Global FX Outlook

August 2025

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Key insights

From panic to pragmatism

Markets cheered US trade deals with Japan and the EU, brushing aside longer-term tariff risks. While the economic impact of the new 15% baseline tariffs remains unclear, investor sentiment has surged. Equities are rallying to fresh record highs, buoyed by relief that worst-case scenarios were avoided. For now, traders seem content to defer concerns about supply chain disruption and inflationary spillovers, but as the new tariff regime beds in, volatility may return.

Looking ahead, with trade deals inked and deadlines extended, traders are shifting back to fundamentals — earnings, rates, and macro data — as the primary drivers, particularly for FX markets. Therefore, the Federal Reserve's delay in cutting rates and renewed US growth momentum have breathed life into USD sentiment, suggesting scope for stabilization.

Whether July represents a true bottom for the US dollar or merely a temporary bounce remains uncertain though. Is this the start of a sustained uptrend, or just a brief respite before broader structural and policy-driven pressures resume their downward pull?

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 index snapped a six-month losing streak, rising 2% in July after hitting a three-year low at the start of the month. Easing trade tensions and a run of resilient US data supported.

EU

As the euro remains largely at the mercy of US sentiment, EUR/USD suffered its worst month of the year. It was certainly due a rest following the best six-month run since 2003.

UK

Sterling briefly hit its highest level vs. the dollar since Oct 2021 but quickly retreated — sliding over 3% and breaking below its 2025 uptrend as USD demand rose and UK headwinds mounted.

Australia

AUD/USD suffered its biggest monthly decline in a year amidst broad-based USD strength. However, the pair remains in a sideways trading pattern (0.63-0.65) and 3% above its year-to-date average.

Global economic outlook

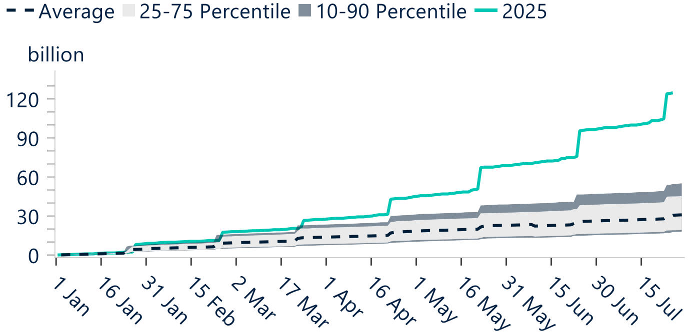
Key market themes to watch

Power plays and trade pacts

August 1st was the deadline for tariffs up to 50% on key US trading partners. Optimism is rising, with Japan and the EU securing last-minute deals. Trump remains firm on no further extensions, though more deals with key partners are likely. China faces higher rates and a separate path, with the trade truce likely to continue. This adds to a narrative increasingly favorable to the US Even as deals are hailed as trade rebalancing, counterparties still make more concessions. In the short term, the US dollar stands to benefit from this power play.

Tariff revenues to help redress trade imbalances

Customs duties and related taxes: historic cumulative YTD totals since 2005



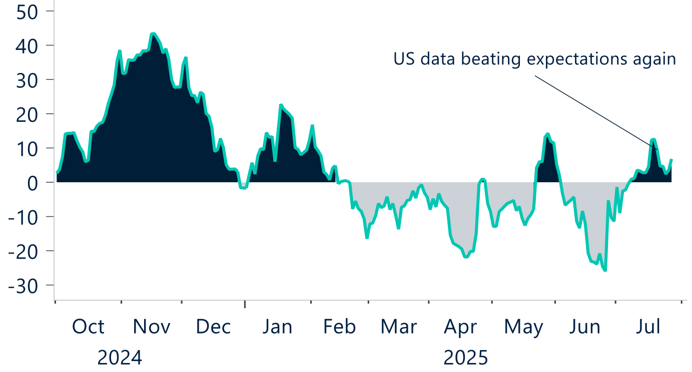
Source: Convera, Macrobond

Boom or bust: The U.S. inflection point

Investors are increasingly attentive to US macroeconomic data as they seek confirmation of long-standing concerns that tariffs may adversely impact the economy. Economic releases, both growth- and inflation- related, will provide much-needed insight into the state of the U.S. economy as high tariffs become the new modus operandi in global trade. Strong results would also help ease fears of a market bubble, reinforcing confidence that the AI-fueled stock market rally - marked by the S&P repeatedly hitting new all-time highs - is supported by solid fundamentals.

End of US exceptionalism? Not so fast...

Citi's US economic surprise index



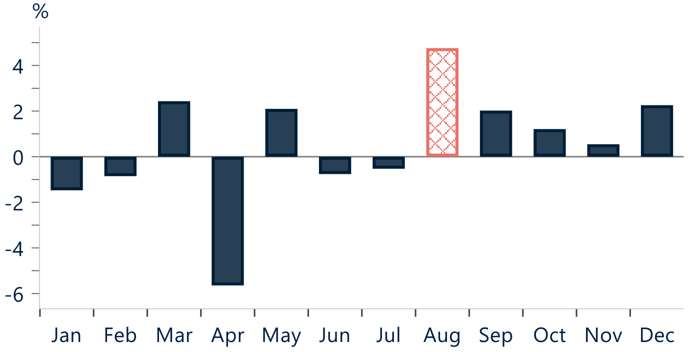
Source: Convera, Macrobond

Bracing for seasonal volatility

After a couple of quieter months, a seasonal spike in FX turbulence is possible in August, historically a more volatile month for currency markets. Seasonal factors like thinner summer liquidity, central bank meetings, and geopolitical developments often amplify price swings. This seasonal uptick makes August a key month for risk management and positioning, especially amidst the clustering of event risks and potential narrative shifts on the trade war front. In short, there's scope for more action in the currency markets this month.

FX volatility poised to spring back

JP Morgan's FX volatility index, average monthly change



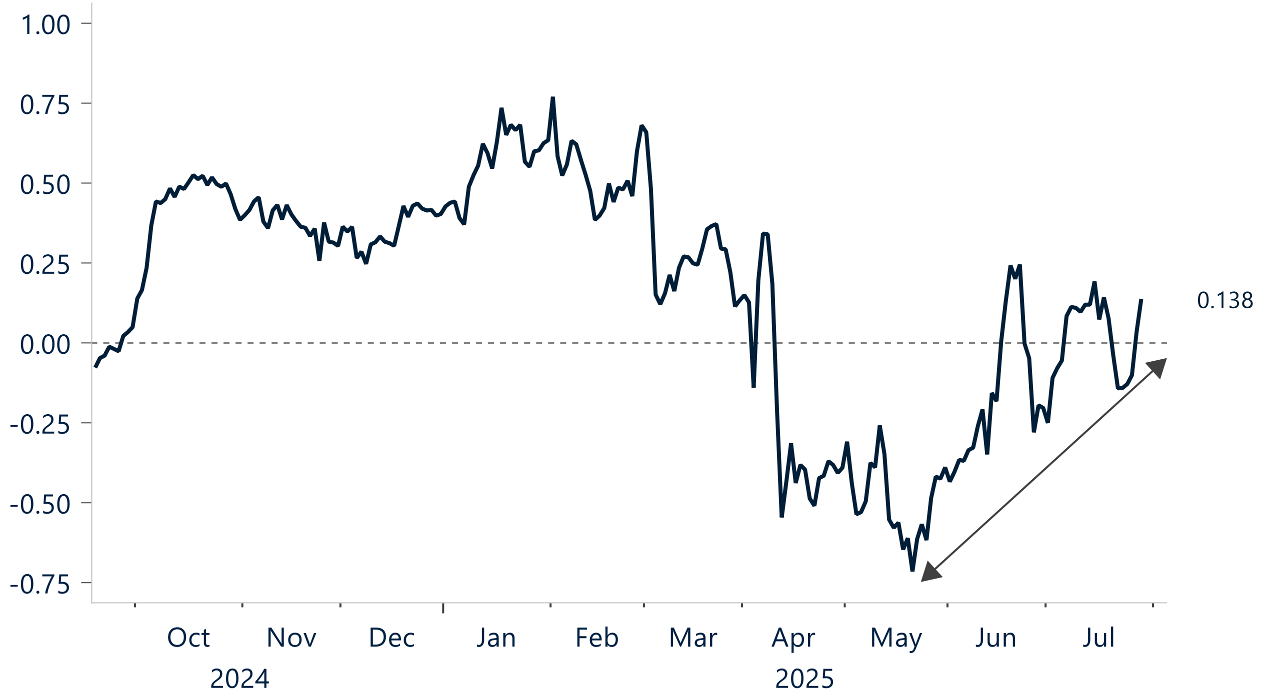
Source: Convera, Macrobond
Note: Figures are for average changes over 29 years ended 2024

Chart sources: Convera, Macrobond – May 27, 2025

Theme in focus: is the worst behind for the US dollar?

US Dollar flips the script in July on overcrowded shorts

1-month USD risk reversal sentiment (composite based on Bloomberg dollar spot index)



Source: Convera, Macrobond

- In April and May, expectations mounted that global investors would quietly retreat from US assets, driven by trade tensions and fiscal concerns post–tax reform. Yet Treasury data shows foreign buyers increased holdings in May and over the trailing year, upending fears of a broader exodus.
- Much of the market's recalibration hinged on currency hedging, not wholesale dumping. Portfolio repositioning contributed to the dollar's decline, even as trade friction began to ease and volatility subsided.
- While asset managers reduced USD exposure briefly, alternatives such as the euro, pound, Loonie, and Aussie dollar might fail to present compelling substitutes amid unfavorable trade terms and political noise, most notably Japan's July election, which roiled the yen and cast doubt on Bank of Japan policy stability, as well as the US-Europe deal, which is widely seen a win-lose agreement.
- As market focus shift from macro-level shocks to targeted bilateral agreements, investor attention is turning from trade policy toward macro indicators, particularly inflation and growth. Emerging markets, led by China, could offer early signals. The rally in US assets, alongside softening commodity performance, underscores rising skepticism about global growth outside the US Still, the soft-landing narrative remains a key anchor; if shaken, it could drive a rapid shift in positioning. For now, it remains the sole major source of dollar vulnerability.

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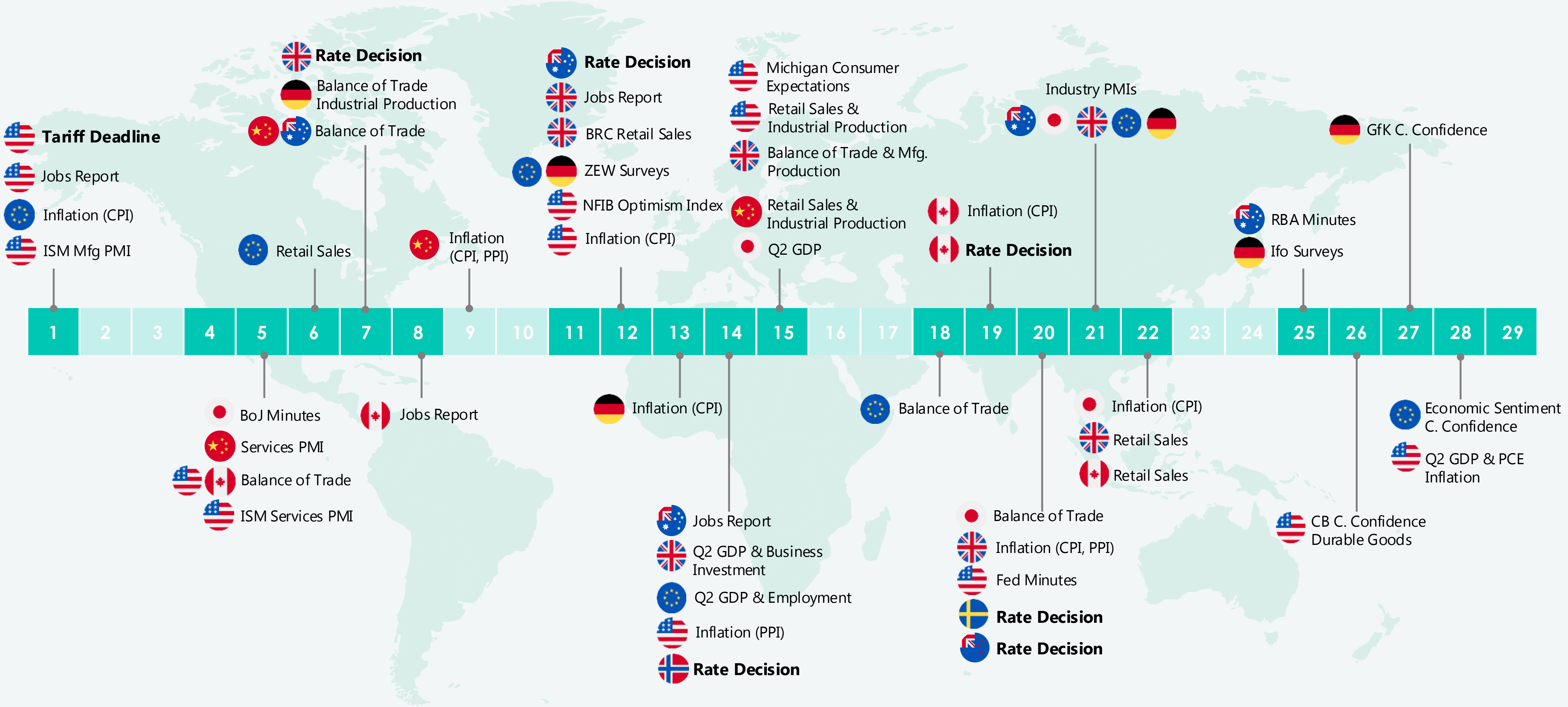
Key market events to watch

August 2025



Source: Convera, Bloomberg – July 25, 2025. Dates BST.

UK currency outlook

GBP volatility analysis

GBP/USD has swung ~14% already this year

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/ZAR	23.89	24.61	23.64	25.47	22.71	4.1%	12.2%	26%	43%
GBP/USD	1.343	1.378	1.335	1.378	1.21	3.2%	13.9%	19%	79%
GBP/CHF	1.070	1.100	1.066	1.150	1.061	3.2%	8.4%	12%	10%
GBP/AUD	2.047	2.102	2.040	2.164	1.959	3.0%	10.5%	11%	43%
GBP/CNY	9.637	9.875	9.585	9.875	8.873	3.0%	11.3%	18%	76%
GBP/EUR	1.142	1.175	1.140	1.213	1.140	3.1%	6.4%	6%	3%
GBP/CAD	1.839	1.883	1.833	1.883	1.745	2.7%	7.9%	12%	68%
GBP/JPY	198.4	199.9	195.3	199.9	184.3	2.4%	8.5%	67%	90%
GBP/NOK	13.63	13.88	13.58	14.34	13.32	2.2%	7.7%	17%	30%
GBP/NZD	2.229	2.272	2.227	2.335	2.168	2.0%	7.7%	4%	37%

- Positive domestic momentum seen in the first half of 2025 - driven by stronger UK economic data and improved political stability - is beginning to wane. This shift may have implications for both fiscal and monetary policy, presenting a more cautious outlook for sterling as we head into the second half of the year.
- **GBP/USD** gains this year have been primarily fueled by broad-based US dollar weakness (alongside positive UK data). But the tide may be turning, with the pair dropping over 3% since its recent peak as US trade deals and resilient data help the dollar rebound.
- **GBP/EUR** fell to its lowest level since late 2023, reflecting the euro's appeal as a tariff-safe haven. But rate differentials and relative macro data continue to skew in the euro's favor too, as the days of €1.20 look like a distant memory.
- **GBP/JPY** is the only major cross where sterling has held firm of late as reduced safe-haven demand following easing trade tensions between the US and China boost risk appetite, while Japanese political uncertainty also clouds the yen's outlook.

Source: Bloomberg, Convera – July 28, 2025

GBP value indicator

Now 3% below two-year average versus EUR

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

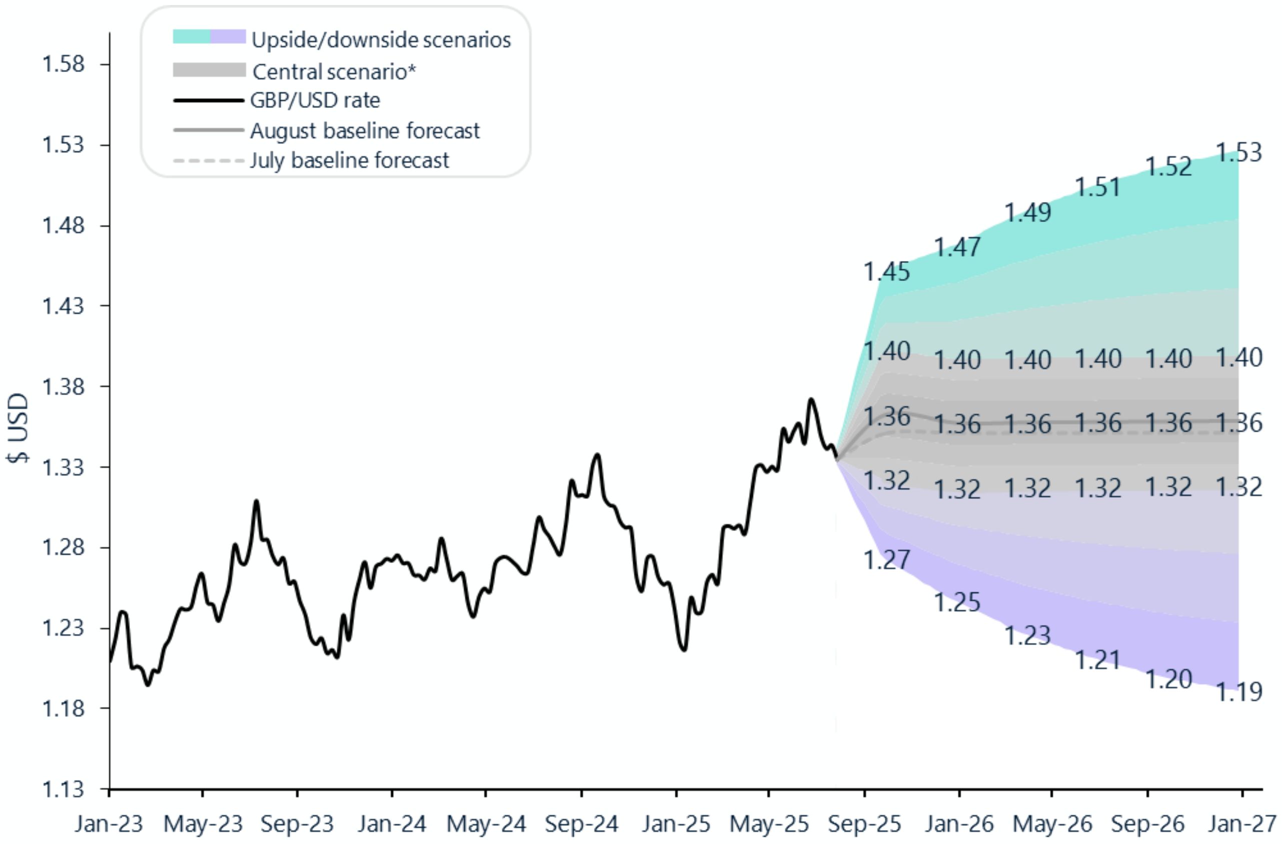
Appreciation Depreciation

	Spot (As of 28.07.2025)	Spot vs YTD average	Spot vs 1-year average	Spot vs 2-year average	Spot vs 5-year average
GBP/USD	1.343	2.9% Avg.: 1.304	3.4% Avg.: 1.299	5.0% Avg.: 1.279	4.2% Avg.: 1.288
GBP/JPY	198.4	2.6% Avg.: 193.3	2.7% Avg.: 193.2	3.7% Avg.: 191.3	16.6% Avg.: 170.1
GBP/CNY	9.637	2.0% Avg.: 9.450	2.9% Avg.: 9.367	4.3% Avg.: 9.236	8.6% Avg.: 8.876
GBP/CAD	1.839	0.5% Avg.: 1.830	1.5% Avg.: 1.811	4.4% Avg.: 1.761	7.6% Avg.: 1.709
GBP/AUD	2.047	-0.1% Avg.: 2.048	1.9% Avg.: 2.009	4.1% Avg.: 1.965	9.3% Avg.: 1.873
GBP/NZD	2.229	-0.4% Avg.: 2.236	1.3% Avg.: 2.200	4.1% Avg.: 2.140	9.9% Avg.: 2.027
GBP/EUR	1.142	-3.5% Avg.: 1.183	-3.9% Avg.: 1.187	-3.0% Avg.: 1.176	-1.9% Avg.: 1.163
GBP/CHF	1.070	-3.8% Avg.: 1.112	-4.1% Avg.: 1.116	-4.3% Avg.: 1.117	-8.2% Avg.: 1.165

- Sterling continues to trade above most of its key long-term averages against major currencies, with the notable exception of the safe-haven Swiss franc and the euro. The pound's resilience was rational in the context of a stronger UK economy and persistent hawkish expectations for the BoE, but the domestic case has turned notably less favorable.
- **GBP/USD** has recently lost 3% since its circa $1.38 peak. However, given the sizable gains in H1, the pound remains a solid 5% above its two-year average versus the buck.
- **GBP/JPY** is also above all major long-term moving averages and sits almost 17% above its five-year average. This reflects widening rate differentials and a broader improvement in global risk sentiment.
- **GBP/CHF** has faced a more challenging start to the year. The pair remains over 8% below its five-year average, as the franc continues to attract safe-haven flows.
- **GBP/EUR** is also trading below its key long-term moving averages – almost 4% below its one-year average – as the pair sunk to its lowest level in 20 months.

Source: Bloomberg, Convera – July 28, 2025. Note: YTD average refers to the following time periods: 01.01.2025 - 28.07.2025; 1Y: 26.07.2024 - 28.07.2025; 2Y: 28.07.2023 - 28.07.2025; 5Y: 29.07.2020 - 28.07.2025.

GBP/USD future scenarios



Upside scenario: US confidence crisis

- Geopolitical risks ease and growth outlook improves, boosting pro-cyclical GBP OR trade war escalates and hurts US economy more than peers.
- The BoE keeps interest rates elevated due to resilient UK data and persistent services inflation, whilst Fed forced to cut on recession risks.

Central scenario: Policy uncertainty extends

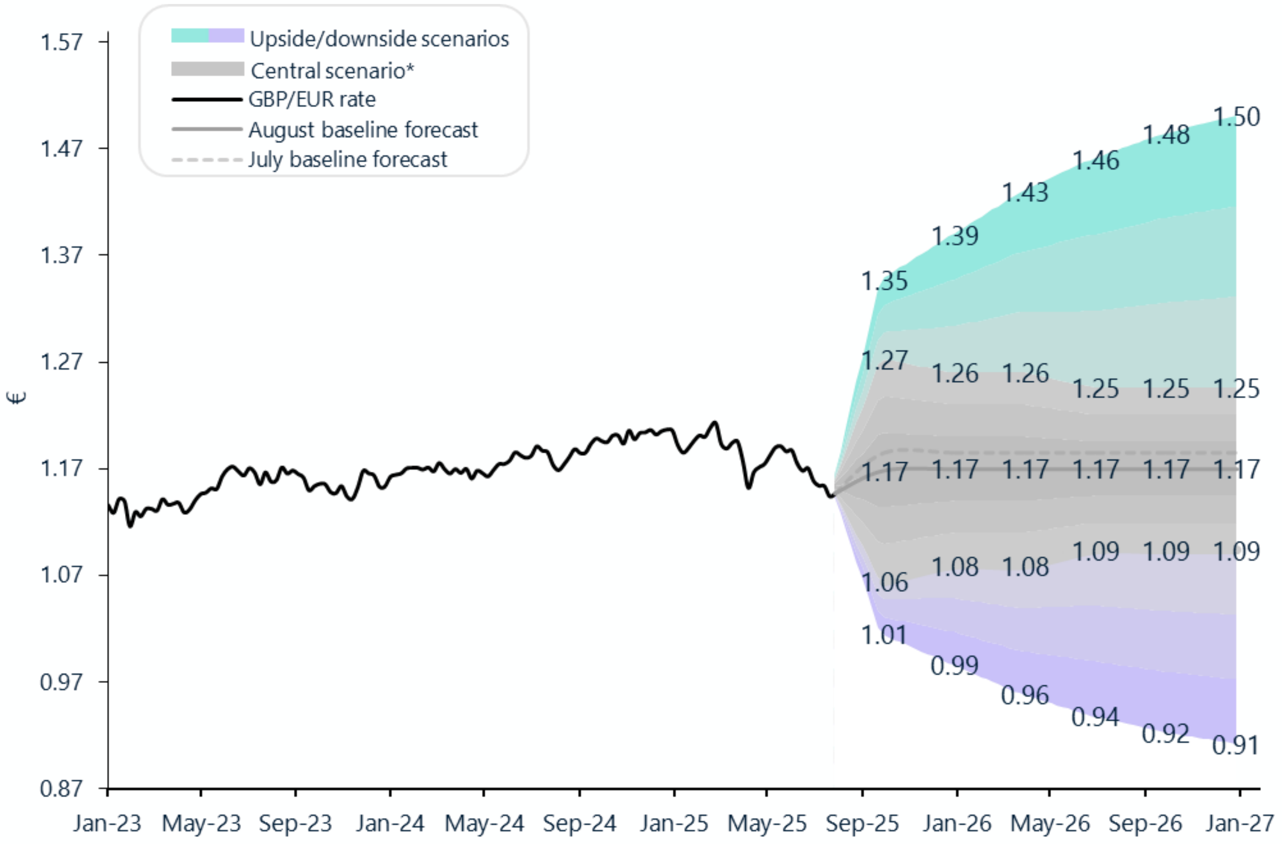
- Narrowing UK-US economic growth divergence in the wake of US tariffs hurting the US economy, helps support sterling's longer-term outlook.
- Confidence in safe haven USD also eroded due to US policy risk, plus rate differentials start coming back into play.

Downside scenario: Reversal of UK fortunes

- BoE forced to cut interest rates more as UK falls into recession and confidence crisis in UK policy as government borrowing costs soar higher.
- Risk sentiment sours due to external global risks, both geopolitical and financial, challenging sterling and USD emerges as safe haven again.

Chart sources: Oxford Economics, Bloomberg, Convera – July 28, 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: Hawkish BoE and positive UK

- BoE keeps interest rates high for longer amid stronger UK economy and sticky inflation, whilst ECB is forced to cut rates more amid disinflationary impulse accelerating.
- Meanwhile, the Eurozone hit hard by US tariffs as US-EU trade war escalates.

Central scenario: Risk appetite chops and changes

- The euro is seen as a safer bet than the pound in the global trade war thanks to its liquidity and EZ fiscal stimulus and current account surplus.
- The pound is more sensitive to risk aversion and elevated volatility so developments here could cap sterling upside.

Downside scenario: European exceptionalism

- Historic fiscal reforms translate to stronger Eurozone economic growth, and more demand for European assets amidst global trade and policy risks.
- 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/JPY at peak volatility amid trade deals and political turmoil

Chart: EUR 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
EUR/JPY	173.4	173.9	168.4	173.9	154.8	3.3%	12.3%	91%	97%
EUR/GBP	0.873	0.876	0.850	0.876	0.824	3.1%	6.3%	88%	94%
EUR/SEK	11.17	11.33	11.06	11.53	10.66	2.4%	8.2%	41%	59%
EUR/USD	1.177	1.182	1.155	1.182	1.014	2.3%	16.6%	81%	97%
EUR/NZD	1.949	1.970	1.926	2.001	1.811	2.3%	10.5%	52%	73%
EUR/AUD	1.792	1.809	1.771	1.855	1.635	2.1%	13.5%	55%	71%
EUR/CNY	8.431	8.468	8.303	8.468	7.383	2.0%	14.7%	78%	97%
EUR/CAD	1.608	1.613	1.588	1.613	1.468	1.6%	9.9%	80%	97%
EUR/CHF	0.936	0.939	0.928	0.966	0.922	1.2%	4.8%	73%	32%
EUR/CZK	24.57	24.79	24.52	25.31	24.52	1.1%	3.2%	19%	6%

Source: Bloomberg, Convera – July 28, 2025

- The YTD euro rally faces a reckoning: increasingly desensitized to political noise from Washington, investors are looking for concrete evidence to justify continued preference for the euro over the dollar. With more trade deals being signed and the US economy showing resilience, the euro may soon encounter key headwinds.
- **EUR/USD** ranked as the second most volatile pair in July, swinging with US dollar-driven momentum. After hitting a YTD high, the pair plunged nearly 1% as markets reacted to a US–EU deal seen as favoring the US With resilient US data and a hawkish Fed, further dollar strength could pressure the euro, making US macro the key driver ahead.
- **EUR/JPY** saw significant volatility, driven by trade deals between both economies and the US While the announcements initially lifted both currencies, gains were quickly pared amid concerns over the impact of tariffs on both blocs. Political instability - especially speculation around Prime Minister Ishiba's resignation - further overshadowed the deal's influence, contributing to a modest yen decline.
- **EUR/GBP** showed minimal volatility, with the euro gaining steadily from US dollar weakness, outpacing sterling, which struggled amid weaker macro data and fiscal concerns. The pair hit a one-year high late in the month, lifted by the EU–US trade deal. However, euro gains were immediately trimmed as markets digested the trade terms seen as less favorable to Brussels than to the U.K.

EUR value indicator

EUR/USD rides high, but dollar winds may shift

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

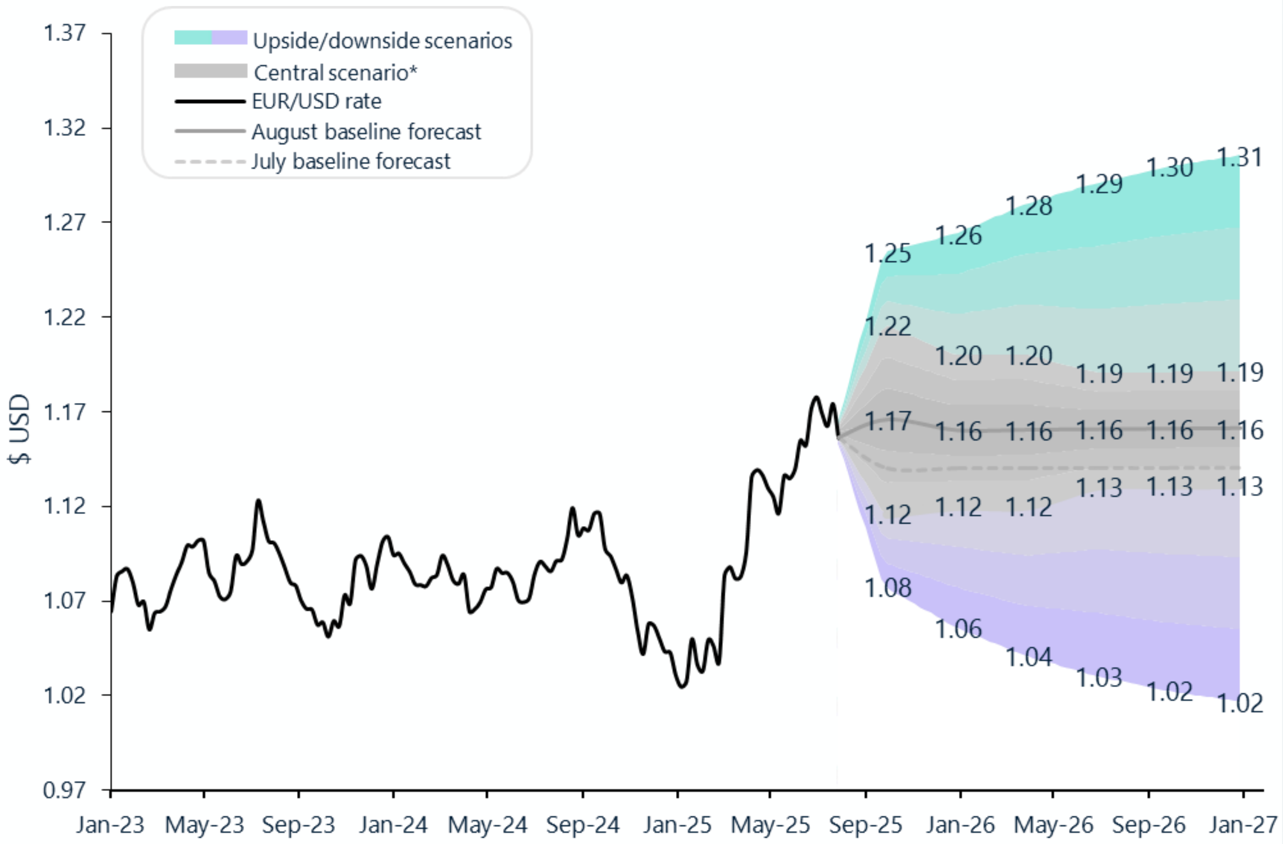
Appreciation Depreciation

	Spot (As of 28.07.2025)	Spot vs YTD average	Spot vs 1-year average	Spot vs 2-year average	Spot vs 5-year average
EUR/USD	1.177	6.7% Avg.: 1.103	7.6% Avg.: 1.094	8.3% Avg.: 1.087	6.2% Avg.: 1.107
EUR/JPY	173.4	6.1% Avg.: 163.4	6.6% Avg.: 162.6	6.7% Avg.: 162.5	18.7% Avg.: 146.1
EUR/CAD	1.608	3.9% Avg.: 1.547	5.4% Avg.: 1.525	7.5% Avg.: 1.496	9.4% Avg.: 1.469
EUR/AUD	1.792	3.5% Avg.: 1.731	5.9% Avg.: 1.692	7.3% Avg.: 1.670	11.3% Avg.: 1.610
EUR/GBP	0.873	3.3% Avg.: 0.845	3.7% Avg.: 0.842	2.7% Avg.: 0.849	1.5% Avg.: 0.859
EUR/NZD	1.949	3.1% Avg.: 1.890	5.2% Avg.: 1.852	7.2% Avg.: 1.818	11.8% Avg.: 1.742
EUR/CHF	0.936	-0.4% Avg.: 0.940	-0.4% Avg.: 0.939	-1.4% Avg.: 0.949	-6.6% Avg.: 1.001
EUR/CZK	24.57	-1.5% Avg.: 24.95	-2.0% Avg.: 25.06	-1.4% Avg.: 24.91	-1.7% Avg.: 24.99

- The euro outperformed nearly all major crosses so far this year, benefitting from its more pronounced dual appeal in both risk-on and risk-off sentiment: persistent concerns over the US administration's erratic policy agenda have raised doubts about dollar stability, prompting investors to rotate into the euro, which has adopted a dollar-like haven status.
- **EUR/USD**'s uptrend remains intact for now, well-supported above key long-term Moving Averages (MA). However, it's struggling to hold above shorter-term indicators such as the 21-day MA, pressured by continued US economic resilience and waning eurozone confidence following a trade deal seen as disproportionately favoring the US.
- **EUR/JPY** surged almost 2% in July, hitting a 12-month high toward month-end. Idiosyncratic factors played a role here; particularly Japan's political instability, tied to Prime Minister Ishida's electoral defeat, which rattled markets and weighed on the yen.
- **EUR/CHF** saw mixed momentum as the Swiss franc emerged as the gold standard in turbulent times. Investors sought shelter in the CHF amid heightened volatility, making it a strong counterforce to euro gains in this cross.

Source: Bloomberg, Convera – July 28, 2025. Note: YTD average refers to the following time periods: 01.01.2025 - 28.07.2025; 1Y: 26.07.2024 - 28.07.2025; 2Y: 28.07.2023 - 28.07.2025; 5Y: 29.07.2020 - 28.07.2025.

EUR/USD future scenarios



Upside scenario: Run from the dollar

- Fed turns ultra dovish following stagnant growth because of tariffs, and their erratic implementation or Powell's career comes to an early end.
- Eurozone economic prospects improve, and the bloc manages to secure better terms out of the U.S.-EU trade deal.

Central scenario: Tariff risks vs. fiscal support

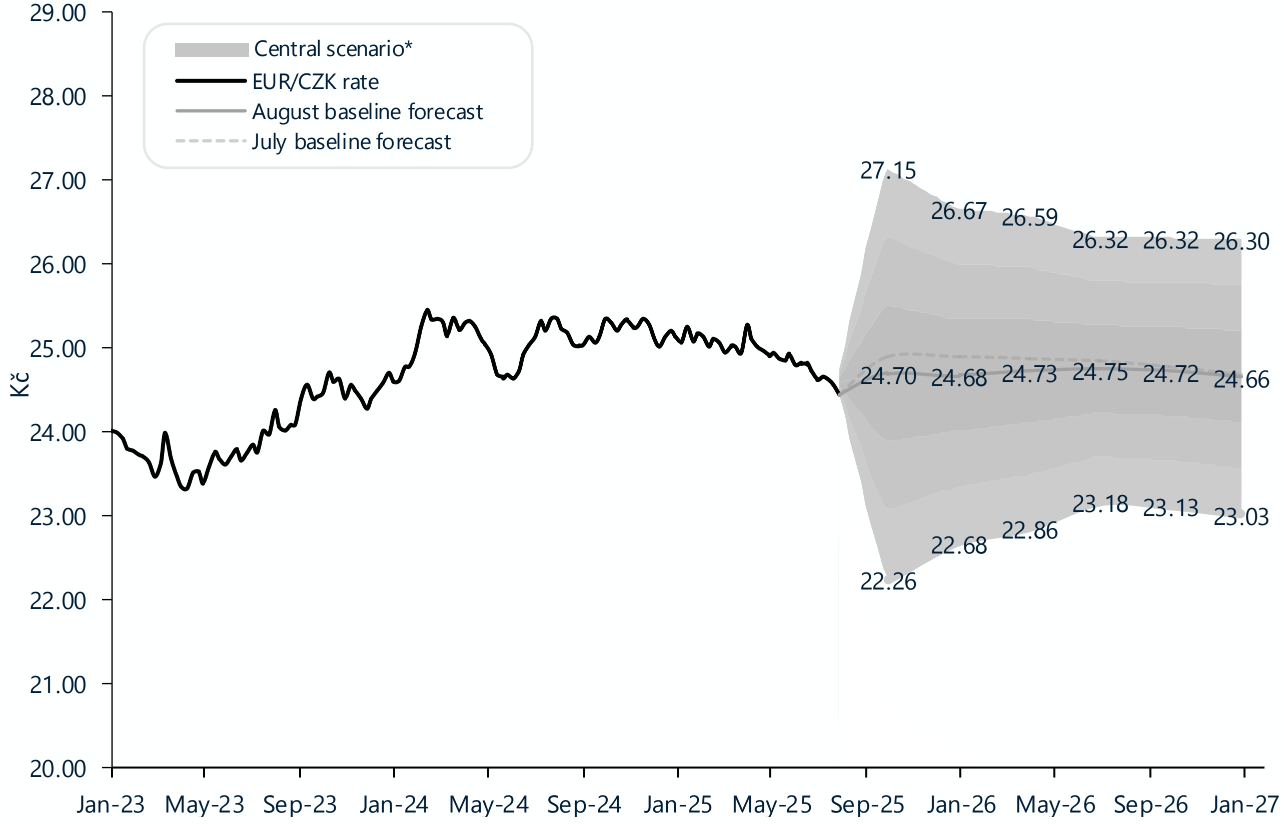
- Tariffs stay in place, but rates are reduced in line with the trend so far.
- Fed cuts only one more time by year-end, while the ECB follows suit with one additional reduction, bringing rates below 2%.
- US economy holds up, tempering further euro upside, but timid growth raises further doubts about the effectiveness of the U.S. trade agenda.

Downside scenario: U.S. exceptionalism is back

- US-EU trade deal sees no further amendment that Favours the Eurozone, worsening the bloc's economic outlook and prompting an earlier ECB rate cut as well as a loss of confidence in the euro.
- US economy continues to show strongly resilience, combining an AI-powered stock rally with strong macro fundamentals, bringing US exceptionalism back into focus.

Chart sources: Oxford Economics, Bloomberg, Convera – July 28, 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)

EUR/CZK future scenarios



Central scenario: Holding pattern

- EUR/CZK is down just over 2.3% year-to-date, with the koruna reaching its strongest levels against the euro since September and June 2024.
- Markets remain heavily influenced by US trade headlines, which have fostered risk-on sentiment and contributed to the CZK's modest strengthening versus the EUR—reflected in a ~0.4% decline in EUR/CZK during July.
- The koruna continues to benefit from hawkish repricing and, unlike its CEE peers, has been relatively insulated from the recent risk-off mood triggered by the EU-US trade deal. Investors viewed the agreement as a clear win for the US, leaving the EU in a subdued position—locked into a constrained, high-tariff trade relationship with the world's largest economy.
- Looking ahead, we expect EUR/CZK to continue grinding lower, underpinned by ongoing support from a hawkish Czech National Bank.

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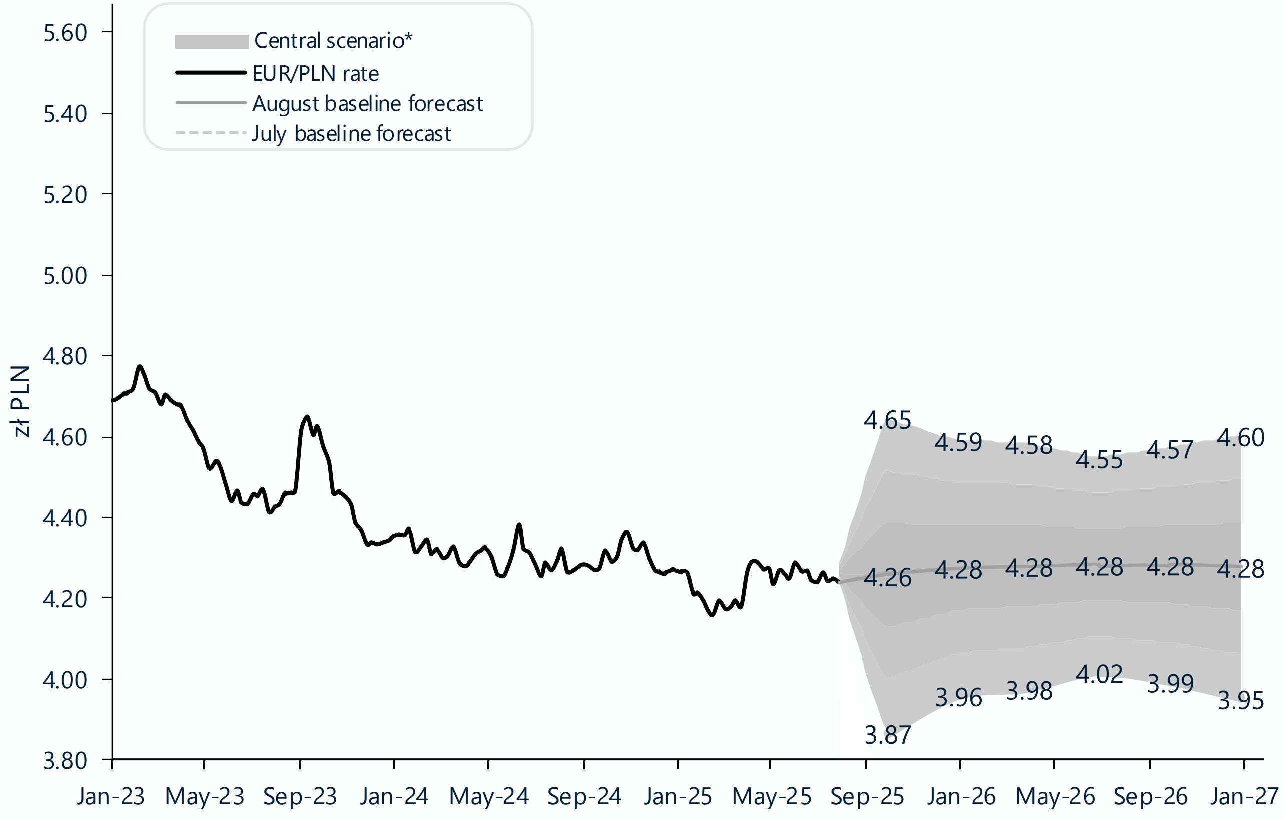
EUR/PLN future scenarios



Central scenario: Dovish NBP weighs on PLN

- EUR/PLN is down only 0.1% year-to-date as dovish repricing adds pressure to PLN.
- Contrary to CZK, the PLN is losing ground, as rate differentials have narrowed once again, reverting to near-May levels in favor of the EUR, when the NBP initially cut rates. Subdued price pressures continue to fuel the easing cycle.
- The approximately 0.7% rise in EUR/PLN saw its most significant catalyst at month-end, when risk-off sentiment flared following an EU-US trade deal that offered the bloc notably disadvantageous terms compared to the US. The announcement triggered a sharp decline in Polish equities—among the worst global performers—exacerbated by thin summer liquidity.
- Improved terms on the EU/USD deal may emerge as summer progresses, which could lend support to the PLN. However, the central bank's dovish stance is likely to continue offering fundamental tailwinds to EUR/PLN.

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

APAC currency outlook

APAC volatility analysis

Geopolitical tensions drive sharp APAC FX divergence

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/JPY	96.91	97.43	93.96	99.17	86.04	3.7%	15.3%	85%	83%
NZD/USD	0.602	0.612	0.590	0.612	0.548	3.7%	11.7%	55%	84%
AUD/GBP	0.488	0.490	0.475	0.510	0.461	3.2%	10.6%	87%	55%
AUD/USD	0.656	0.662	0.645	0.662	0.591	2.6%	12.0%	65%	92%
AUD/CNY	4.715	4.738	4.635	4.738	4.352	2.2%	8.9%	78%	94%
NZD/EUR	0.512	0.519	0.508	0.552	0.499	2.2%	10.6%	36%	25%
AUD/EUR	0.559	0.564	0.552	0.611	0.539	2.2%	13.4%	58%	28%
NZD/AUD	0.917	0.929	0.909	0.938	0.894	2.2%	4.9%	40%	52%
USD/SGD	1.281	1.288	1.269	1.375	1.269	1.5%	8.4%	63%	11%
USD/CNY	7.168	7.184	7.149	7.351	7.149	0.5%	2.8%	54%	9%

- **AUD/JPY** emerges as the momentum leader, traversing an exceptional 15.3% in its YTD range, highlighting its role as the premier risk sentiment barometer amid Iran-Israel conflict spillovers and carry trade unwinding pressures.
- NZD cross-pairs dominate volatility landscape, with **NZD/EUR** recording the fifth highest YTD trading range at 10.6%, reflecting heightened sensitivity to both European fiscal developments and global risk sentiment shifts following Middle East military escalation.
- Chinese policy stability creates stark contrast, with **USD/CNY** maintaining the region's lowest volatility at just 2.8% YTD, demonstrating the People's Bank of China's effective currency management despite broader regional turbulence.
- Structural USD weakness amplifies cross-currency moves, particularly evident in **AUD/JPY's** 3.7% and **NZD/USD's** 3.7% 30D range, as Federal Reserve dovish pivot expectations interact with commodity currency fundamentals and geopolitical risk premiums.

Source: Bloomberg, Convera – July 28, 2025

APAC value indicator

AUD undervaluation creates multi-year opportunity

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

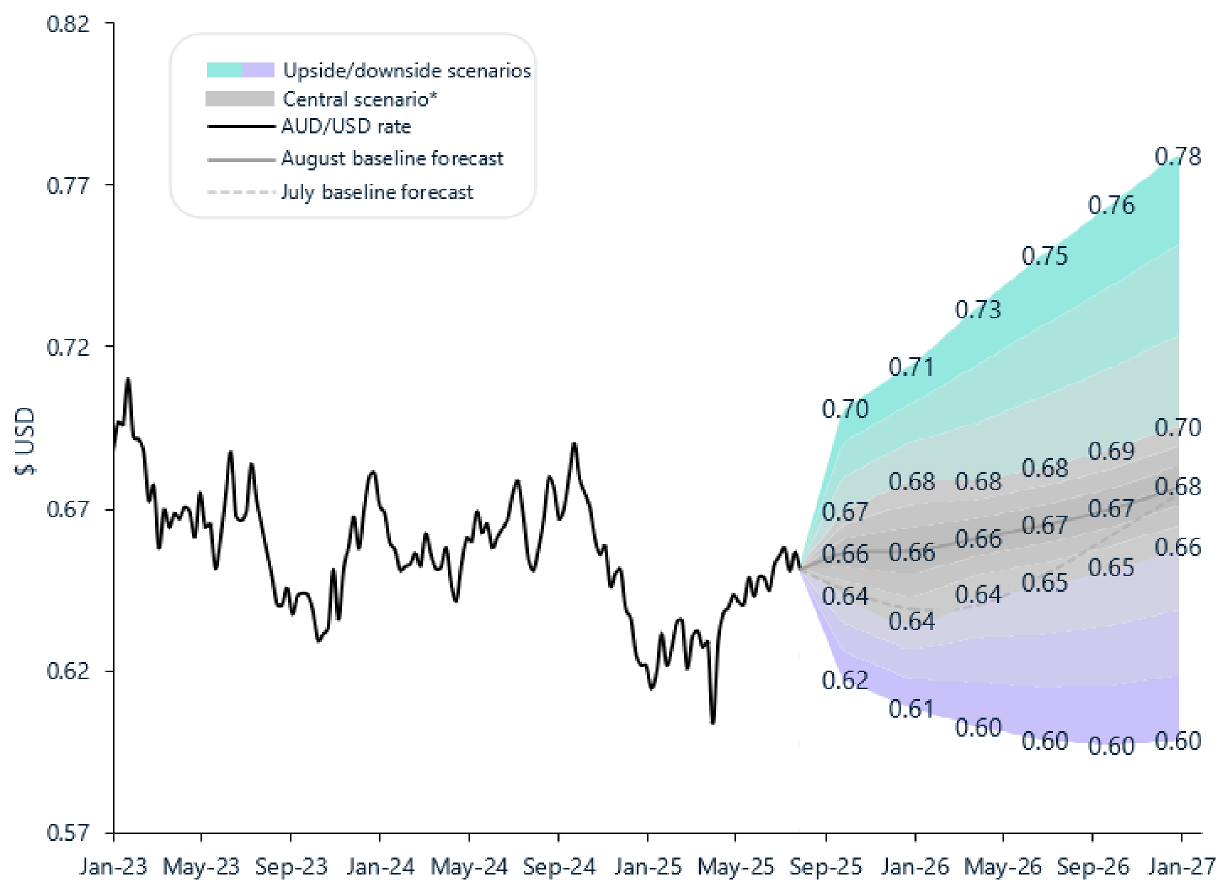
Appreciation Depreciation

	Spot (As of 28.07.2025)	Spot vs YTD average	1-year average	2-year average	5-year average
AUD/USD	0.656	3.0% Avg.: 0.636	1.4% Avg.: 0.646	0.7% Avg.: 0.651	-4.8% Avg.: 0.689
AUD/JPY	96.91	2.6% Avg.: 94.43	0.7% Avg.: 96.22	-0.5% Avg.: 97.39	6.9% Avg.: 90.68
AUD/CNY	4.715	2.2% Avg.: 4.611	1.2% Avg.: 4.661	0.3% Avg.: 4.699	-0.5% Avg.: 4.740
AUD/CAD	0.898	0.5% Avg.: 0.893	-0.4% Avg.: 0.901	0.2% Avg.: 0.895	-1.6% Avg.: 0.912
AUD/SGD	0.841	0.2% Avg.: 0.839	-1.5% Avg.: 0.853	-3.2% Avg.: 0.868	-9.4% Avg.: 0.928
AUD/GBP	0.488	-0.1% Avg.: 0.488	-2.0% Avg.: 0.498	-4.2% Avg.: 0.509	-8.8% Avg.: 0.535
AUD/NZD	1.089	-0.3% Avg.: 1.092	-0.6% Avg.: 1.095	0.0% Avg.: 1.088	0.6% Avg.: 1.082
AUD/EUR	0.559	-3.3% Avg.: 0.578	-5.5% Avg.: 0.591	-6.7% Avg.: 0.599	-10.2% Avg.: 0.622

- Persistent **AUD** undervaluation signals mean reversion potential, with the currency trading 2.0% and 8.8% below its one-year and five-year averages respectively against GBP, despite Australia's robust domestic fundamentals outpacing UK economic performance.
- **EUR** crosses highlight structural mispricing, as AUD/EUR sits 10.2% below its five-year mean, creating compelling value opportunities given European Central Bank rate-cutting cycle expectations versus Reserve Bank of Australia's surprise hold at recent RBA meeting and hawkish stance.
- USD weakness provides tailwinds for **AUD** recovery, with AUD/USD trading 3.0% above its 2025 YTD average, reflecting the structural dollar decline but suggesting further upside as Federal Reserve policy accommodation deepens.
- Regional positioning favors **AUD** appreciation, particularly against managed currencies like CNY where AUD/CNY trades 2.2% above YTD average, indicating room for continued outperformance as China's monetary easing contrasts with Australia's tighter policy framework.

Note: YTD average refers to the following time periods: 01.01.2025 - 01.07.2025; 1Y: 01.07.2024 - 01.07.2025; 2Y: 30.06.2023 - 01.07.2025; 5Y: 02.07.2020 - 01.07.2025.

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

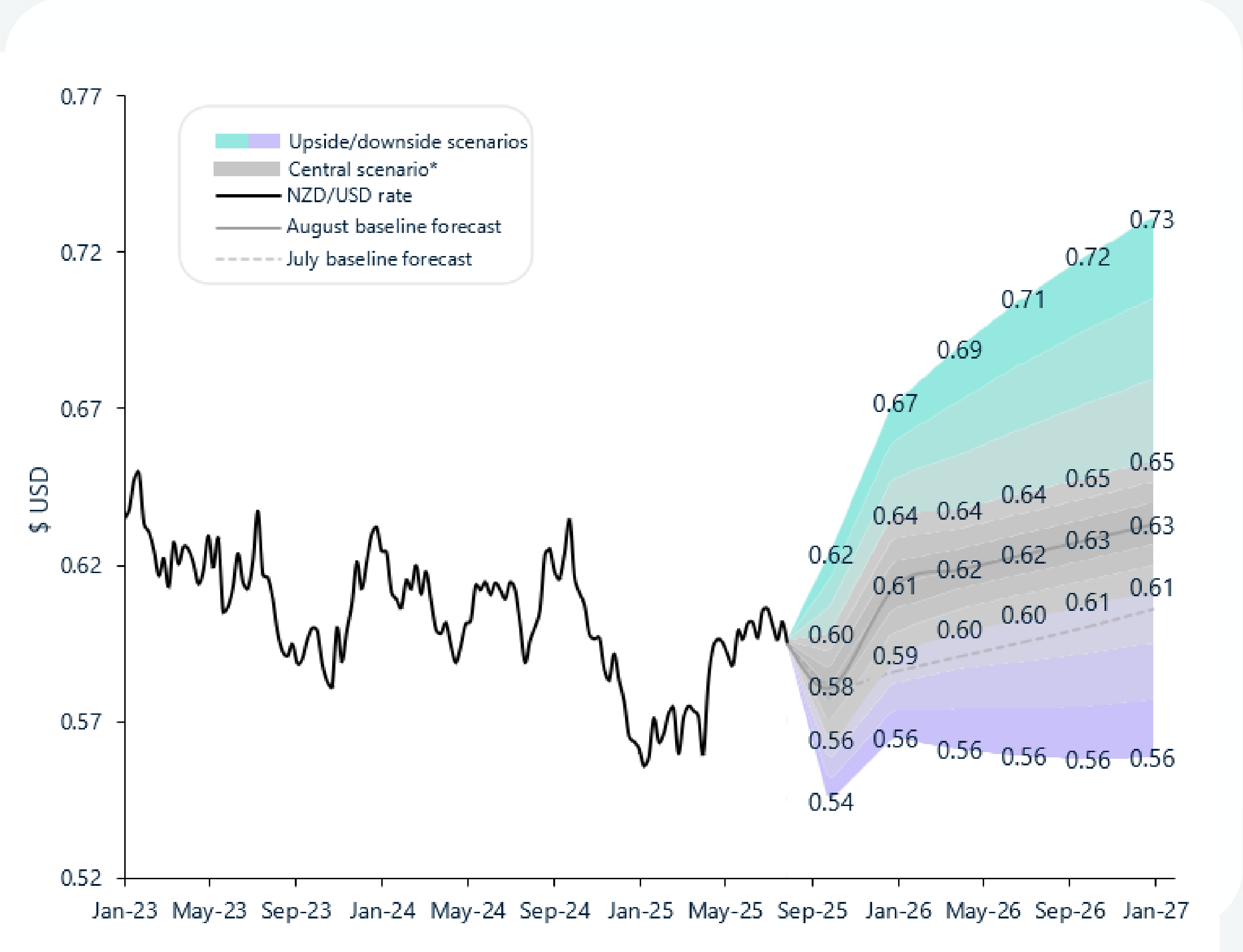
- The Australian dollar might rise in response to the Reserve Bank of Australia's resistance to a worldwide cycle of rate cuts.
- Although the RBA may hold steady in coming meetings, US rates are likely to remain above Australian rates, capping growth in the AUD/USD.

Downside scenario: Escalation of tariffs - too fast too furious

- Escalation of tariffs happens more quickly or widely than anticipated.
- Concentrated weakening in Asian trade and commodities prices is caused by slower global growth.

Chart sources: Oxford Economics, Bloomberg, Convera – July 28, 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 – July 28, 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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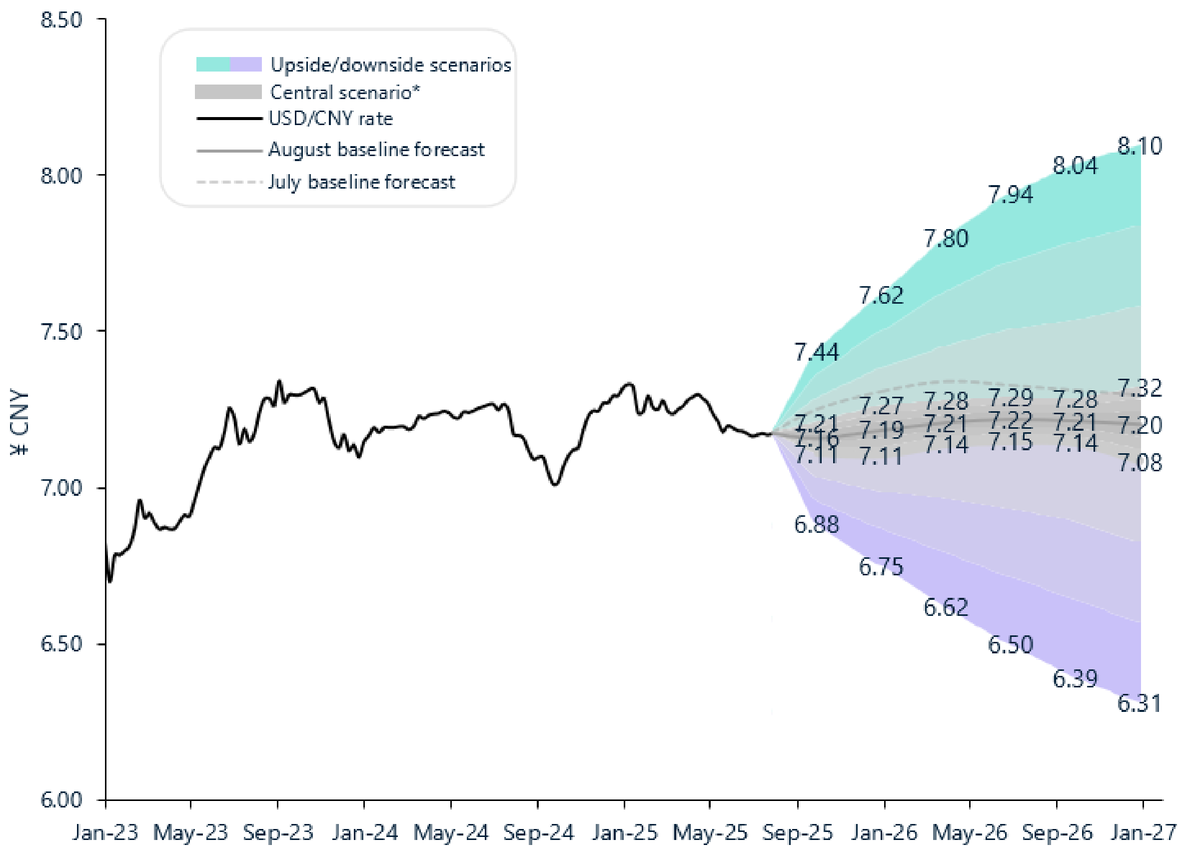
USD/CNY future scenarios



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

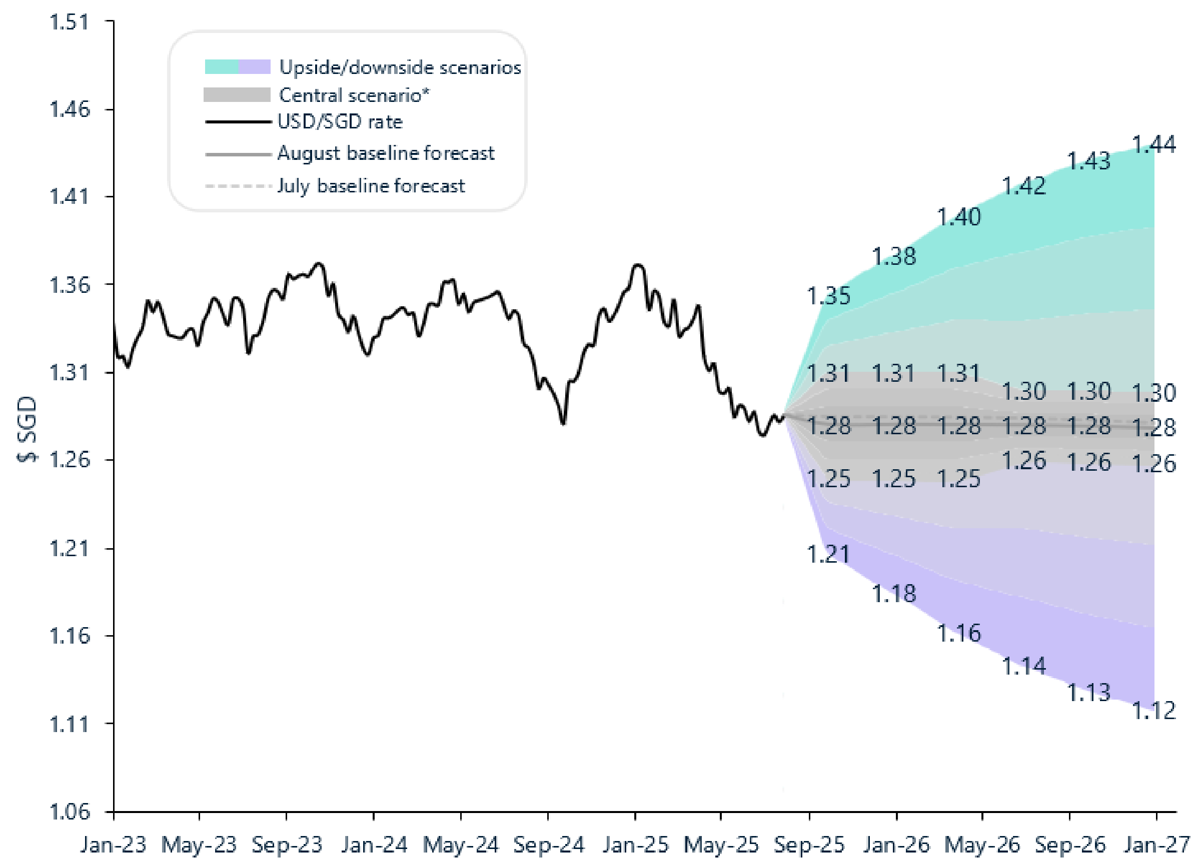
- The Chinese government's recent supportive action to the local economy could see the CNY strengthen.
- Once the Fed confirms a cut in rates, the US dollar might ease.

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 – July 28, 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 poses 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 – July 28, 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

USD finds firm ground against majors, volatility reawakens ending July

Chart: NAM 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
USD/JPY	148.5	149.1	142.6	158.8	139.8	4.6%	13.6%	91%	46%
NZD/USD	0.597	0.612	0.590	0.612	0.548	3.7%	11.7%	32%	77%
GBP/USD	1.335	1.378	1.330	1.378	1.21	3.6%	13.9%	10%	74%
EUR/USD	1.158	1.182	1.151	1.182	1.014	2.7%	16.6%	23%	86%
AUD/USD	0.652	0.662	0.645	0.662	0.591	2.6%	12.0%	41%	86%
USD/CHF	0.803	0.807	0.787	0.920	0.787	2.5%	16.9%	80%	12%
USD/MXN	18.76	18.92	18.51	21.29	18.51	2.2%	15.0%	61%	9%
EUR/CAD	1.592	1.613	1.585	1.613	1.468	1.8%	9.9%	25%	86%
USD/CAD	1.373	1.378	1.355	1.479	1.354	1.7%	9.2%	78%	15%
USD/CNY	7.179	7.184	7.149	7.351	7.149	0.5%	2.8%	86%	15%

Source: Bloomberg, Convera – July 29, 2025

- The **USD/JPY** is displaying strong bullish momentum, with the spot trading near the top of its 30-day range and being the most volatile pair through July. In contrast, the **NZD/USD** and **GBP/USD** exhibit elevated short-term volatility but are currently positioned near the bottom of their respective ranges, as both pairs experienced pullbacks in the month.
- After the US-EU trade deal in the last weekend of July, the **EUR/USD** experienced a sharp decline. The 1.3% single day drop was nearly half of the volatility accounted for the month of July. Despite this drop, the pair remains near the top of its year-to-date range (86%), which spans a substantial 16.6%.
- The **GBP/USD** shows a 13.9% YTD range, but the current spot is just 10% into that range, indicating it's trading near YTD lows. With a 30-day range of 3.6%, recent price action has been volatile, and the low positioning suggests bearish momentum.
- Despite a wide 15.0% YTD range, USD/MXN is sitting at only 9% into that range, near its lowest levels of the year. The 30-day range is 2.2%, showing moderate short-term movement. This positioning hints at persistent peso strength.
- The **USD/CAD** has a 9.2% YTD range, and the current spot is 78% into that range, trading near YTD lows. The 30-day range is 1.7%, relatively subdued, but the elevated position suggests underlying CAD softness.

NAM value indicator

Year-to-date high flyers lose ground with peso holding strong

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

Appreciation Depreciation

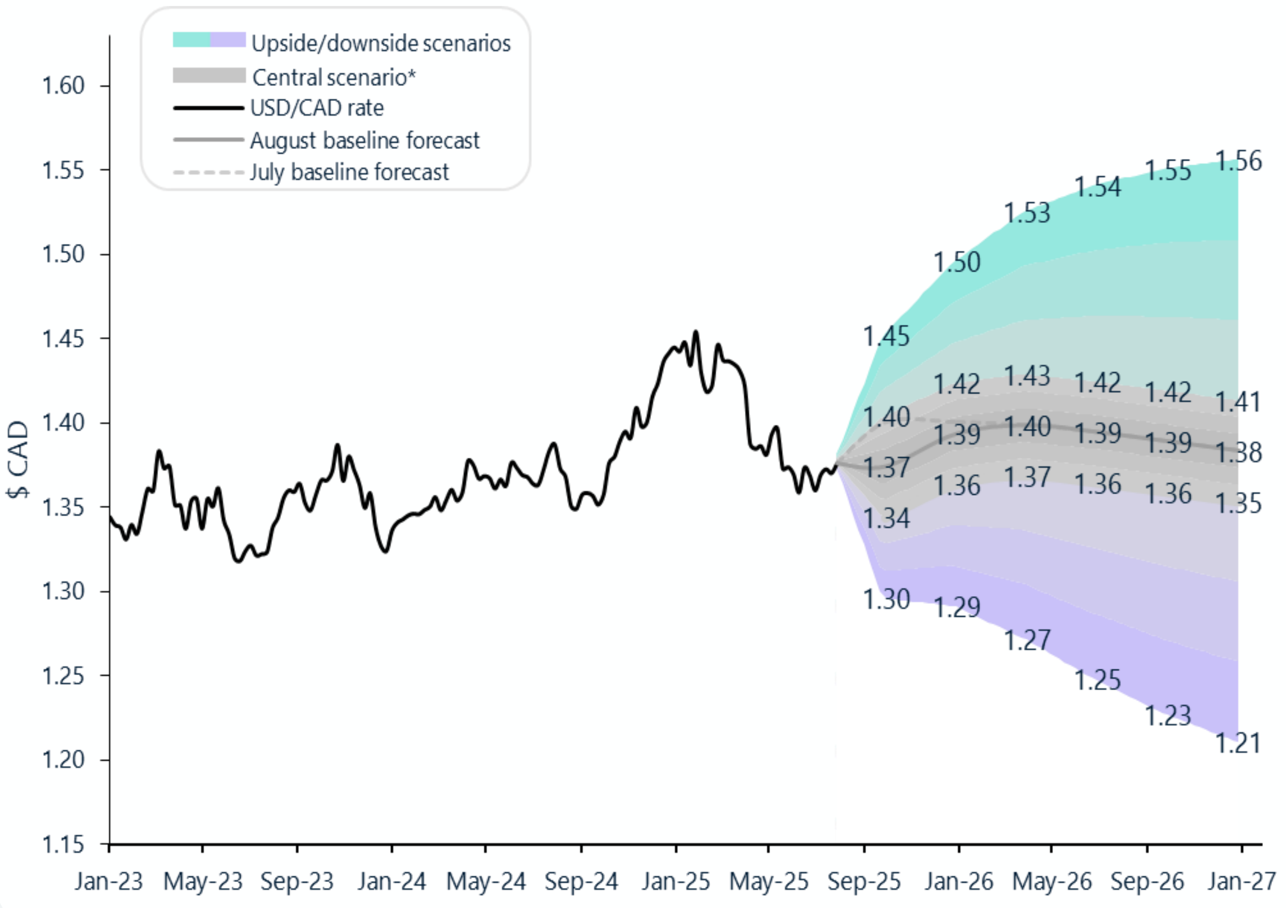
	Spot (As of 29.07.2025)	Spot vs YTD average	1-year average	2-year average	5-year average
EUR/USD	1.158	4.9% Avg.: 1.103	5.8% Avg.: 1.094	6.5% Avg.: 1.087	4.5% Avg.: 1.107
EUR/CAD	1.592	2.9% Avg.: 1.547	4.3% Avg.: 1.525	6.4% Avg.: 1.496	8.4% Avg.: 1.469
AUD/USD	0.652	2.3% Avg.: 0.637	0.8% Avg.: 0.646	0.1% Avg.: 0.651	-5.4% Avg.: 0.689
NZD/USD	0.597	2.4% Avg.: 0.583	1.1% Avg.: 0.590	-0.2% Avg.: 0.598	-6.3% Avg.: 0.637
GBP/USD	1.335	2.3% Avg.: 1.305	2.7% Avg.: 1.299	4.3% Avg.: 1.279	3.6% Avg.: 1.288
USD/JPY	148.5	0.1% Avg.: 148.3	-0.2% Avg.: 148.7	-0.7% Avg.: 149.6	12.0% Avg.: 132.6
USD/CAD	1.373	-2.2% Avg.: 1.403	-1.6% Avg.: 1.395	-0.3% Avg.: 1.376	3.4% Avg.: 1.327
USD/MXN	18.76	-5.2% Avg.: 19.79	-5.1% Avg.: 19.77	1.2% Avg.: 18.53	-3.1% Avg.: 19.36

The US dollar has snapped a six-month losing streak in July, taking gains from the yen, the euro and the pound.

- **EUR/USD's** recent retreat stems from market concerns over the US-EU trade deal, viewed as skewed in favor of the U.S. While still trading above long-term averages, the sharp drop has tempered euro strength and exposed the pair to near-term downside risks.
- The **EUR/CAD** has shown steady appreciation against the Canadian dollar, with the spot level outperforming all historical averages, particularly the five-year figure by 8.4%. This long-term strength points to structural support for the euro in this cross.
- **USD/CAD** at 1.373 is below its YTD, 1-year, and sitting just at its 2-year average, indicating short-term relative CAD strength. However, it remains 3.4% above the 5-year average, showing the USD's broader resilience over the long term.
- **USD/MXN** continues to outperform trading well below short- and medium-term averages, and most notably 5.2% under the YTD average. This underscores persistent peso strength, likely tied to attractive carry returns.

Source: Bloomberg, Convera – July 29, 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 no end in sight for CUSMA/USMCA re-negotiations.
- Prolonged trade tariffs may push the USD/CAD above 1.42.

Central scenario: Fed cuts rates once in 2025, room for CUSMA renegotiation before mid 2026, USD remains supported

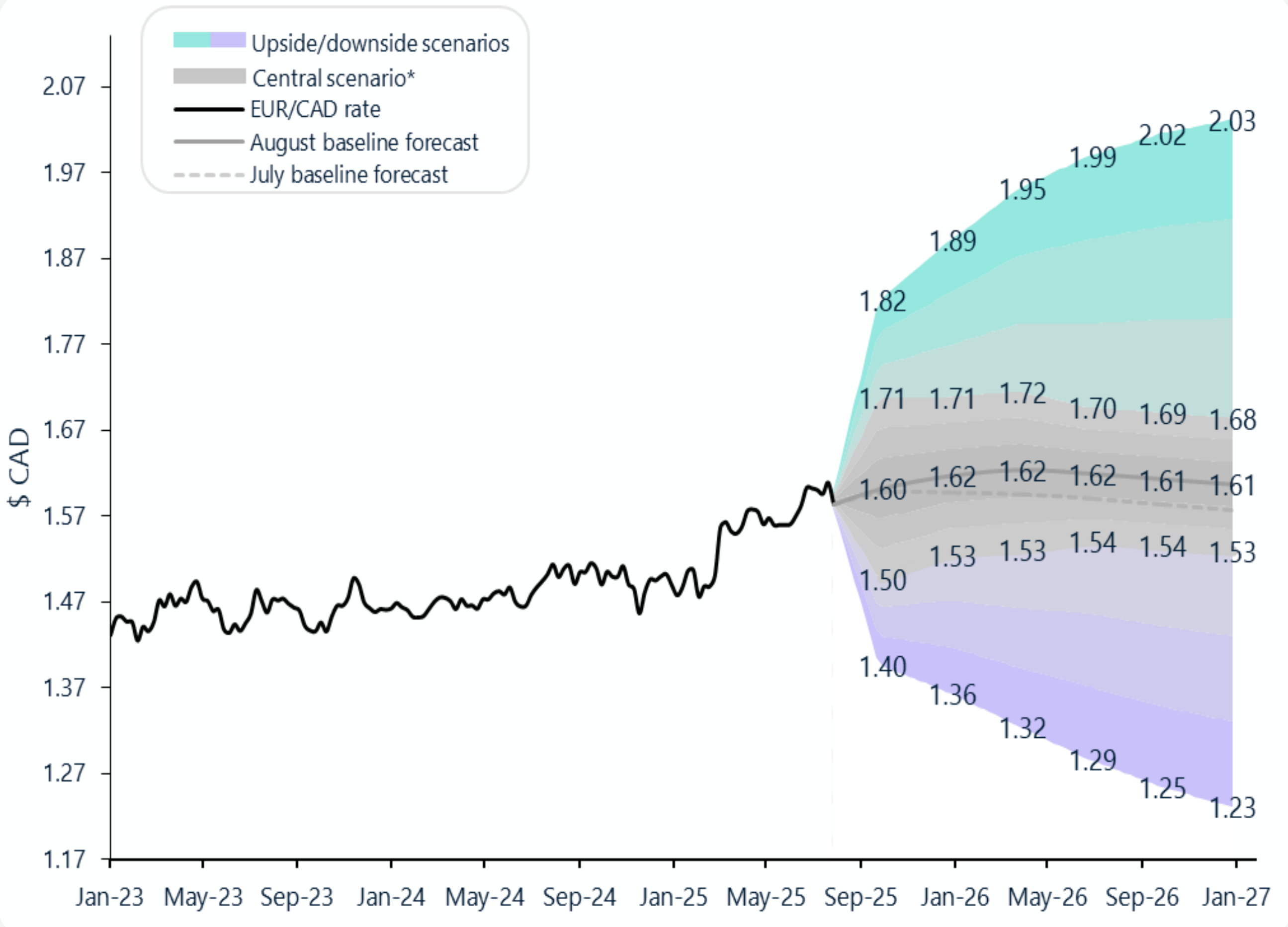
- The baseline forecast holds, with one Fed cut anticipated in the second half of the year and some tariff-premia already priced in.
- Lingering upside risks to inflation, despite the weakening US labor market, means the USD might remain supported. Fiscal stimulus seen dollar positive and markets wait for regional trade resolution.

Downside scenario: US dollar weakens, hopes of new CUSMA deal negotiated before 2025

- US dollar weakness supports USD/CAD momentum below 1.38.
- Fed delivers a more aggressive cutting cycle as US labor market weakens, reducing the US dollar interest rate differential, and PM Carney starts early CUSMA negotiation with US 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 – July 29, 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)

EUR/CAD future scenarios



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

- ECB ends easing cycle on softer macro data, BoC is forced to keep cutting rates due to tariffs weighing on the economy and no end in sight for CUSMA/USMCA re-negotiations. Soft dollar supports EUR momentum.
- Prolonged trade tariffs push the EUR/CAD above 1.59.

Central scenario: ECB continues easing cycle, room for CUSMA renegotiation before mid 2026

- The baseline forecast holds, with one ECB cut anticipated in the second half of the year and some tariff-premia already priced in.
- Euro remains supported despite US-EU trade agreement seen as win-lose deal. EUR holds on to gains, CAD stays close to fair value vs USD.

Downside scenario: EUR weakens, hopes of new CUSMA deal negotiated before 2025

- EUR weakens as US dollar recovers. EUR economy deteriorates supporting EUR/CAD below 1.53.
- Fed delivers a more aggressive cutting cycle as US labor market weakens, reducing the US dollar interest rate differential. Global rates converge and PM Carney starts early CUSMA negotiation with US 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 – July 29, 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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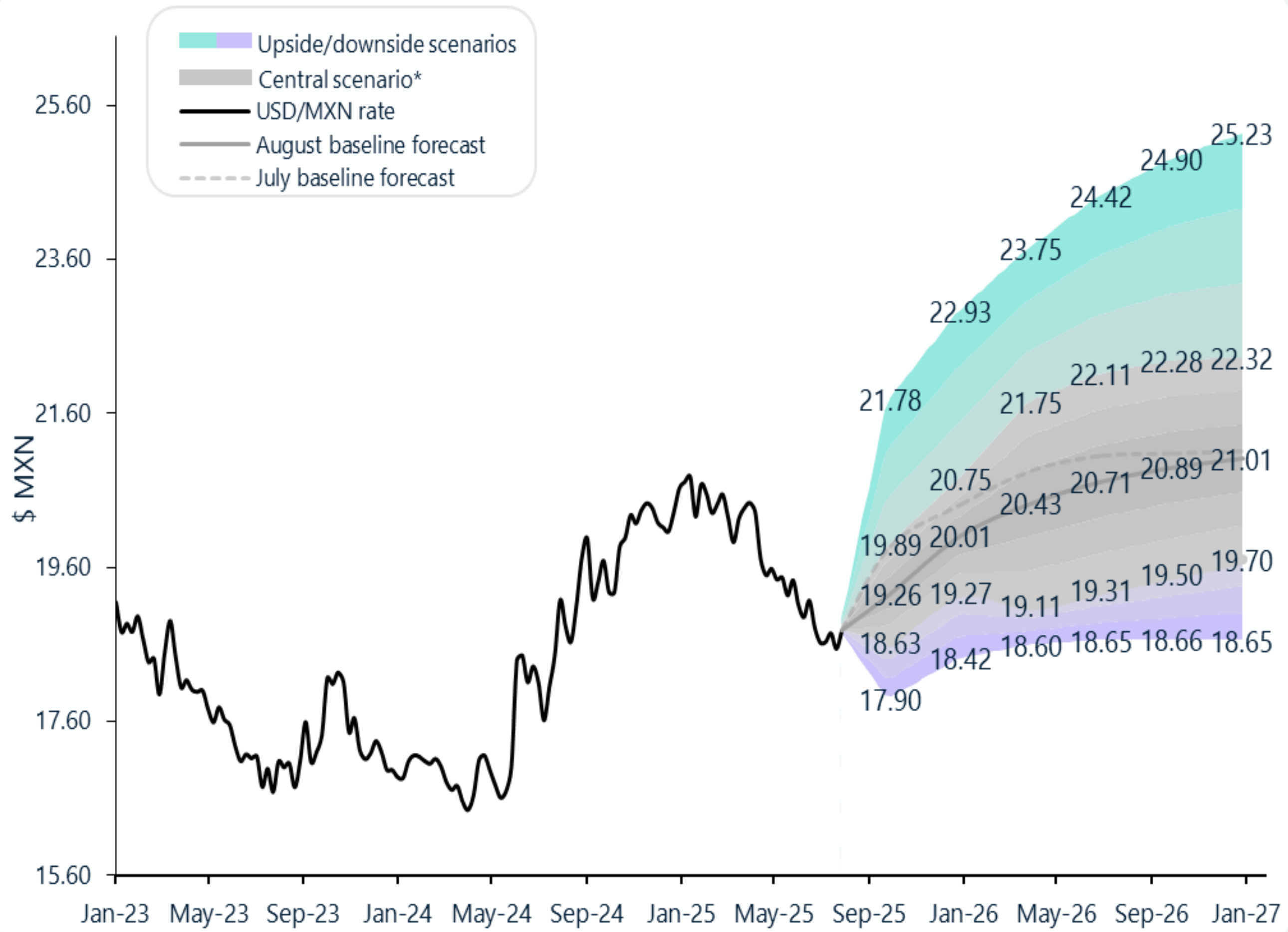
USD/MXN future scenarios



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

- Fed remains hawkish despite softer macro data, Banxico 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, usually more positive for the economically-sensitive MXN. Bid for local emerging market assets hold in 2H, supporting high carry currencies such as the Peso.
- Banxico continues cutting rates as expected, with inflation stable and CUSMA/USMCA talks anticipated before end of 2025.

Downside scenario: Demand for EM/Latam currencies supports Peso.

- US dollar weakness supports USD/MXN below 19.5 level.
- Fed delivers once rate cut in the second half of 2025. Demand for EM/Latam expands in 2H.
- CUSMA re-negotiation begins with tariff resolution in sight; Banxico ends easing cycle on target rate (~6.5%).

Chart sources: Oxford Economics, Bloomberg, Convera – July 29, 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 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3
GBP/USD	High	1.452	1.467	1.488	1.505	1.517	1.526	1.531	1.532	1.533
	Baseline + σ	1.402	1.397	1.397	1.398	1.398	1.398	1.399	1.409	1.409
	Baseline	**1.362**	**1.357**	**1.357**	**1.358**	**1.358**	**1.358**	**1.359**	**1.359**	**1.359**
	Baseline - σ	1.322	1.317	1.317	1.318	1.318	1.318	1.319	1.309	1.309
	Low	1.273	1.247	1.226	1.211	1.199	1.191	1.186	1.185	1.186
GBP/EUR	High	1.347	1.389	1.430	1.460	1.484	1.500	1.510	1.512	1.512
	Baseline + σ	1.272	1.259	1.259	1.246	1.245	1.246	1.245	1.268	1.268
	Baseline	**1.168**	**1.169**	**1.169**	**1.170**	**1.169**	**1.170**	**1.169**	**1.169**	**1.169**
	Baseline - σ	1.063	1.078	1.078	1.093	1.092	1.093	1.092	1.069	1.069
	Low	1.014	0.986	0.958	0.938	0.922	0.912	0.906	0.905	0.905
GBP/JPY	High	234.8	248.0	259.6	266.9	272.2	275.4	276.4	275.4	273.6
	Baseline + σ	212.0	215.0	216.3	215.1	214.0	215.0	214.8	214.9	216.6
	Baseline	**199.2**	**201.9**	**202.9**	**202.0**	**200.9**	**199.7**	**198.3**	**196.9**	**195.3**
	Baseline - σ	186.3	188.7	189.4	188.8	187.7	184.3	181.7	178.8	173.9
	Low	173.4	169.0	163.1	157.0	152.1	148.3	145.6	144.0	142.6
GBP/AUD	High	2.352	2.411	2.469	2.513	2.541	2.550	2.538	2.510	2.483
	Baseline + σ	2.178	2.195	2.169	2.157	2.141	2.121	2.094	2.094	2.083
	Baseline	**2.075**	**2.065**	**2.053**	**2.041**	**2.026**	**2.006**	**1.980**	**1.952**	**1.928**
	Baseline - σ	1.971	1.934	1.936	1.924	1.910	1.890	1.865	1.809	1.772
	Low	1.816	1.746	1.675	1.618	1.569	1.528	1.491	1.464	1.444

Chart sources: Oxford Economics, Bloomberg, Convera – July 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 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3
EUR/USD	High	1.254	1.264	1.279	1.290	1.299	1.305	1.309	1.310	1.310
	Baseline + σ	1.216	1.2	1.2	1.19	1.191	1.191	1.191	1.201	1.202
	Baseline	**1.166**	**1.160**	**1.160**	**1.160**	**1.161**	**1.161**	**1.161**	**1.161**	**1.162**
	Baseline - σ	1.116	1.12	1.12	1.13	1.131	1.131	1.131	1.121	1.122
	Low	1.077	1.056	1.041	1.030	1.022	1.016	1.014	1.013	1.013
EUR/GBP	High	0.985	1.013	1.043	1.066	1.083	1.096	1.103	1.104	1.104
	Baseline + σ	0.917	0.909	0.909	0.901	0.901	0.901	0.901	0.915	0.915
	Baseline	**0.855**	**0.854**	**0.854**	**0.854**	**0.854**	**0.854**	**0.854**	**0.854**	**0.854**
	Baseline - σ	0.792	0.798	0.798	0.806	0.806	0.806	0.806	0.792	0.792
	Low	0.742	0.719	0.699	0.684	0.673	0.666	0.662	0.661	0.661
EUR/CHF	High	1.094	1.114	1.137	1.154	1.166	1.175	1.180	1.181	1.181
	Baseline + σ	1.020	0.998	0.998	0.989	0.989	0.988	1.001	1.010	1.010
	Baseline	**0.932**	**0.930**	**0.930**	**0.930**	**0.930**	**0.929**	**0.930**	**0.930**	**0.930**
	Baseline - σ	0.843	0.861	0.861	0.870	0.870	0.869	0.858	0.849	0.849
	Low	0.783	0.762	0.743	0.730	0.720	0.713	0.709	0.708	0.708
EUR/CNY	High	9.328	9.629	9.982	10.25	10.44	10.57	10.63	10.63	10.61
	Baseline + σ	8.766	8.718	8.738	8.679	8.675	8.724	8.733	8.824	8.914
	Baseline	**8.348**	**8.335**	**8.366**	**8.380**	**8.376**	**8.365**	**8.351**	**8.333**	**8.316**
	Baseline - σ	7.929	7.951	7.993	8.080	8.076	8.005	7.968	7.841	7.717
	Low	7.417	7.131	6.892	6.697	6.536	6.418	6.344	6.314	6.300

Chart sources: Oxford Economics, Bloomberg, Convera – July 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 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3
EUR/CZK	High	29.00	29.59	30.28	30.72	31.02	31.17	31.18	31.06	30.89
	Baseline + σ	27.14	26.66	26.58	26.30	26.31	26.29	26.24	26.42	26.26
	Baseline	**24.70**	**24.67**	**24.72**	**24.74**	**24.72**	**24.66**	**24.56**	**24.42**	**24.28**
	Baseline - σ	22.25	22.67	22.85	23.17	23.12	23.02	22.87	22.41	22.29
	Low	20.74	20.20	19.73	19.41	19.14	18.91	18.72	18.59	18.46
EUR/PLN	High	4.952	5.089	5.213	5.297	5.359	5.397	5.412	5.408	5.399
	Baseline + σ	4.646	4.591	4.583	4.548	4.572	4.602	4.666	4.769	4.749
	Baseline	**4.257**	**4.276**	**4.280**	**4.283**	**4.283**	**4.278**	**4.270**	**4.262**	**4.254**
	Baseline - σ	3.867	3.960	3.976	4.017	3.993	3.953	3.873	3.754	3.758
	Low	3.614	3.533	3.440	3.377	3.328	3.289	3.263	3.253	3.246
USD/CZK	High	23.11	23.41	23.65	23.80	23.87	23.87	23.82	23.70	23.57
	Baseline + σ	22.32	22.21	22.14	22.1	22.09	22.07	22.02	21.99	21.85
	Baseline	**21.18**	**21.26**	**21.30**	**21.32**	**21.29**	**21.23**	**21.14**	**21.02**	**20.89**
	Baseline - σ	20.04	20.31	20.46	20.54	20.49	20.39	20.26	20.05	19.93
	Low	19.25	19.12	18.95	18.84	18.72	18.59	18.47	18.34	18.21
USD/PLN	High	3.947	4.026	4.073	4.103	4.124	4.133	4.134	4.127	4.120
	Baseline + σ	3.821	3.825	3.818	3.82	3.839	3.864	3.916	3.968	3.951
	Baseline	**3.651**	**3.685**	**3.688**	**3.690**	**3.689**	**3.684**	**3.676**	**3.668**	**3.661**
	Baseline - σ	3.481	3.545	3.558	3.56	3.539	3.504	3.436	3.368	3.371
	Low	3.354	3.345	3.304	3.277	3.255	3.234	3.218	3.209	3.201

Chart sources: Oxford Economics, Bloomberg, Convera – July 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 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3
AUD/USD	High	0.701	0.714	0.732	0.748	0.763	0.779	0.795	0.809	0.821
	Baseline + σ	0.668	0.678	0.678	0.682	0.687	0.695	0.704	0.720	0.733
	Baseline	**0.656**	**0.657**	**0.661**	**0.665**	**0.670**	**0.677**	**0.686**	**0.696**	**0.704**
	Baseline - σ	0.643	0.635	0.643	0.647	0.652	0.658	0.667	0.671	0.674
	Low	0.617	0.608	0.602	0.598	0.597	0.598	0.603	0.610	0.617
AUD/EUR	High	0.650	0.676	0.703	0.726	0.747	0.766	0.784	0.798	0.810
	Baseline + σ	0.564	0.588	0.583	0.592	0.596	0.601	0.608	0.620	0.635
	Baseline	**0.563**	**0.566**	**0.569**	**0.573**	**0.577**	**0.583**	**0.590**	**0.599**	**0.606**
	Baseline - σ	0.561	0.543	0.554	0.553	0.557	0.564	0.571	0.577	0.576
	Low	0.492	0.481	0.471	0.463	0.459	0.458	0.460	0.466	0.471
AUD/NZD	High	1.288	1.264	1.304	1.339	1.369	1.395	1.418	1.433	1.442
	Baseline + σ	1.184	1.145	1.130	1.128	1.129	1.132	1.145	1.160	1.180
	Baseline	**1.129**	**1.070**	**1.068**	**1.066**	**1.066**	**1.069**	**1.074**	**1.080**	**1.083**
	Baseline - σ	1.073	0.994	1.005	1.003	1.002	1.005	1.002	0.999	0.985
	Low	0.989	0.905	0.874	0.849	0.830	0.818	0.814	0.814	0.814
AUD/CNY	High	5.213	5.440	5.709	5.943	6.140	6.310	6.460	6.570	6.652
	Baseline + σ	4.826	4.930	4.940	4.978	5.013	5.092	5.167	5.289	5.448
	Baseline	**4.700**	**4.721**	**4.767**	**4.803**	**4.836**	**4.877**	**4.933**	**4.993**	**5.044**
	Baseline - σ	4.573	4.511	4.593	4.627	4.658	4.661	4.698	4.696	4.639
	Low	4.249	4.108	3.991	3.890	3.816	3.777	3.775	3.804	3.835

Chart sources: Oxford Economics, Bloomberg, Convera – July 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 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3
USD/CAD	High	1.452	1.495	1.525	1.541	1.551	1.556	1.556	1.552	1.547
	Baseline + σ	1.404	1.423	1.428	1.424	1.419	1.413	1.408	1.412	1.406
	Baseline	**1.374**	**1.393**	**1.398**	**1.394**	**1.389**	**1.383**	**1.378**	**1.372**	**1.366**
	Baseline - σ	1.344	1.363	1.368	1.364	1.359	1.353	1.348	1.332	1.326
	Low	1.295	1.291	1.272	1.248	1.227	1.210	1.199	1.192	1.186
USD/MXN	High	21.77	22.93	23.74	24.41	24.89	25.22	25.43	25.53	25.56
	Baseline + σ	19.89	20.75	21.74	22.11	22.28	22.32	22.38	22.47	22.52
	Baseline	**19.26**	**20.01**	**20.42**	**20.71**	**20.89**	**21.01**	**21.10**	**21.15**	**21.18**
	Baseline - σ	18.63	19.27	19.1	19.31	19.5	19.7	19.82	19.83	19.84
	Low	17.89	18.41	18.59	18.65	18.65	18.65	18.66	18.70	18.73
USD/JPY	High	161.7	168.9	174.3	177.3	179.3	180.4	180.5	179.6	178.4
	Baseline + σ	151.2	153.9	154.8	153.8	153.0	153.7	153.5	152.4	153.6
	Baseline	**146.2**	**148.8**	**149.5**	**148.7**	**147.9**	**147.0**	**145.9**	**144.8**	**143.6**
	Baseline - σ	141.2	143.6	144.1	143.5	142.7	140.2	138.2	137.1	133.5
	Low	136.2	135.5	132.9	129.6	126.8	124.5	122.7	121.4	120.2
USD/CNY	High	7.435	7.617	7.799	7.941	8.037	8.096	8.122	8.114	8.098
	Baseline + σ	7.21	7.265	7.28	7.29	7.284	7.323	7.329	7.342	7.416
	Baseline	**7.16**	**7.185**	**7.21**	**7.220**	**7.214**	**7.203**	**7.189**	**7.172**	**7.156**
	Baseline - σ	7.11	7.105	7.14	7.15	7.144	7.083	7.049	7.002	6.896
	Low	6.884	6.752	6.620	6.499	6.392	6.311	6.256	6.229	6.213

Chart sources: Oxford Economics, Bloomberg, Convera – July 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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