Position within the range YTD
EUR/CAD	1.534	1.585	1.491	1.585	1.468	6.3%	8.0%	46%	56%
USD/MXN	20.10	20.99	19.84	21.29	19.84	5.8%	7.3%	23%	18%
EUR/USD	1.075	1.095	1.036	1.095	1.014	5.7%	8.0%	66%	75%
NZD/USD	0.572	0.583	0.558	0.583	0.551	4.5%	5.8%	56%	66%
GBP/USD	1.288	1.301	1.255	1.301	1.21	3.7%	7.5%	72%	86%
AUD/USD	0.629	0.639	0.618	0.640	0.608	3.4%	5.3%	52%	66%
USD/JPY	150.5	151.3	146.5	158.8	146.5	3.3%	8.4%	83%	33%
USD/CHF	0.883	0.903	0.875	0.920	0.875	3.2%	5.1%	29%	18%
USD/CAD	1.426	1.454	1.423	1.479	1.415	2.2%	4.5%	10%	17%
USD/CNY	7.264	7.293	7.216	7.332	7.216	1.1%	1.6%	62%	41%

Source: Bloomberg, Convera – March 27, 2025

- The **EUR/USD** surpassed the 1.05 mark, peaking at $1.095—the highest level since October last year, on fiscal spending optimism. However, its momentum faded by month-end, pulling back to 1.075.
- The **GBP/USD** made notable gains in March against the USD, fueled by Eurozone optimism and reduced tariff exposure for the U.K. Despite the Bank of England holding rates amid persistent inflation, the cable fell back after briefly reaching 1.30—the highest since November 2024.
- The **USD/MXN** has gained from a non-confrontational tariff approach, though uncertainty lingers. After hitting its lowest level since November, it struggled to consolidate below 20. Banxico's dovish stance is expected to keep the Peso near 19 as tariff-premia eases.
- The **USD/CAD** is the G10's weakest performer but remains flat year-to-date against the USD. Trade policy updates on April 2nd may offer clarity, though much of the uncertainty is already priced in. While still vulnerable, opportunities to negotiate tariff relief could emerge after a new PM is elected at the end of April.

NAM value indicator

EUR and GBP strong after Germany's fiscal plans

Chart: NAM performance versus year-to-date, 1, 2, and 5-year averages

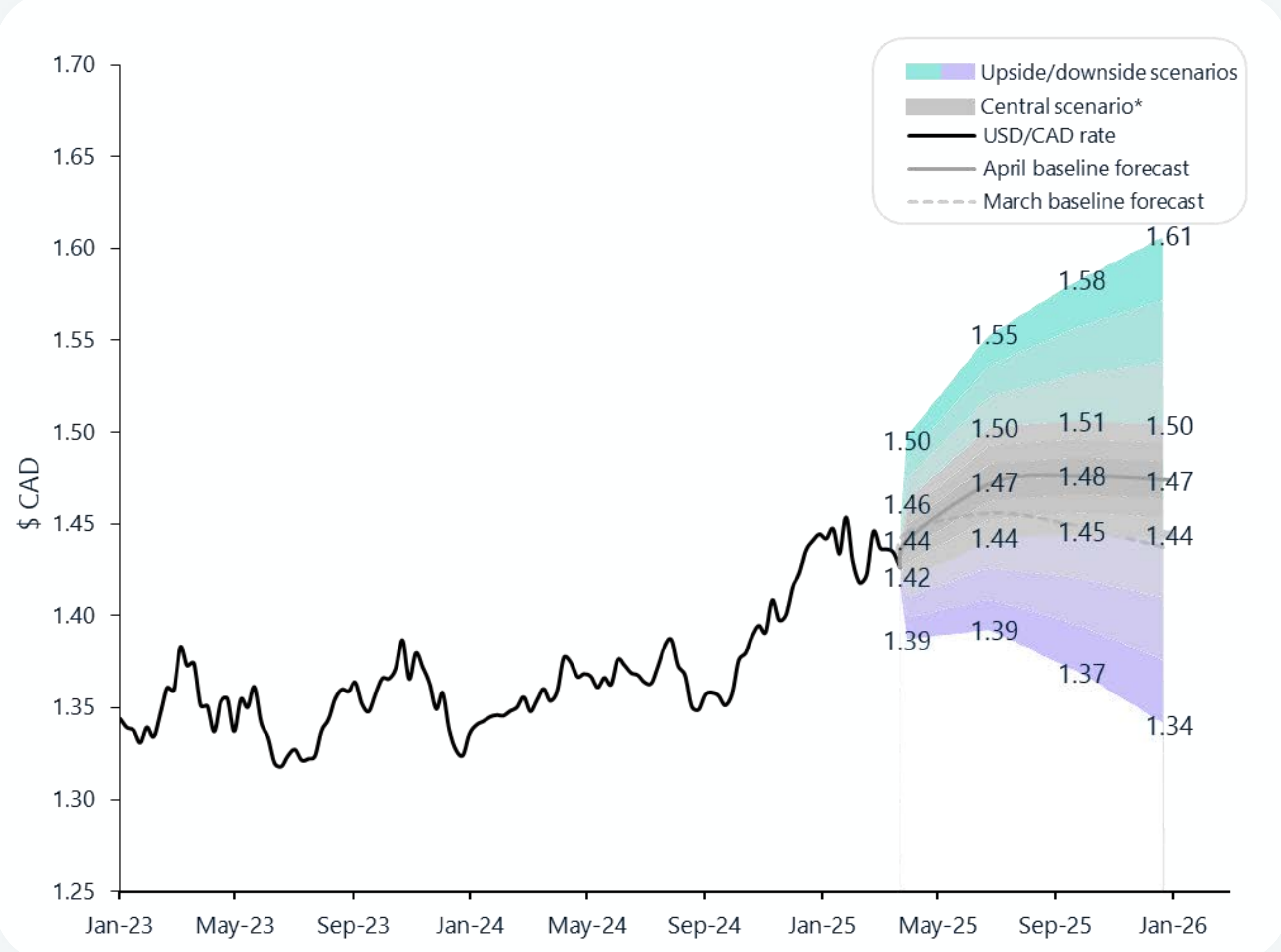
Appreciation Depreciation

	Spot (As of 27.03.2025)	Spot vs YTD average	1-year average	2-year average	5-year average
GBP/USD	1.288	2.3% Avg.: 1.258	1.0% Avg.: 1.275	1.7% Avg.: 1.266	0.4% Avg.: 1.282
EUR/USD	1.075	2.3% Avg.: 1.050	0.1% Avg.: 1.073	-0.4% Avg.: 1.079	-2.8% Avg.: 1.105
EUR/CAD	1.534	1.7% Avg.: 1.508	2.8% Avg.: 1.492	3.8% Avg.: 1.477	4.6% Avg.: 1.466
NZD/USD	0.572	0.8% Avg.: 0.567	-3.8% Avg.: 0.594	-5.0% Avg.: 0.602	-10.5% Avg.: 0.639
AUD/USD	0.629	0.2% Avg.: 0.627	-3.6% Avg.: 0.652	-4.0% Avg.: 0.655	-8.9% Avg.: 0.690
USD/CAD	1.426	-0.6% Avg.: 1.434	2.6% Avg.: 1.390	4.1% Avg.: 1.369	7.4% Avg.: 1.327
USD/JPY	150.5	-1.4% Avg.: 152.6	-1.3% Avg.: 152.4	1.4% Avg.: 148.3	15.7% Avg.: 130.0
USD/MXN	20.10	-1.6% Avg.: 20.43	5.1% Avg.: 19.12	10.2% Avg.: 18.23	2.4% Avg.: 19.62

- Recent weaker than expected macro data from the US has sent the USD to its lowest since mid-December last year.
- The **USD/MXN** has dropped slightly below its YTD average. One and two-year averages demonstrate the uncertainty around tariffs and its impact in the Mexican economy.
- The **USD/CAD** has been steady throughout the year despite tariff-premia risk and spike in volatility. That said, valuations remain only moderately stretched versus shorter-term averages.
- The **GBP/USD** and **EUR/USD**, seeing stronger gains YTD, with expectations that their respective central banks will be reluctant to cut rates further providing support.
- **AUD/USD** and **NZD/USD** might be exposed to further cuts from central banks. Also, commodities weakness and tariff uncertainty keep them below short-term averages.

Source: Bloomberg, Convera – March 27, 2025. Note: YTD average refers to the following time periods: 01.01.2025 - 26.02.2025; 1Y: 27.02.2024 - 26.02.2025; 2Y: 27.02.2023 - 26.02.2025; 5Y: 28.02.2020 - 26.02.2025.

USD/CAD future scenarios



Upside scenario: Dovish BoC, cautious Fed, tariffs higher for longer

- Fed remains hawkish despite softer macro data, BoC is forced to keep cutting rates due to tariffs weighing on the economy and there's no end in sight for CUSMA/USMCA re-negotiations.
- Prolonged trade tariffs may push the USD/CAD above 1.46.

Central scenario: Fed cuts rates gradually, room for CUSMA renegotiation before mid 2026

- The baseline forecast holds, with two Fed cuts anticipated in the second half of the year and some tariff-premia already priced in.
- Lingering upside risks to inflation, despite the weakening US labor market, means the USD might remain supported.

Downside scenario: US labor market deteriorates, new CUSMA deal negotiated before 2025

- Fed delivers a more aggressive cutting cycle as US labor market weakens, reducing the US dollar interest rate differential, and new PM starts early CUSMA negotiation with U.S. administration, with tariff drama end in sight.
- The BoC ends easing cycle and shifts focus from growth to inflation.

Chart sources: Oxford Economics, Bloomberg, Convera – March 27, 2025. For more information about the Convera-Oxford Economics economic modelling, framework and methodology used to derive the FX forecast scenarios please contact AskMarketInsights@convera.com
*+/-1 standard deviation from baseline (68% chance rate falls within this range)

USD/MXN future scenarios

Upside scenario: Dovish Banxico, cautious Fed, tariffs higher for longer

- Fed remains hawkish despite softer macro data, BoC is forced to keep cutting rates due to tariffs weighing on the economy and there’s no end in sight for CUSMA/USMCA re-negotiations.
- Banxico cuts rates beyond target rate as tariffs weigh on the economy.

Central scenario: Regional growth supports MXN, room for CUSMA renegotiation before mid 2026

- Strong growth prospects for both the US and Mexico are usually more positive for the economically-sensitive MXN.
- Banxico continues cutting rates as expected, with inflation stable and CUSMA/USMCA talks anticipated before 2025.

Downside scenario: US labor market deteriorates, new CUSMA deal negotiated before 2025

- Fed delivers a more aggressive cutting cycle as US labor market weakens.
- CUSMA talks begin with tariff resolution in sight; Banxico ends easing cycle on target rate.

Chart sources: Oxford Economics, Bloomberg, Convera – March 27, 2025. For more information about the Convera-Oxford Economics economic modelling, framework and methodology used to derive the FX forecast scenarios please contact AskMarketInsights@convera.com
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International strategy

Considerations for global businesses

Currency volatility

What if we continue to see material 5-10% shifts in your key exchange rates, or your target rate stays at levels significantly above or below your budgeted level?

Risk management

Talk to us about our full range of currency risk management tools^.

Geopolitics

What if your industry, or specific country of interest remains exposed to supply chain risks, whilst pressures to diversify and speed up delivery remains high?

Diversification

Talk to us about our trade solutions and how we help organizations accelerate payment speed or diversify into alternative markets.

We support 140 currencies and operate across 200 countries and territories.

Sanctions

What if factors like sanctions escalate, and your payment and regulatory complexities increase? Is managing reputational risks and customer experience related to global payments important to you?

Efficiency and security

Talk to us about our automated global payment solutions, compliance controls and fraud prevention measures.

We invest annually in managing compliance and regulations globally.

^Options products are not available in Hong Kong.
*Certain hedging products are not available in all countries. For more information on availability, contact AskMarketInsights@Convera.com

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Appendix

Future scenarios

	Scenarios	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3
	High	1.312	1.335	1.340	1.365	1.384	1.400	1.411	1.417	1.420	1.422	1.425
	Baseline + σ	1.285	1.295	1.276	1.266	1.277	1.277	1.288	1.289	1.301	1.303	1.315
GBP/USD	**Baseline**	**1.265**	**1.265**	**1.246**	**1.246**	**1.247**	**1.247**	**1.248**	**1.249**	**1.251**	**1.253**	**1.255**
	Baseline - σ	1.245	1.235	1.216	1.226	1.217	1.217	1.208	1.209	1.201	1.203	1.195
	Low	1.218	1.194	1.151	1.128	1.109	1.095	1.086	1.081	1.081	1.083	1.085
	High	1.296	1.351	1.413	1.469	1.513	1.549	1.574	1.588	1.592	1.592	1.591
	Baseline + σ	1.231	1.272	1.264	1.253	1.264	1.264	1.286	1.287	1.297	1.310	1.334
GBP/EUR	**Baseline**	**1.200**	**1.205**	**1.21**	**1.209**	**1.210**	**1.210**	**1.209**	**1.210**	**1.210**	**1.210**	**1.211**
	Baseline - σ	1.168	1.137	1.155	1.164	1.155	1.155	1.131	1.132	1.122	1.109	1.087
	Low	1.111	1.074	1.036	0.997	0.967	0.945	0.930	0.921	0.920	0.920	0.921
	High	211.4	223.2	232.3	242.7	250.0	255.1	257.7	258.0	256.4	254.6	253.2
	Baseline + σ	197.2	202.9	201.6	200.2	201.0	202.1	203.0	200.8	203.5	205.2	208.2
GBP/JPY	**Baseline**	**190.2**	**191.9**	**190.9**	**190.9**	**189.8**	**188.4**	**186.6**	**184.5**	**182.6**	**180.9**	**179.7**
	Baseline - σ	183.1	180.8	180.1	181.5	178.5	174.6	170.1	168.1	161.6	156.5	151.1
	Low	175.0	169.3	161.3	154.3	147.9	142.5	138.1	134.7	132.7	131.2	130.1
	High	1.223	1.271	1.310	1.348	1.380	1.408	1.427	1.438	1.441	1.442	1.442
	Baseline + σ	1.163	1.190	1.186	1.171	1.177	1.177	1.199	1.212	1.222	1.222	1.232
GBP/CHF	**Baseline**	**1.133**	**1.138**	**1.134**	**1.128**	**1.125**	**1.125**	**1.125**	**1.125**	**1.125**	**1.125**	**1.126**
	Baseline - σ	1.102	1.085	1.081	1.084	1.072	1.072	1.050	1.037	1.027	1.027	1.019
	Low	1.047	1.013	0.970	0.927	0.895	0.873	0.858	0.850	0.848	0.848	0.849

Chart sources: Oxford Economics, Bloomberg, Convera – March 27, 2025. For more information about the Convera-Oxford Economics economic modelling, framework and methodology used to derive the FX forecast scenarios please contact AskMarketInsights@convera.com
*+/-1 standard deviation from baseline (68% chance rate falls within this range)

Future scenarios

	Scenarios	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3
EUR/USD	High	1.096	1.111	1.111	1.131	1.146	1.159	1.167	1.173	1.175	1.176	1.178
	Baseline + σ	1.064	1.08	1.05	1.05	1.05	1.051	1.061	1.062	1.063	1.074	1.086
	Baseline	**1.054**	**1.05**	**1.03**	**1.030**	**1.030**	**1.031**	**1.031**	**1.032**	**1.033**	**1.034**	**1.036**
	Baseline - σ	1.044	1.02	1.01	1.01	1.01	1.011	1.001	1.002	1.003	0.994	0.986
	Low	1.012	0.988	0.948	0.929	0.914	0.903	0.896	0.892	0.892	0.893	0.895
EUR/GBP	High	0.899	0.930	0.964	1.002	1.033	1.057	1.075	1.084	1.086	1.085	1.084
	Baseline + σ	0.854	0.872	0.862	0.855	0.862	0.862	0.877	0.877	0.883	0.892	0.906
	Baseline	**0.833**	**0.829**	**0.826**	**0.826**	**0.826**	**0.826**	**0.826**	**0.826**	**0.826**	**0.826**	**0.825**
	Baseline - σ	0.811	0.785	0.789	0.796	0.789	0.789	0.774	0.774	0.768	0.759	0.743
	Low	0.771	0.739	0.707	0.680	0.660	0.645	0.635	0.629	0.628	0.628	0.628
EUR/CHF	High	1.022	1.058	1.086	1.117	1.143	1.166	1.181	1.190	1.192	1.192	1.192
	Baseline + σ	0.963	0.993	0.976	0.971	0.968	0.969	0.988	0.999	0.998	1.008	1.018
	Baseline	**0.944**	**0.945**	**0.937**	**0.932**	**0.929**	**0.930**	**0.930**	**0.930**	**0.929**	**0.930**	**0.930**
	Baseline - σ	0.924	0.896	0.897	0.892	0.889	0.890	0.871	0.860	0.859	0.851	0.841
	Low	0.869	0.838	0.799	0.764	0.738	0.720	0.708	0.701	0.699	0.699	0.699
EUR/CNY	High	8.162	8.479	8.737	9.148	9.434	9.622	9.732	9.769	9.747	9.712	9.677
	Baseline + σ	7.818	8.024	7.859	7.932	7.948	7.980	8.054	8.044	8.102	8.200	8.265
	Baseline	**7.713**	**7.707**	**7.638**	**7.709**	**7.725**	**7.705**	**7.672**	**7.632**	**7.595**	**7.564**	**7.533**
	Baseline - σ	7.607	7.389	7.416	7.485	7.501	7.429	7.289	7.219	7.087	6.927	6.800
	Low	7.274	6.969	6.612	6.392	6.185	6.001	5.857	5.757	5.710	5.684	5.657

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*+/-1 standard deviation from baseline (68% chance rate falls within this range)

Future scenarios

	Scenarios	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3
EUR/CZK	High	27.23	28.15	29.27	30.30	30.98	31.48	31.80	31.89	31.77	31.59	31.41
	Baseline + σ	25.74	26.49	26.34	26.44	26.49	26.51	26.72	26.70	26.52	26.62	26.76
	Baseline	**25.12**	**25.12**	**25.28**	**25.34**	**25.27**	**25.19**	**25.10**	**24.98**	**24.82**	**24.66**	**24.51**
	Baseline - σ	24.49	23.74	24.21	24.23	24.04	23.86	23.47	23.25	23.11	22.69	22.25
	Low	23.09	22.25	21.58	20.82	20.13	19.60	19.20	18.90	18.73	18.59	18.46
EUR/PLN	High	4.583	4.700	4.872	5.058	5.214	5.328	5.400	5.435	5.435	5.426	5.417
	Baseline + σ	4.357	4.425	4.379	4.406	4.474	4.520	4.640	4.699	4.681	4.706	4.752
	Baseline	**4.232**	**4.198**	**4.214**	**4.240**	**4.266**	**4.280**	**4.282**	**4.278**	**4.270**	**4.262**	**4.254**
	Baseline - σ	4.106	3.970	4.048	4.073	4.057	4.039	3.923	3.856	3.858	3.817	3.755
	Low	3.895	3.724	3.603	3.493	3.413	3.346	3.294	3.259	3.245	3.238	3.231
USD/CZK	High	24.83	25.32	26.34	26.79	27.01	27.16	27.23	27.18	27.03	26.85	26.66
	Baseline + σ	24.18	24.53	25.09	25.18	25.21	25.22	25.17	25.13	24.94	24.77	24.63
	Baseline	**23.82**	**23.92**	**24.54**	**24.60**	**24.51**	**24.42**	**24.33**	**24.19**	**24.01**	**23.83**	**23.64**
	Baseline - σ	23.46	23.31	23.99	24.02	23.81	23.62	23.49	23.25	23.08	22.89	22.65
	Low	22.81	22.52	22.75	22.41	22.01	21.69	21.42	21.19	20.99	20.81	20.62
USD/PLN	High	4.179	4.227	4.384	4.471	4.546	4.596	4.624	4.632	4.624	4.612	4.598
	Baseline + σ	4.093	4.098	4.171	4.195	4.259	4.3	4.37	4.422	4.4	4.378	4.374
	Baseline	**4.013**	**3.998**	**4.091**	**4.115**	**4.139**	**4.150**	**4.150**	**4.142**	**4.130**	**4.118**	**4.104**
	Baseline - σ	3.933	3.898	4.011	4.035	4.019	4	3.93	3.862	3.86	3.858	3.834
	Low	3.847	3.769	3.799	3.759	3.732	3.703	3.676	3.652	3.636	3.624	3.610

Chart sources: Oxford Economics, Bloomberg, Convera – March 27, 2025. For more information about the Convera-Oxford Economics economic modelling, framework and methodology used to derive the FX forecast scenarios please contact AskMarketInsights@convera.com
*+/-1 standard deviation from baseline (68% chance rate falls within this range)

Future scenarios

	Scenarios	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3
AUD/USD	High	0.692	0.672	0.691	0.712	0.732	0.752	0.772	0.788	0.800	0.812	0.824
	Baseline + σ	0.667	0.647	0.650	0.657	0.665	0.676	0.686	0.702	0.715	0.729	0.743
	Baseline	**0.655**	**0.628**	**0.634**	**0.641**	**0.649**	**0.659**	**0.669**	**0.679**	**0.687**	**0.696**	**0.704**
	Baseline - σ	0.642	0.608	0.617	0.624	0.632	0.641	0.651	0.655	0.658	0.662	0.664
	Low	0.623	0.589	0.586	0.583	0.583	0.586	0.591	0.596	0.602	0.609	0.615
AUD/EUR	High	0.683	0.680	0.728	0.766	0.800	0.832	0.862	0.883	0.897	0.909	0.920
	Baseline + σ	0.644	0.627	0.641	0.648	0.656	0.664	0.668	0.685	0.702	0.712	0.721
	Baseline	**0.622**	**0.598**	**0.615**	**0.622**	**0.630**	**0.639**	**0.649**	**0.657**	**0.665**	**0.672**	**0.679**
	Baseline - σ	0.599	0.568	0.588	0.595	0.603	0.613	0.629	0.628	0.627	0.631	0.636
	Low	0.568	0.530	0.527	0.515	0.509	0.506	0.506	0.508	0.512	0.517	0.522
AUD/NZD	High	1.198	1.215	1.252	1.293	1.327	1.366	1.407	1.437	1.458	1.474	1.485
	Baseline + σ	1.110	1.129	1.119	1.118	1.112	1.120	1.144	1.166	1.193	1.226	1.249
	Baseline	**1.069**	**1.057**	**1.054**	**1.052**	**1.052**	**1.059**	**1.074**	**1.087**	**1.098**	**1.107**	**1.112**
	Baseline - σ	1.027	0.984	0.988	0.985	0.991	0.997	1.003	1.007	1.002	0.987	0.974
	Low	0.954	0.917	0.885	0.854	0.832	0.820	0.819	0.821	0.827	0.832	0.833
AUD/CNY	High	5.150	5.128	5.434	5.758	6.023	6.247	6.437	6.565	6.639	6.706	6.769
	Baseline + σ	4.912	4.814	4.869	4.968	5.041	5.137	5.216	5.315	5.452	5.569	5.664
	Baseline	**4.798**	**4.611**	**4.705**	**4.799**	**4.868**	**4.926**	**4.980**	**5.019**	**5.051**	**5.088**	**5.122**
	Baseline - σ	4.683	4.407	4.540	4.629	4.694	4.714	4.743	4.722	4.649	4.606	4.579
	Low	4.481	4.158	4.086	4.014	3.948	3.895	3.865	3.849	3.856	3.875	3.892

Chart sources: Oxford Economics, Bloomberg, Convera – March 27, 2025. For more information about the Convera-Oxford Economics economic modelling, framework and methodology used to derive the FX forecast scenarios please contact AskMarketInsights@convera.com
*+/-1 standard deviation from baseline (68% chance rate falls within this range)

Future scenarios

	Scenarios	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3
USD/CAD	High	1.495	1.553	1.582	1.607	1.620	1.625	1.621	1.615	1.604	1.592	1.579
	Baseline + σ	1.461	1.502	1.506	1.503	1.496	1.485	1.47	1.468	1.456	1.453	1.44
	Baseline	**1.441**	**1.472**	**1.476**	**1.473**	**1.466**	**1.455**	**1.440**	**1.428**	**1.416**	**1.403**	**1.390**
	Baseline - σ	1.421	1.442	1.446	1.443	1.436	1.425	1.41	1.388	1.376	1.353	1.34
	Low	1.387	1.392	1.369	1.340	1.312	1.285	1.259	1.240	1.227	1.214	1.201
USD/MXN	High	23.29	23.71	24.23	24.75	25.16	25.47	25.66	25.77	25.80	25.83	25.86
	Baseline + σ	20.95	21.54	22.29	22.38	22.41	22.36	22.36	22.46	22.51	22.58	22.58
	Baseline	**20.76**	**20.75**	**20.83**	**20.91**	**20.99**	**21.04**	**21.07**	**21.10**	**21.13**	**21.15**	**21.18**
	Baseline - σ	20.57	19.96	19.37	19.44	19.57	19.72	19.78	19.74	19.75	19.72	19.78
	Low	19.40	19.12	18.94	18.76	18.65	18.55	18.48	18.46	18.49	18.52	18.55
USD/JPY	High	161.1	167.0	173.2	177.8	180.5	182.2	182.6	181.9	180.5	178.9	177.7
	Baseline + σ	153.4	156.6	158.0	158.0	157.4	158.2	157.4	155.7	156.4	157.5	158.3
	Baseline	**150.3**	**151.6**	**153.2**	**153.1**	**152.2**	**151.0**	**149.4**	**147.6**	**145.9**	**144.4**	**143.1**
	Baseline - σ	147.1	146.6	148.3	148.1	147	143.7	141.3	139.4	135.4	131.2	127.8
	Low	143.6	141.7	140.1	136.8	133.3	130.0	127.2	124.6	122.6	121.1	119.8
USD/CNY	High	7.443	7.626	7.861	8.086	8.225	8.301	8.333	8.327	8.293	8.255	8.213
	Baseline + σ	7.345	7.43	7.486	7.553	7.564	7.591	7.585	7.57	7.616	7.628	7.607
	Baseline	**7.315**	**7.340**	**7.416**	**7.483**	**7.494**	**7.471**	**7.435**	**7.390**	**7.346**	**7.308**	**7.267**
	Baseline - σ	7.285	7.25	7.346	7.413	7.424	7.351	7.285	7.21	7.076	6.988	6.927
	Low	7.186	7.053	6.971	6.879	6.762	6.641	6.537	6.452	6.399	6.361	6.320

Chart sources: Oxford Economics, Bloomberg, Convera – March 27, 2025. For more information about the Convera-Oxford Economics economic modelling, framework and methodology used to derive the FX forecast scenarios please contact AskMarketInsights@convera.com
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