Global FX Outlook

convera
SMART MONEY MOVES™

June 2026

The big picture

Stress building beneath resilience

The dominant theme in May remained the US–Iran conflict and its inflationary spillovers, leaving markets in a headline-to-headline environment, particularly towards month-end. Energy prices stayed elevated and volatile, keeping inflation pressures sticky and reinforcing a global “higher-for-longer” rates narrative.

This dynamic drove a global bond sell-off, with yields across major economies pushing toward multi-decade highs. Yet equities remained notably resilient, reaching fresh record highs amid strong earnings and continued AI-driven optimism, helping to cushion risk broader sentiment.

Across FX, the USD evolved from range-bound to structurally supported, underpinned by favorable rate and growth differentials. In contrast, EUR and GBP weakened amid softer macro backdrops, rate repricing, and, in the UK’s case, rising political risk.

Looking ahead to June, the key question is whether persistent inflation and tighter financial conditions begin to weigh more meaningfully on growth, potentially shifting markets from resilience toward broader repricing. A dense calendar of central bank meetings will be critical in shaping that transition.

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

Slide 9 – click here

The base case is a firmer but still choppy USD: supported by carry, policy pricing, and relative growth resilience.

EU

Slide 11 – click here

There’s been a steady unwind of ECB hiking expectations, from around 85bp in late April to roughly 55bp of late.

UK

Slide 13 – click here

The upcoming by-election could catalyse a leadership challenge this summer, raising the risk of a re-widening in the UK fiscal premium.

AU

Slide 17 – click here

Crowded long positioning in AUD remains a key near-term risk, with any disappointment on domestic data or global risk appetite likely to trigger sharp unwinds.

Global macro pulse

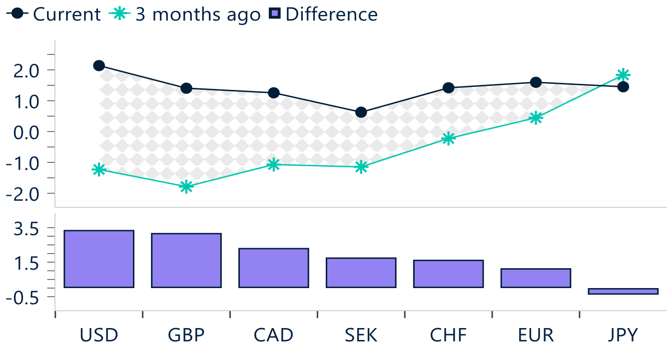
Key market themes to watch

Bond market jitters

May saw a global bond sell-off as investor fears grew over accelerating, conflict-driven inflation. The US led the move, with markets pricing in higher inflation uncertainty (term premia) alongside a solid macro backdrop (real yields). Other markets offered less attractive risk-adjusted returns, while FX adjusted asymmetrically, with the safe-haven dollar bid strengthening. Recent partial rebounds in fixed income appear largely positioning-driven rather than a true macro repricing, leaving markets vulnerable to further sell-offs if there is no meaningful progress on Hormuz.

USD tops hawkish shift on vol-adjusted terms

2y OIS rates (1-year z-score): today vs 26 feb 2026



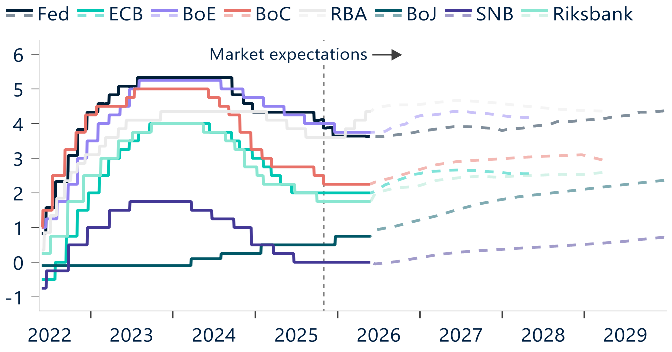
Source: Convera, Macrobond

Credibility over conviction

The upcoming slate of central bank meetings will face heightened scrutiny, as credibility may matter more than policy signals in driving FX moves. Policymakers face a delicate balance between pre-emptive hikes to contain inflation and a softening macro backdrop that warrants a more dovish-leaning posture. Markets will focus not just on decisions, but on unanimity and dissent. As a result, FX reactions will hinge on these nuances amid an uncertain backdrop where economies remain unevenly positioned to absorb the drag from the conflict.

Hawkish reset underway

Market-implied central banks rate trajectories



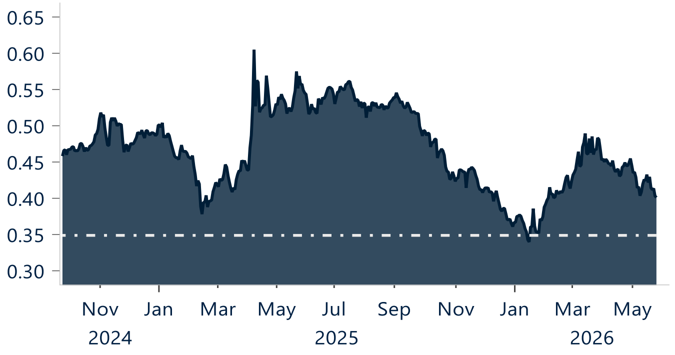
Source: Convera, Macrobond

Warsh watch

One of the most scrutinised policy meetings will be the Fed's, where an already uncertain, conflict-driven policy outlook is further complicated by the appointment of Kevin Warsh as the new Fed Chairman. Trump's nominee has raised eyebrows amid market concerns that he may push for lower rates in line with the administration's preferences. With his first public appearance scheduled for the press conference following the 17–18 June meeting, markets will be watching closely, assessing his communication style and ability to clearly convey the FOMC's policy stance and balance of views.

Compressing risk premium faces the Warsh test

10y Treasury yield – 10y OIS vs 10y average

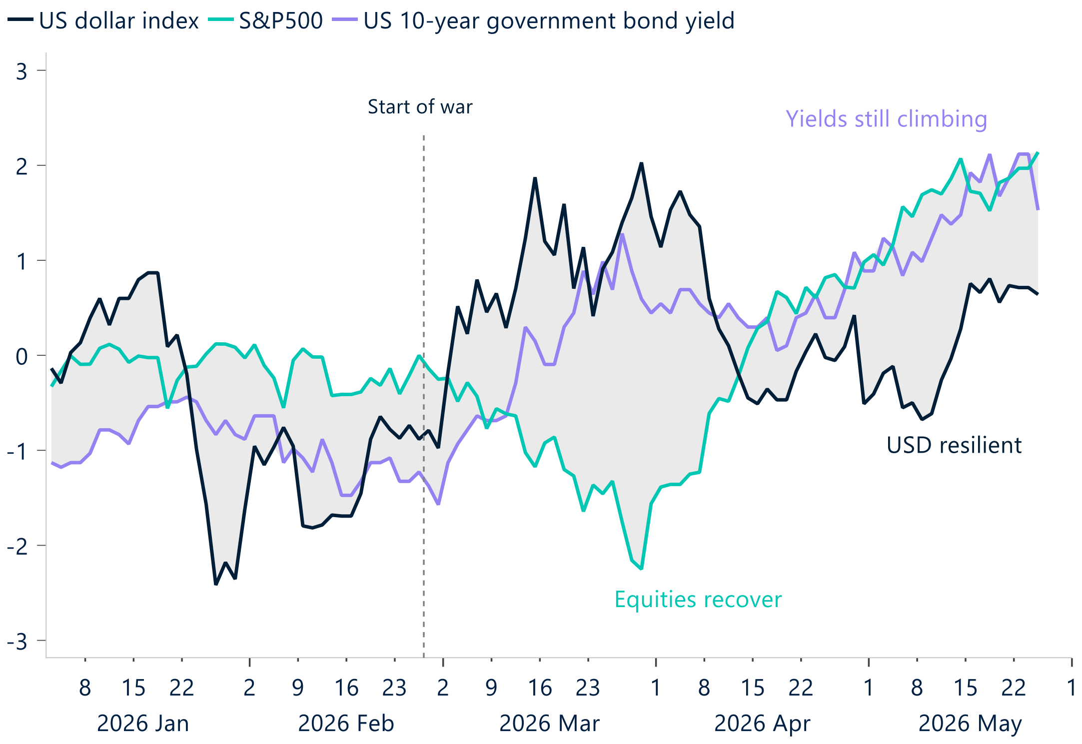


Source: Convera, Macrobond

Theme in focus: Rates up, risk unfazed

Coexisting forces: Rates, risk and the US dollar

US dollar index, S&P500 index, bond yields (standardized, YTD)



Source: Convera, Macrobond

A useful way to frame the current macro backdrop is through the lens of a renewed rates recalibration alongside resilient risk sentiment.

At the onset of the Iran conflict, yields and the USD moved sharply higher as inflation risks repriced, while equities sold off. Even as yields have continued to grind higher, equities have fully retraced losses and pushed to record highs. At the same time, the USD has remained firm rather than weakening in line with improved risk appetite. Under normal circumstances, such a repricing in rates might exert a bigger drag on growth and weigh on risk assets.

Instead, the transmission is proving uneven. Rate-sensitive sectors such as housing and autos are clearly slowing, but this is being offset by a powerful wave of rate-insensitive investment - most notably in AI-related capex. The ongoing data centre buildout, driven by hyperscaler competition and strategic urgency, shows little sensitivity to higher borrowing costs. Alongside continued fiscal support, this is helping sustain broader growth and anchor the resilience in equities.

Crucially, this firm risk backdrop has not translated into USD weakness, with the dollar supported by favorable rate and growth differentials as softer activity elsewhere limits tightening expectations.

The result is a more balanced FX environment, where robust global risk appetite coexists with underlying support for the USD, muting clear directional trends.

Key market events to watch

June 2026

Americas

1 - ISM Mfg PMI
3 - ADP Employment Change
3 - ISM Services PMI
5 - Jobs Report
10 - CPI
15 - Industrial Production
17 - Retail Sales
17 - Policy Rate Decision
23 - S&P PMIs
25 - GDP

1 - S&P PMIs
5 - Unemployment Rate
10 - Policy Rate Decision
22 - CPI

Europe

12 - Industrial Production
17 - CPI
18 - Unemployment Rate
18 - Policy Rate Decision
19 - Retail Sales
23 - S&P PMIs

2 - CPI
5 - GDP
11 - Policy Rate Decision
23 - S&P PMIs

9 - Industrial Production
16 - ZEW Economic Sentiment
23 - S&P PMIs
24 - IFO Business Climate
30 - Unemployment Rate
30 - CPI

APAC

3 - GDP
16 - Policy Rate Decision
25 - Unemployment Rate

16 - Policy Rate Decision
19 - CPI
23 - S&P PMIs
30 - Unemployment Rate
30 - Industrial Production

1 - RatingDog Mfg PMI
10 - CPI
16 - Retail Sales
16 - Industrial Production
30 - NBS Mfg PMI

Source: Convera, Bloomberg – April 28, 2026. Dates BST.

Global FX pulse

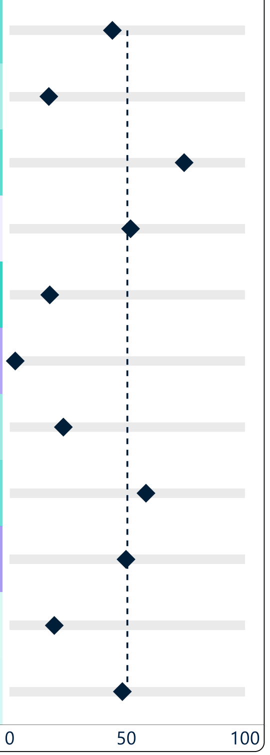
Key FX in focus

Performance review, paired with the currency pairs’ volatility profile

Appreciation   Depreciation

	Spot	MTD % change	1-year % change	Spot vs. 200D avg	3-month range	In-range level
USD/JPY	159.2	1.7%	9.9%	2.7%	3.6%	74%
USD/CAD	1.38	1.6%	-0.2%	-0.1%	3.2%	63%
NZD/USD	0.5928	0.3%	-0.7%	1.6%	5.5%	76%
USD/SGD	1.276	0.2%	-1.0%	-0.6%	2.4%	44%
USD/HKD	7.835	0.0%	0.0%	0.4%	0.5%	85%
EUR/CZK	24.28	-0.4%	-2.6%	-0.2%	1.5%	19%
GBP/EUR	1.153	-0.6%	-3.3%	0.3%	2.0%	65%
AUD/USD	0.7158	-0.6%	11.4%	5.1%	6.3%	73%
EUR/PLN	4.229	-0.7%	-0.2%	-0.3%	2.2%	13%
EUR/USD	1.165	-0.7%	3.2%	-0.3%	3.8%	55%
GBP/USD	1.344	-1.2%	-0.2%	0.1%	3.7%	56%

Volatility percentile*



* 1-month stdev, percentile-ranked over a 1-year window | Source: Convera, Macrobond - 28 May 2026

Winner

USD/CAD

Despite a low volatility profile, USD/CAD climbed the most across the majors, amid a broadly stronger dollar and a widening US-CA yield spread.

Loser

GBP/USD

Sterling was one of the worst performers, falling over 1% as domestic headwinds added to global woes. But it remains in top 50% of 3-month range.

Volatility check

NZD/USD

The kiwi has been bouncing around with global risk sentiment, but the hawkish RBNZ meeting gave it a nudge too. It’s clocked a 5.5% range in three months.

US dollar

Neutral one-month bias

Review

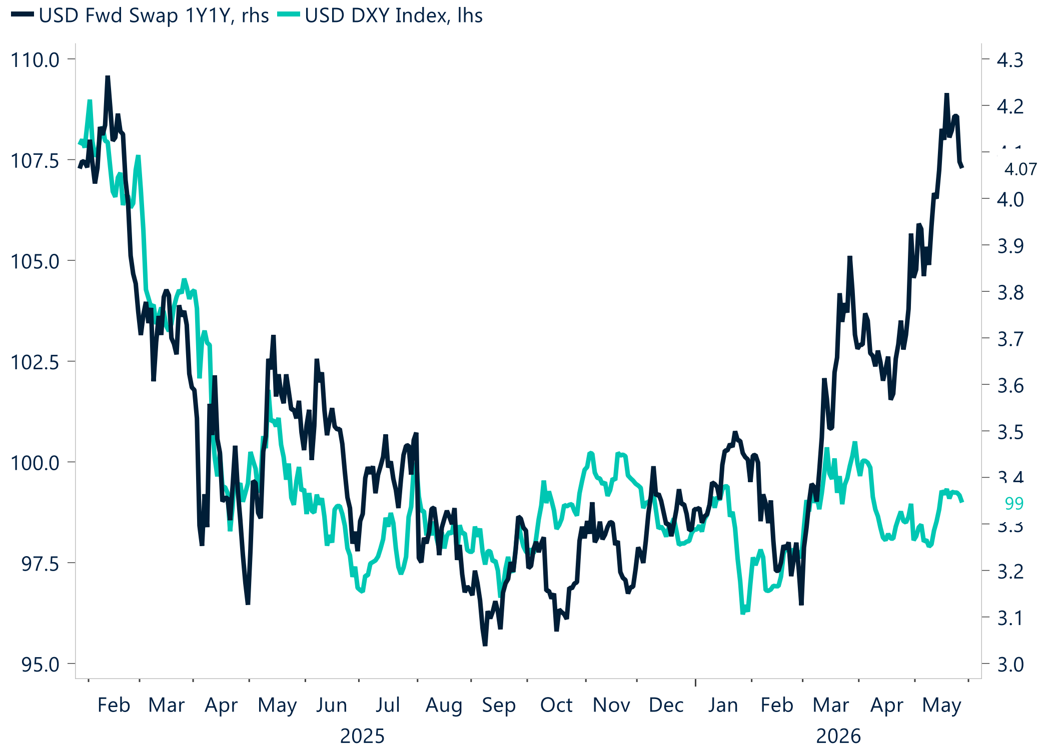
In May, the US dollar shifted from an oil-led safe-haven trade to a broader story centered on rates, inflation persistence, and financial conditions. Markets were still whipsawed by US-Iran headlines, with control over the Strait of Hormuz keeping an energy risk premium alive and leaving the dollar vulnerable to rapid reversals. But as the month progressed, the Fed outlook became the steadier anchor. Minutes showed officials increasingly worried inflation could take longer to return to target, while stubborn pump prices and resilient consumer spending kept the household inflation narrative loud. At the same time, long-end yields broke higher across major markets, and the macro focus moved from temporary geopolitical disruption to the possibility that tighter financial conditions might start to bite. Strong earnings and firm risk appetite have prevented the dollar from fully reflecting higher yields. Yet by late May, FX had been re-anchored to real yield dynamics, with rising US rates overtaking geopolitics as the primary driver of dollar strength, even as every headline from the Gulf still generated sharp tactical swings.

Outlook

Looking ahead, the dollar's next move depends on whether higher yields remain supportive or start to damage the risk backdrop they have so far coexisted with. Going into the month, many analysts viewed the start of summer as the most likely window for the US-Iran conflict to finally wind down. If equities continue to absorb tighter financial conditions and oil gradually loses its inflation sting, the greenback may struggle to extend gains much beyond its recent rebuild. But if energy stays elevated, inflation expectations keep drifting higher, and higher real yields begin to undermine valuations and demand, the dollar's defensive characteristics should become more visible again. For now, the base case is a firmer but still choppy USD: supported by carry, policy pricing, and relative growth resilience, yet still vulnerable to headline-driven reversals whenever geopolitics briefly revives optimism.

Can the lagging Dollar catch rising rates?

USD DXY Index and USD Fwd Swap 1Y1Y



Source: Convera, Macrobond

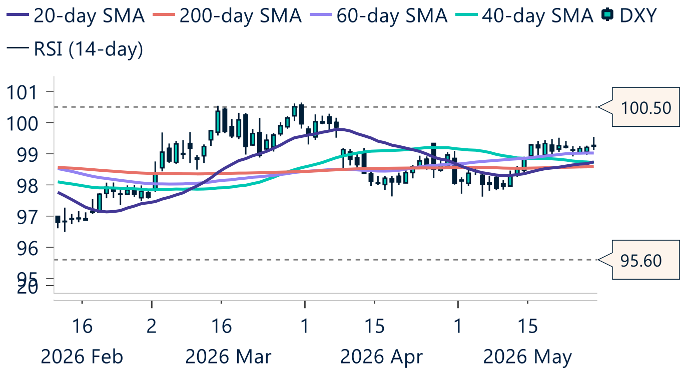
USD: Three signals that matter

1. Fundamentals

- The US dollar index has stayed for one-year within a tight range that sees the 100 level as key resistance and 96 as key support levels.
- The US economy posted a steady 1.6% growth in Q1 GDP, supported by extraordinary AI capex momentum.
- While the duration and degree will dictate the ultimate impact on growth and inflation, Q2 macro indicators suggest an economy resilient enough to endure tighter financial conditions.

Range trading dominates USD price action

DXY daily chart and technicals



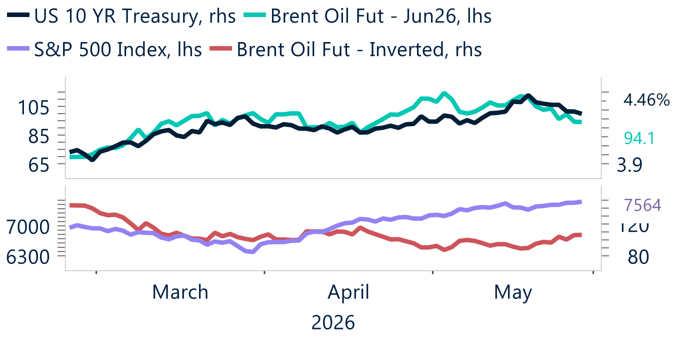
Source: Convera, Macrobond

2. Market dynamics

- Market focus has shifted to the cross-asset interplay between yields, oil, and equities, with the US dollar showing a relatively muted response to higher yields.
- As commodities remain strong, long-term inflation expectations have stayed relatively stable. If the situation in Iran remains at an impasse, which side will prove right? For now, rising real yields are not dampening risk sentiment, while the US dollar remains firm.

Treasuries in correlation with oil, equities decoupled

Correlation between US 10yr Treasury yields and Brent crude oil



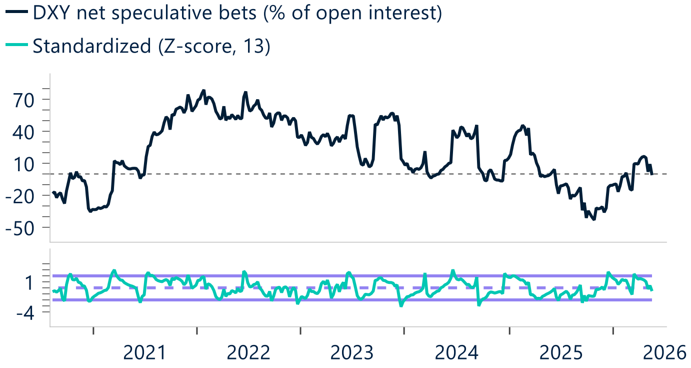
Source: Convera, Macrobond

3. Sentiment/positioning

- Traders turned neutral on the USD during May.
- After the conflict started, the energy shock has essentially erased any hope for interest rate cuts this year, leaving a yield support if the conflict premium fades slowly.
- As geopolitical tensions ease, the market narrative will likely shift from a conflict premium to a year embedded policy premium.

Traders stay USD neutral

CFTC net non-commerical futures positions



Source: Convera, Macrobond

Euro

Neutral one-month bias

Review

EUR/USD has retreated from the 1.18 resistance zone it tested during peak de-escalation optimism in April and early May. A more cautious market response to geopolitical headlines has lowered the trading range, with the pair crossing below key moving averages and settling near 1.16. Tighter global financial conditions and the recent bond sell-off have added downside pressure. Against a softer macro environment, investors are increasingly favouring US over European debt. In the US, higher yields have been driven mainly by stronger growth expectations and a more hawkish Fed stance, reflected in rising real yields, rather than just higher uncertainty-driven term premia. At the same time, with markets already pricing in close to three ECB hikes by year-end, the balance of risks is skewed towards a reassessment lower rather than further upside. This continues to weigh on the relative appeal of European fixed income, and, in turn, the euro.

Outlook

The scenario of a swift reopening of the Strait of Hormuz alongside delayed nuclear negotiations has yet to fully materialise, despite both sides continuing to signal progress. As the stalemate drags on, any euro upside versus the dollar on a more durable resolution would likely prove short-lived, with growingly supportive USD fundamentals likely to anchor the pair lower. EUR/USD is expected to continue hovering around 1.16 until clearer signs on Hormuz emerge. That said, the pair appears increasingly vulnerable amid a firmer safe-haven bid for the dollar and a less credible ECB hiking stance, particularly given the eurozone's greater exposure to the conflict. This shift is reflected in the steady unwind of ECB tightening expectations - from around 85bp in late April to roughly 55bp now. Absent tangible progress in US–Iran talks, therefore, a more decisive break below 1.16 looks likely over the coming month.

EUR/USD future scenarios

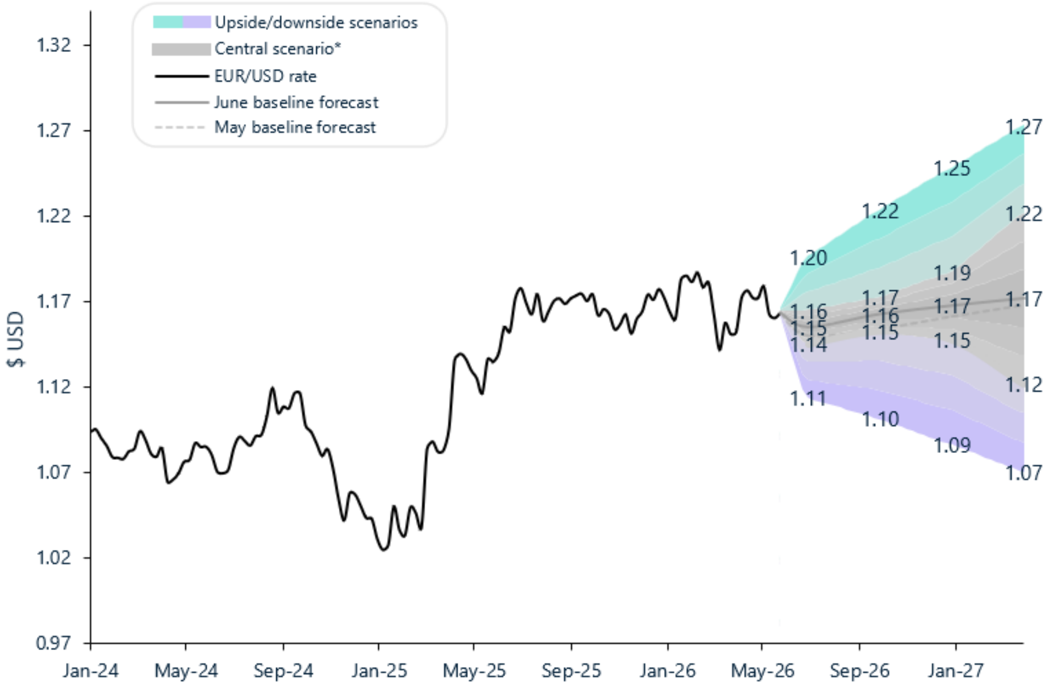


Chart sources: Oxford Economics, Bloomberg, Convera – May 28, 2026. For more information about the Convera-Oxford Economics economic modelling, framework and methodology used to derive the FX forecast scenarios please contact AskMarketInsights@convera.com
*+/-1 standard deviation from baseline (68% chance rate falls within this range)

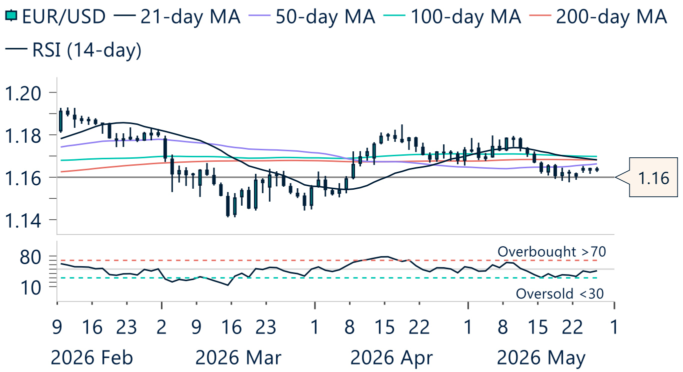
EUR: Three signals that matter

1. Price action

- As investors grew more cautious about pricing in de-escalation in the Middle East conflict, EUR/USD retreated from highs near 1.18 reached at the start of May - a key level in place since summer 2025.
- The pair has slipped below all key moving averages but has held above the 1.16 mark after testing it earlier this month. Support is likely to hold if June brings progress in peace talks toward a more durable US–Iran agreement.

Directionless moves

EUR/USD daily developments & technicals



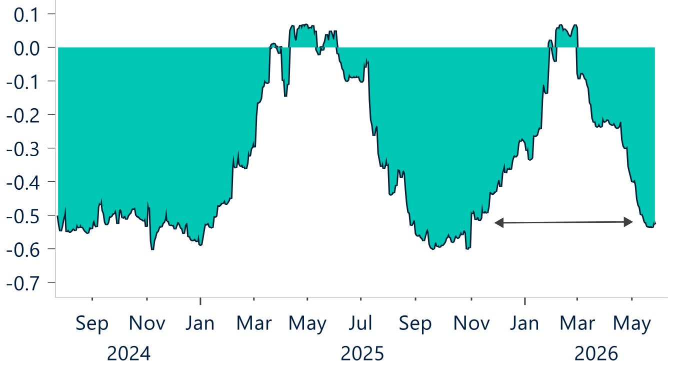
Source: Convera, Macrobond

2. Market dynamics

- EUR/USD's steady move lower from the 1.18 highs reached at peak de-escalation momentum has been reinforced by a gradual hawkish repricing of the Fed policy outlook, while the ECB's already priced-in three hikes have unwound in parallel.
- Rate pass-through into FX has, in fact, strengthened as risks of a more severe conflict re-escalation have receded and markets have adjusted away from the Hormuz disruption scenario.

Re-emergence of a rates-led FX regime

3M rolling correlation: EUR/USD vs 10y US Treasury yields



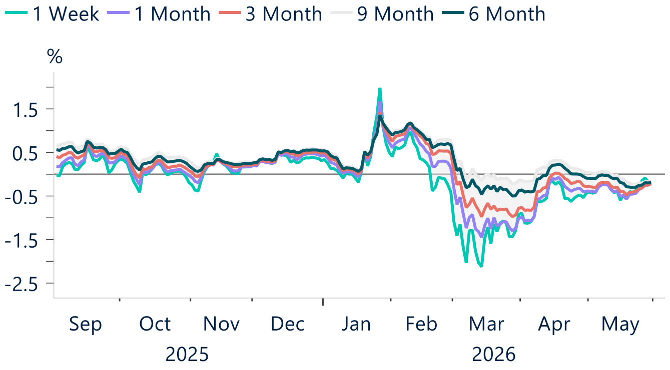
Source: Convera, Macrobond

3. Sentiment/positioning

- Demand for hedging against dollar strength vs. the euro rose after the Middle East conflict began in late February, but has flattened since April, as shown by EUR/USD risk reversals across tenors. The more compressed range in risk reversals also points to limited directional conviction.
- Investors remain pulled between safe-haven demand for USD and shifting signals from peace talks, staying cautious as de-escalation repeatedly appears imminent but uncertain.

Safe-haven bid meets caution

EUR/USD 25% Risk Reversals (RR) across maturities



Source: Convera, Macrobond

British pound

Mildly bearish one-month bias

Review

The pound underperformed against many major peers in May, falling over 1% against the USD and around 0.5% versus the EUR. Nevertheless, robust global risk sentiment remained a key pillar of support. Equities continued to grind higher while volatility stayed subdued, cushioning high-beta, yield-sensitive currencies like GBP. Sterling remained surprisingly firm even as UK data momentum softened and markets trimmed BoE tightening expectations, which has led to narrowing UK-US yield spreads. Episodes of political uncertainty, including local elections and a potential leadership contest, triggered quite sharp, but only brief, pullbacks as well. Taken together, GBP performance was arguably driven less by domestic fundamentals and more by a supportive global environment, with a "risk-on, carry-friendly" backdrop mitigating losses despite rising local headwinds.

Outlook

Sterling looks set to remain range-bound with a clear downside skew, driven by the interaction between geopolitics, bond volatility, and re-emerging domestic political risk. GBP/USD continues to base above 1.33, but upside remains capped below 1.36. A sustained break higher requires a cleaner risk-on backdrop and lower US yields, while any disorderly move higher in global rates risks exposing the downside. Fundamentally, the UK backdrop is softening, reinforcing a BoE hold bias in June - with only around a 10% probability of a hike - limiting support and keeping sterling sensitive to external drivers. Political risk is the key tail. The upcoming by-election could catalyse a leadership challenge this summer, raising the risk of a re-widening in the UK fiscal premium. Overall, GBP remains supported but not strong: resilient in stable conditions, but increasingly vulnerable to domestic instability and heavy external headlines.

GBP/USD future scenarios

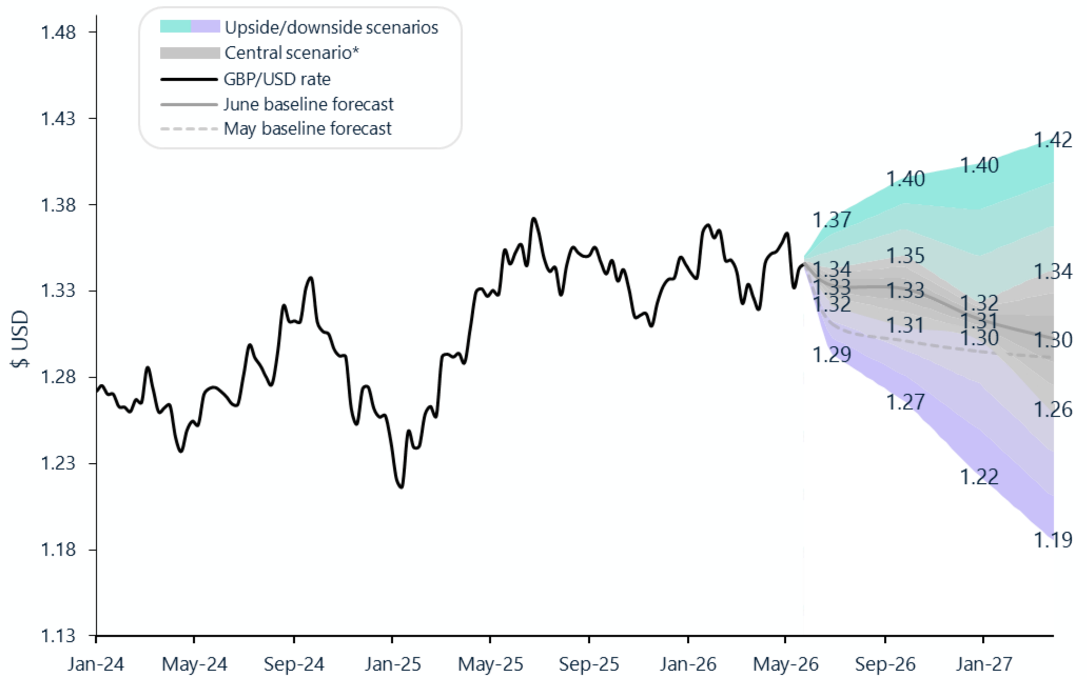


Chart sources: Oxford Economics, Bloomberg, Convera – May 29, 2026. For more information about the Convera-Oxford Economics economic modelling, framework and methodology used to derive the FX forecast scenarios please contact AskMarketInsights@convera.com
*+/-1 standard deviation from baseline (68% chance rate falls within this range)

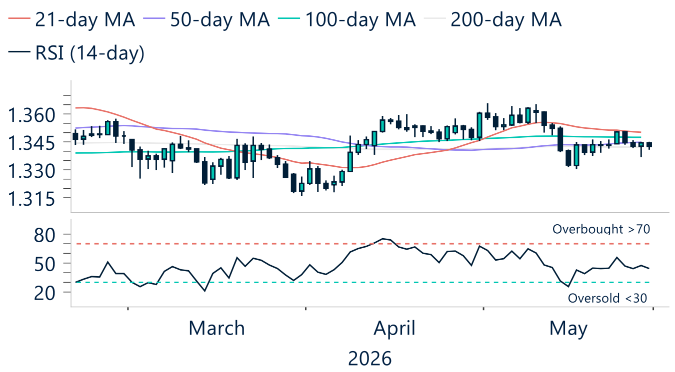
GBP: Three signals that matter

1. Price action

- After hovering near 1.36 at the start of May, GBP/USD posted its worst weekly decline in 18 months. The pair fell over 2% to 1.33, breaking below key moving averages, a signal that momentum had deteriorated materially.
- However, as domestic political uncertainty took a back seat and broader risk sentiment improved, the pair rebounded toward 1.35 - its YTD average. Still, price action remains fragile and sensitive to both macro and political developments.

Back at 1.34, pound stuck in range

GBP/USD daily developments & technicals



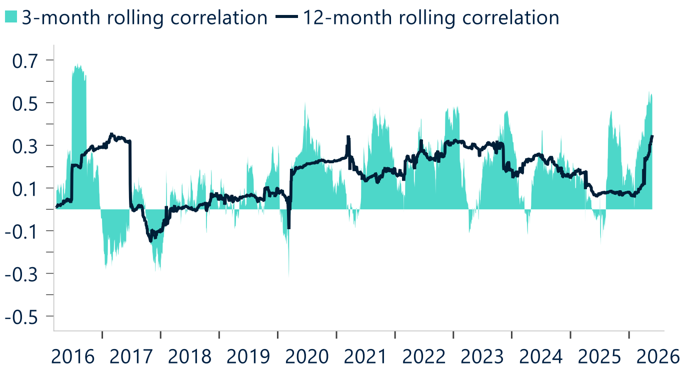
Source: Convera, Macrobond

2. Market dynamics

- Sterling's recent resilience is less about domestic strength and more about a forgiving global backdrop. Strong risk sentiment has supported the pound despite softer domestic data surfacing, reduced BoE rate expectations and rising political noise.
- This is a regime, though, not a permanent state. Should global risk sentiment deteriorate, GBP loses what has been its main pillar of support.

Risk sentiment currently a dominant driver

Correlation between GBP/USD & S&P500 (daily changes)



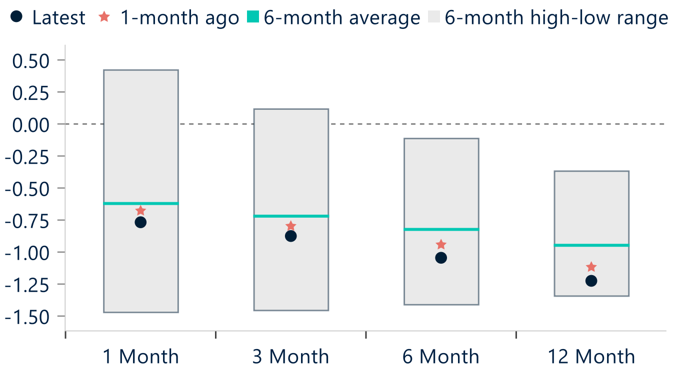
Source: Convera, Macrobond

3. Sentiment/positioning

- Options markets still signal cautious GBP sentiment. Traders have been paying up for protection against a weaker pound amidst lingering concerns about UK political instability, fiscal credibility, a softening macro backdrop and a cautious BoE.
- Although demand for this hedging has eased slightly, pricing remains elevated versus six-month averages, reflecting growing pessimism towards pound versus the dollar over the rest of the year.

Traders have built bearish bets on GBP

GBP/USD 25% delta risk reversals across multiple maturities



Source: Convera, Macrobond

Canadian dollar

Neutral one-month bias

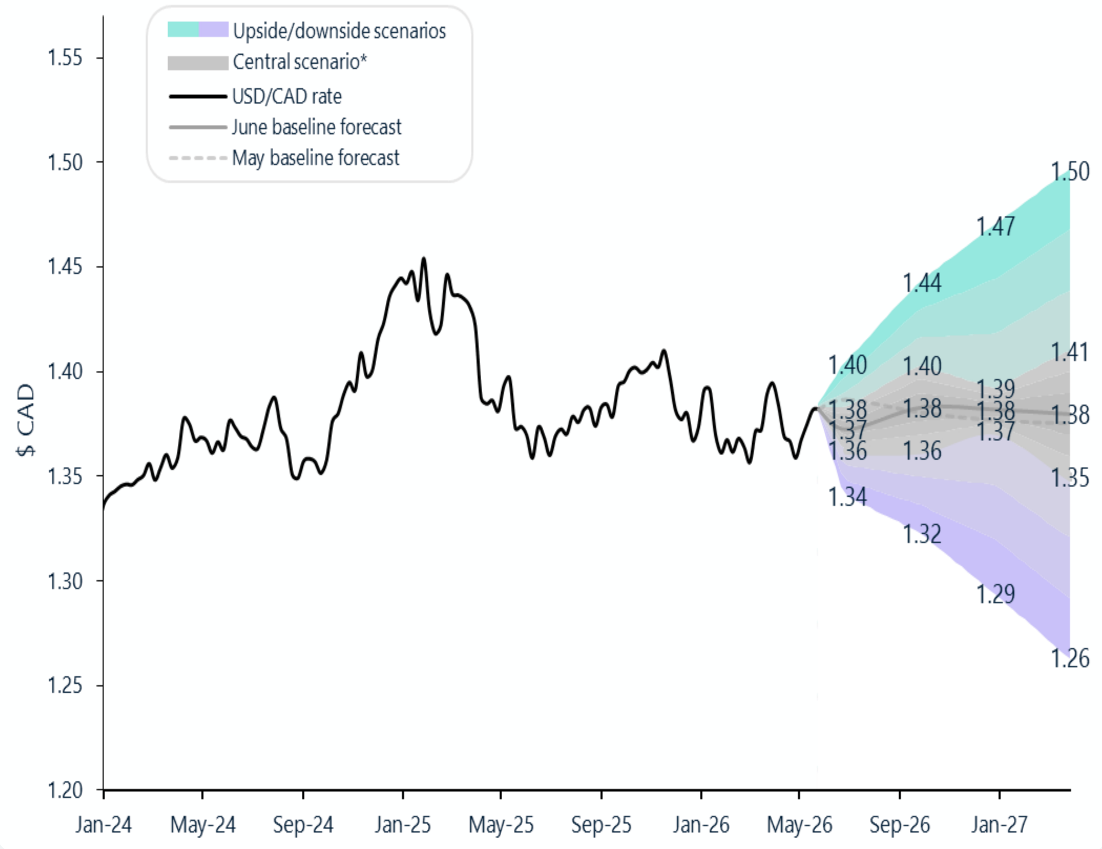
Review

May moved away from "oil first, FX second" tape for CAD and more of a relative-rates story, even though geopolitics never really left the screen. Early in the month, renewed optimism around a US-Iran agreement sent WTI down toward the low-$90s and pushed the dollar to an eleven-week low, reviving the April-style risk rally and helping USD/CAD move lower again. But the reversal was quick. Ceasefire hopes repeatedly faded before becoming durable or convincing. At the same time, hotter-than-expected US inflation rebuilt support for the greenback just as Canada ran into a softer domestic labor pulse and a cooler inflation print. That combination widened the near-term yield gap and drove a clean reversal in USD/CAD from the mid-1.35s to around 1.38. As the month wore on, the bigger macro shift became harder to ignore: rising long-end yields, a more hawkish Fed message, and markets increasingly pricing a prolonged hold in US rates.

Outlook

For June, CAD support looks less dependent on oil alone and more on whether the rates story starts to bite risk assets harder. If equities keep absorbing higher yields and the Gulf premium gradually fades, the Loonie could stabilize as broad USD momentum cools. But if energy stays sticky, inflation expectations drift higher, and tighter financial conditions begin to undermine valuations and demand, USD/CAD should remain biased upward as the dollar's defensive qualities reassert themselves. The Bank of Canada is expected to stay on hold, while the currency remains vulnerable whenever US yields push higher. Add the looming July 1 CUSMA review, where persistent tariff rhetoric and uncertainty around trade rules risk keeping a structural premium embedded in the Canadian dollar, and downside momentum becomes harder to sustain. Base case is a still-choppy but firmer USD/CAD backdrop, with downside in the pair harder to extend unless both oil and US yields retreat together.

USD/CAD future scenarios



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

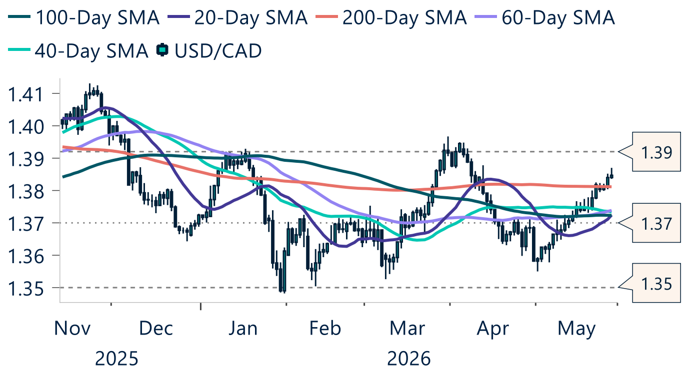
CAD: Three signals that matter

1. Price action

- After hitting a 16-month low of 1.348 in January, USD/CAD has established firm support near 1.35. Price action remains largely range-bound, as the pair breaks above in May its flat moving averages towards the upper end of the trend.
- Short-term yield differentials have risen to ~120 bps, its highest level since July 2025.
- The economic surprise index relative to the US has stayed closer to its lowest level since Sep '23.

2026 trading range consolidates 1.35-1.39 zone

USD/CAD daily chart and technicals



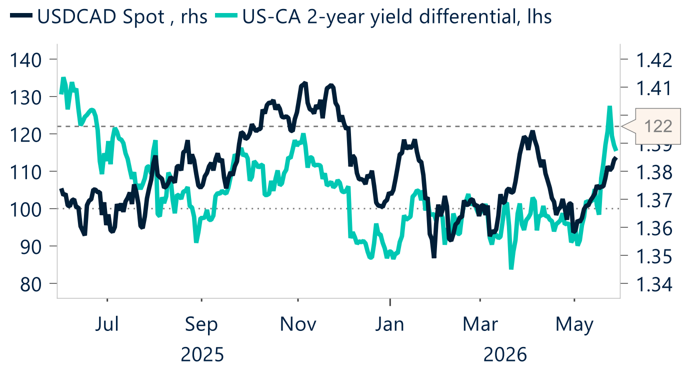
Source: Convera, Macrobond

2. Market dynamics

- Ending Q1, the energy-dependence trade had waned, and the window of opportunity for EUR/CAD and GBP/CAD crosses has narrowed.
- CAD's two oil sided exposure leaves it at risk to both a firmer dollar on a protracted conflict and de-escalation in the Middle East, with bias towards range bound trading.
- After the latest BoC meeting, odds of a rate hike by October have increased, which could be supportive of a CAD closer to 1.36.

Short-term yield spread at highest since Jul '25

Government bond yield differential (US - CA), USD/CAD



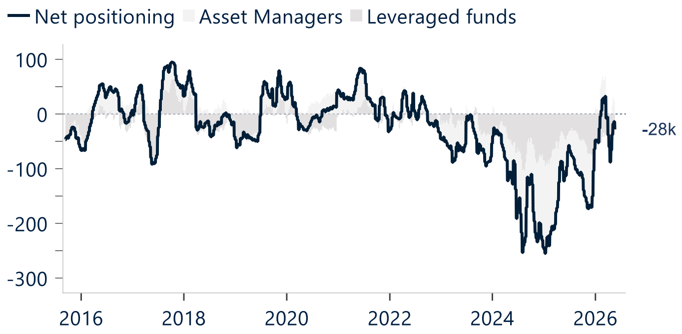
Source: Convera, Macrobond

3. Sentiment/positioning

- Market sentiment remained slightly bearish, a shift clearly reflected in futures positioning data. Investors have turned pessimistic, with leveraged funds pulling the CAD's net position back toward negative territory.
- CUSMA deal review will be back on center stage in June. Headlines may bring increased volatility, especially around critical resistance levels. The CUSMA deal has been a major structural headwind over the last-year and markets anticipate a volatile ride ahead.

Sentiment remains slightly bearish

CFTC futures positioning - Canadian dollar (No. of contracts, thousands)



Source: Convera, Macrobond

Australian dollar

Neutral one-month bias

Review

NZD/AUD is at one-month high, due to the RBNZ's hawkish stance. In contrast, AUD is lagging after softer-than-expected inflation data cooled RBA policy pressure. AUD/USD has been underpinned by a combination of yield support, resilient risk assets, although broader USD strength has limited the extent of gains: Australia retains the highest policy rate among G10 central banks at 4.35%, sustaining a meaningful carry advantage that continues to attract inflows. Resilient US equities have provided support for AUD/USD, although USD strength – particularly through higher US yields – has capped upside.

AUD’s sensitivity to Chinese growth is a latent tailwind, but the recent US-China summit yielded no trade breakthrough, keeping Chinese demand conditions soft.
Crowded long positioning in AUD remains a key near-term risk, with any disappointment on domestic data or global risk appetite likely to trigger sharp unwinds.

Outlook

The near-term path for the Australian dollar appears have a range bound bias. Technically, the 100-day EMA of 0.7026 will be the key support level for AUD/USD, with 0.7000 acting as a major psychological floor, while topside advances will face resistance at 50-day EMA of 0.7120, followed by 21-day EMA of 0.7159. We remain constructive on AUD/USD over the medium term, with the pair expected to grind higher before stabilising.

We target AUD/USD at 0.74 by Q4 2026, with the pair expected to ease modestly to around 0.73 thereafter as the RBA eventually begins its easing cycle. The RBA is forecast to hold rates well into the near term; restrictive monetary settings are unlikely to be unwound before 2H 2027, making Australia the last G10 central bank to ease. Inflation risks remain skewed to the upside given higher starting levels and ongoing Middle East supply disruptions; a cash rate move above 4.35% cannot be fully ruled out.

AUD/USD future scenarios

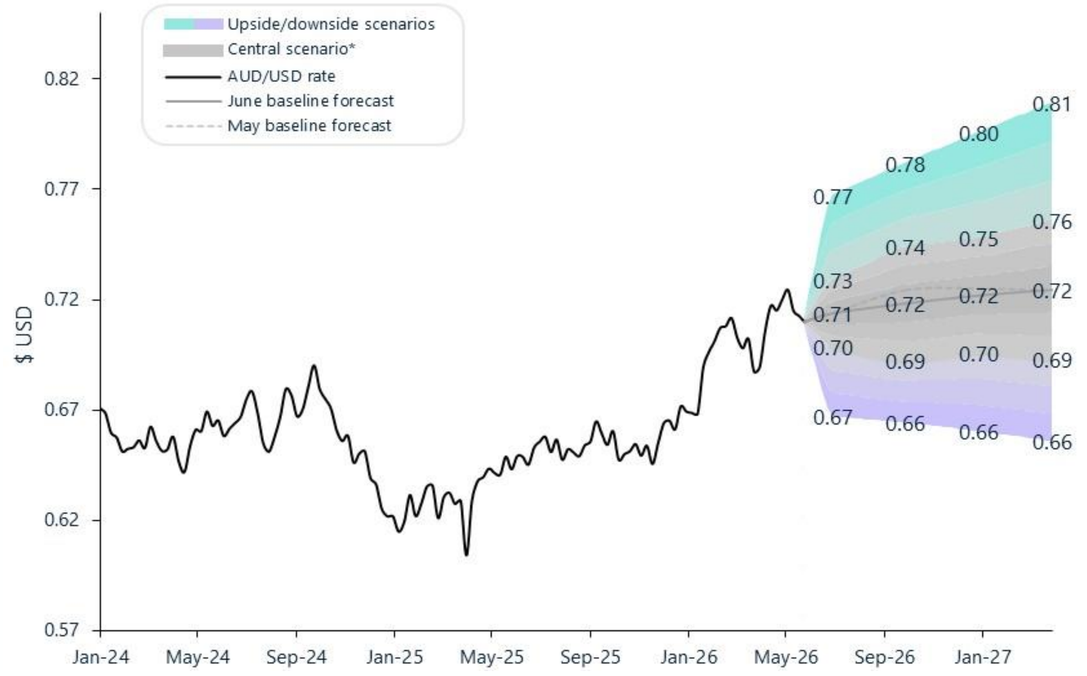


Chart sources: Oxford Economics, Bloomberg, Convera – May 28, 2026. For more information about the Convera-Oxford Economics economic modelling, framework and methodology used to derive the FX forecast scenarios please contact AskMarketInsights@convera.com
*+/-1 standard deviation from baseline (68% chance rate falls within this range)

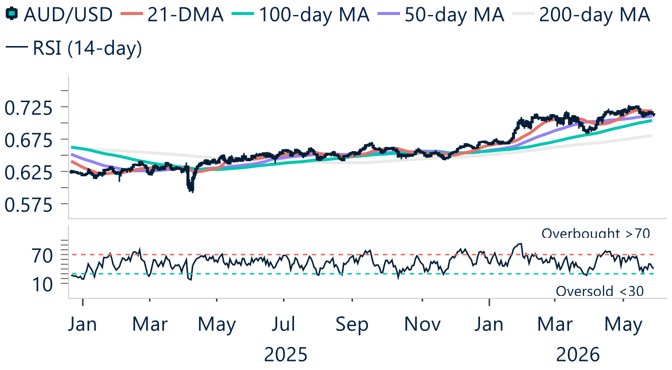
AUD: Three signals that matter

1. Price action

- AUD/USD is still above 100-day moving average, now trading near 0.7100–0.7200.
- RSI is in neutral territory (>45), consistent with a lack of strong near-term momentum.
- The 100-day EMA (~0.7026) remains the first key technical support; followed by key psychological handle of 0.7000. A sustained break below would open the door to a more meaningful reversal.

AUD/USD next key support at 100Day MA

AUD/USD daily Moving Averages and RSI



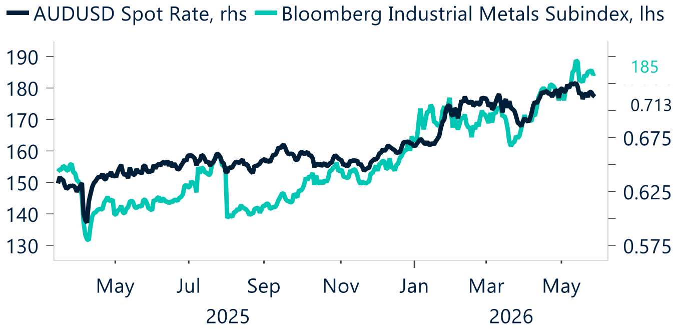
Source: Convera, Macrobond

2. Market dynamics

- AUD/USD and the Bloomberg Industrial Metals Subindex have moved in near-lockstep since mid-2025— confirming the pair's strong sensitivity to commodity price dynamics.
- The tight AUD-metals correlation cuts both ways — while a continued rally in industrial metals offers further upside for AUD/USD, any reversal in commodity prices would translate directly into downward pressure on the pair, making metals momentum the key swing factor to watch.

Aussie anchored on metals rally

Australian Dollar and Bloomberg Industrial Metals Subindex



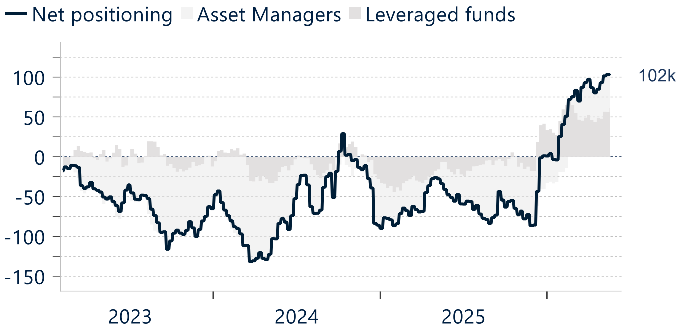
Source: Convera, Macrobond

3. Sentiment/positioning

- CFTC net long AUD positioning has surged to ~102k contracts — a level that dwarfs previous peaks seen throughout 2023–2025, which rarely breached +25k, reflecting extreme speculative conviction in continued AUD upside.
- Historically, positioning at these extremes has preceded sharp mean-reversion moves; asymmetric risk is now firmly to the downside.

AUD positioning at the extreme highs

CFTC futures positioning - Australian Dollar (No. of contracts, thousands)



Source: Convera, Macrobond

Japanese yen

Mildly bearish one-month bias

Review

Towards the end of the month, broad-based JPY weakness persisted. USD/JPY and NZD/JPY pushed to 1-month highs, while softer inflation cooled expectations for near-term BoJ tightening. Yield differentials and carry dynamics kept spot prices under heavy pressure.

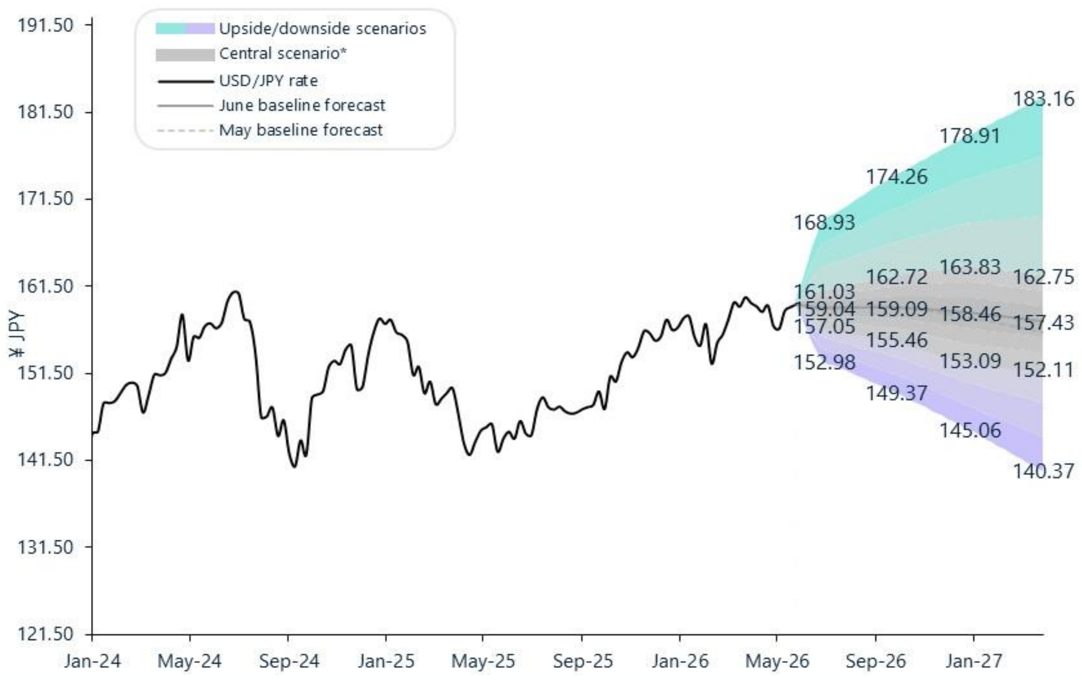
Crucially, USD/JPY price action was anchored by large-scale official intervention at the April-May turn following a sharp reversal off the 160.00 psychological ceiling. Authorities aggressively deployed an estimated ¥5.4 trillion across a three-day operational block to break market momentum. Despite this pullback, the broader market architecture remains stuck in a high-yield environment, leaving the currency fundamentally weak but bounded by active defense lines.

Outlook

We anticipate a transitional narrative as JPY moves toward a neutral profile. The multi-year structural selling driven by persistent outward foreign exchange supply imbalances is moderating as Japan returns to a structural surplus and the US deficit widens. Strong outperformance in Japanese equities further anchors domestic fundamentals.

Technically, USD/JPY holds above 159.00 , with the 21-day EMA at 158.72 and 50-day EMA at 158.42 offering immediate support. Topside, 160.00 remains a firm resistance ceiling where further intervention is expected. Crucially, IMF guidelines restrict authorities to three multi-day operations per six-month rolling window. Having used one, policymakers have only two structural windows left before November, making tactical efficacy heavily dependent on macro timing.

USD/JPY future scenarios



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Chinese yuan

Bearish one-month bias

Review

CNY has remained firm, with USD/CNY trading near a three-year low. The move reflects improving structural support for the yuan, including a large external surplus, stronger fixings, and sustained exporter conversion flows.

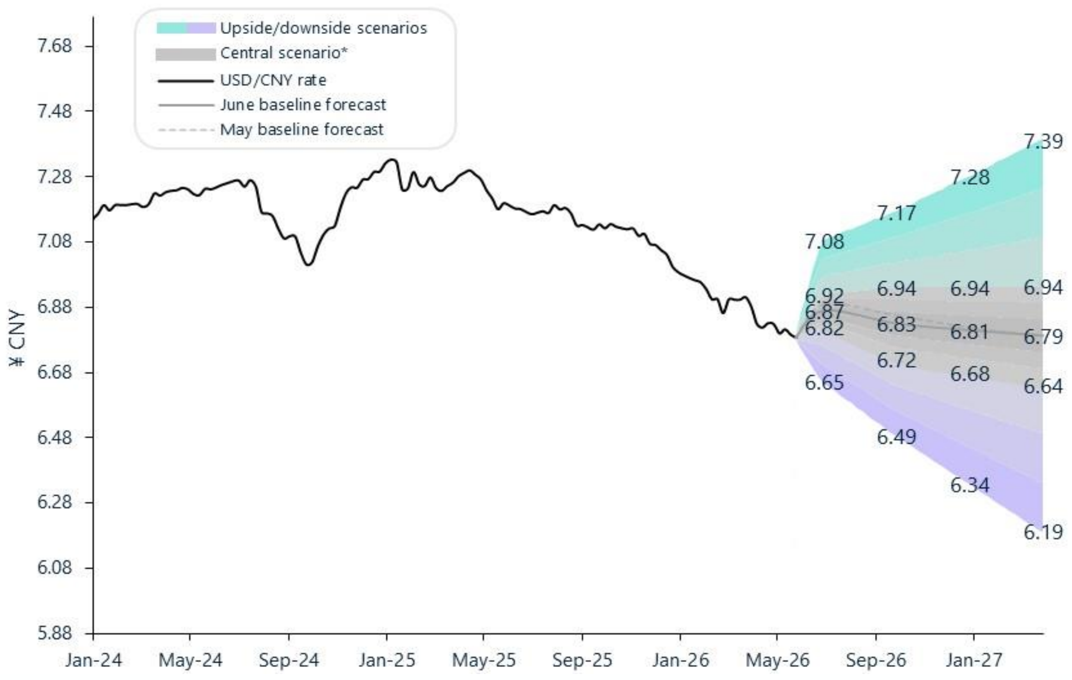
Despite this, April activity data disappointed sharply across the board, pointing to a domestic policy-driven slowdown rather than purely external headwinds. Fixed asset investment contracted to -8% YoY, with real estate falling -20% YoY and manufacturing and infrastructure both turning negative. Retail sales nearly stalled at 0.2% YoY, weighed down by weak goods spending and higher fuel costs. New RMB loans were essentially flat on the month, signaling soft credit demand despite ample interbank liquidity. Exports bucked the trend, accelerating to +14.1% YoY on broad-based tech and non-tech shipment strength.

Outlook

Administrative policy is expected to ease without waiting for a formal senior-level meeting, given the breadth of the April miss. The familiar intra-year mini-cycle pattern — strong Q1, soft Q2, policy pivot in Q3 — looks set to repeat. The PBOC has kept liquidity conditions loose since April; the next lever is restoring on-the-ground spending incentives for local officials. With policy easing likely and US rates still elevated, yield differentials should remain a headwind for CNY, as reflected in the widening US–China rate spread.

CPI remains well-contained at 1.2% YoY, leaving no inflation barrier to further easing. Until a credible policy reversal materializes, CNY faces mild depreciation bias. Technically, 6.8028 is the first key resistance level for USD/CNY. Beyond that, 50-day EMA of 6.8349 will be the next key resistance, followed by 100-day EMA of 6.8901.

USD/CNY future scenarios



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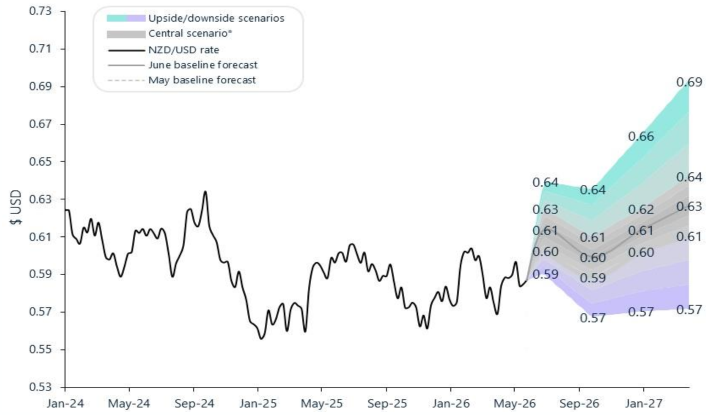
APAC (ex-majors)

New Zealand dollar

Upside RBNZ policy normalization supports yield differentials, especially if global energy prices moderate

Central New Zealand's low sensitivity to energy shocks and improving local data are offset by global uncertainty.

Downside Sustained global risk aversion or a nonlinear oil price shock

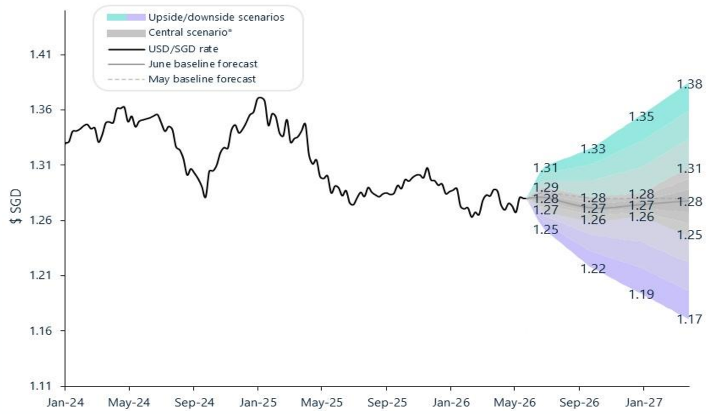


Singapore dollar

Upside Energy prices remain elevated and global risk aversion drives continued safe-haven demand for the USD

Central Singapore's strong external balance and potential policy tightening in response to inflation

Downside A rapid normalization of energy markets

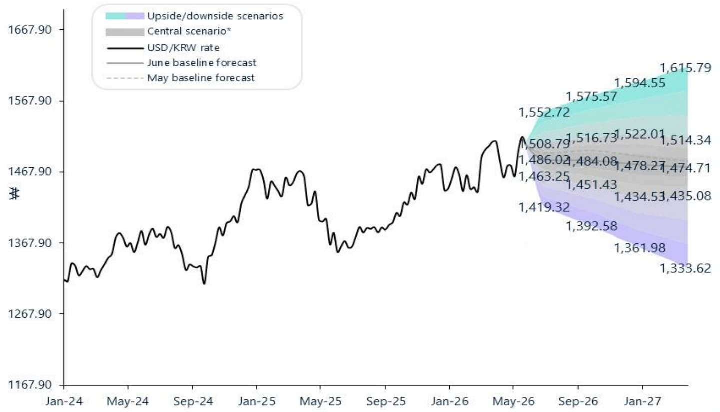


South Korean won

Upside Energy import pressures persist, as Korea's large energy deficit and reliance on imported gas worsens the impact of elevated oil prices.

Central Upcoming WGBI-related inflows offset energy-related BOP pressures

Downside A sharp improvement in global risk sentiment



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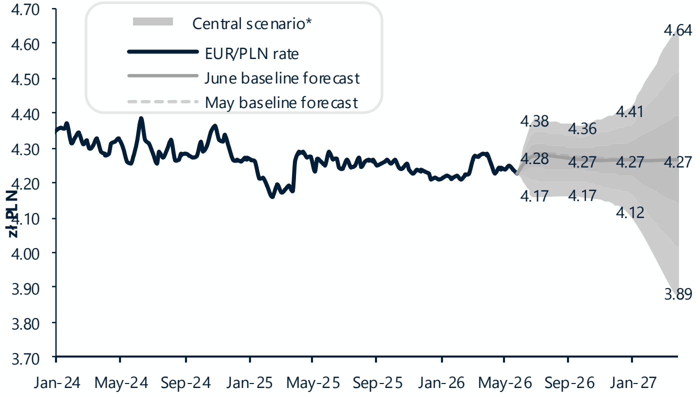
CEE

Polish zloty

Upside: Iran-US conflict re-escalates to March's levels, with risk-off hitting PLN harder than the euro.

Central: Zloty remains insensitive to the US-Iran impasse, supported by solid domestic fundamentals and a low-vol environment that fuels carry trades.

Downside: Swift de-escalation revives risk-on sentiment, while the NBP holds steady for the rest of the year.

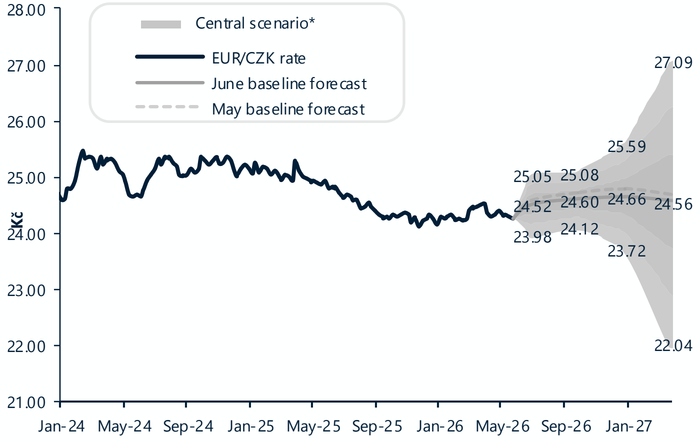


Czech koruna

Upside: Middle East conflict re-escalation drags broader CEE high beta complex lower.

Central: Czech outperformance versus the euro area sustains CZK's bullish bias despite some growth headwinds. CNB holds steady, providing underlying support.

Downside: Rapid de-escalation leaves the strong macro backdrop intact, allowing the koruna to resume its appreciation.

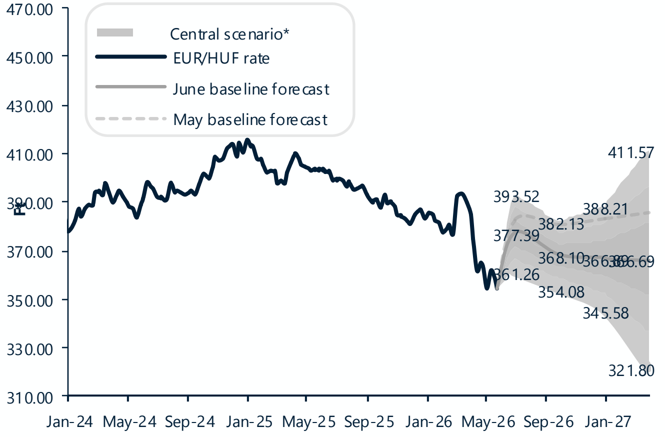


Hungarian forint

Upside: Escalating conflict drives risk-off, overpowering HUF's macro support.

Central: Post-election supportive headlines fade, while solid fundamentals hold under a contained conflict backdrop. Crowded longs and expectations of further cuts cap upside.

Downside: Rapid de-escalation and faster-than-anticipated EU-funds unlocking under the new government drive HUF higher.



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LatAm

Mexican peso

Upside A hawkish Fed pivot or nearshoring friction could spark a breakout back above the 18.2 mark.

Central Expect quiet consolidation near 17.30 as volatility eases and steady remittances balance out neutral US monetary policy.

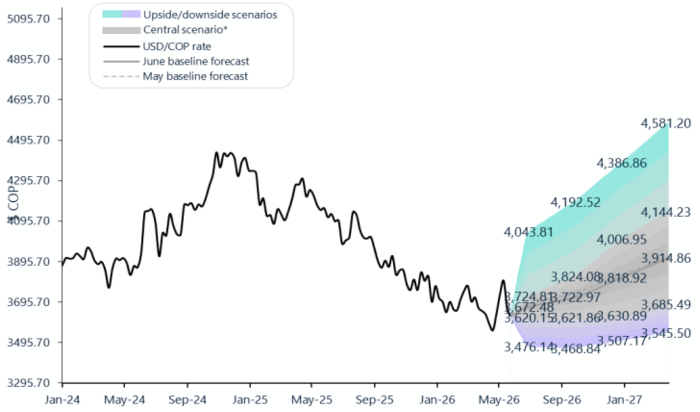
Downside Sustained FDI flows and a broad dollar retreat may pull the pair toward the 17.10 support level.

Colombian peso

Upside A slump in crude oil prices or a negative market read on presidential elections risks pushing the pair toward 4,000.

Central Stable energy exports should keep the peso range-bound and comfortable between 3,600 and 3,800.

Downside A sustained rally in Brent oil coupled with pro market candidate elected could see the dollar slide to retest major support at 3,600.

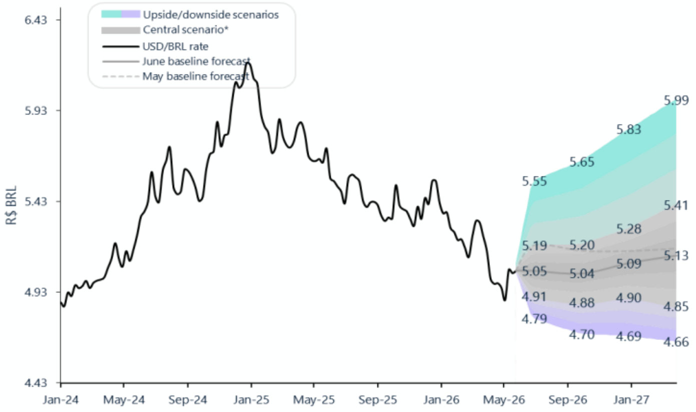


Brazilian real

Upside Resurgent political anxiety or a global risk-off mood could easily spike the pair toward 5.30.

Central The pair should anchor near 5.10 as markets weigh carry trade appeal against local political noise.

Downside High carry demand and a dovish Fed shift could drag the rate decisively below 5.0.



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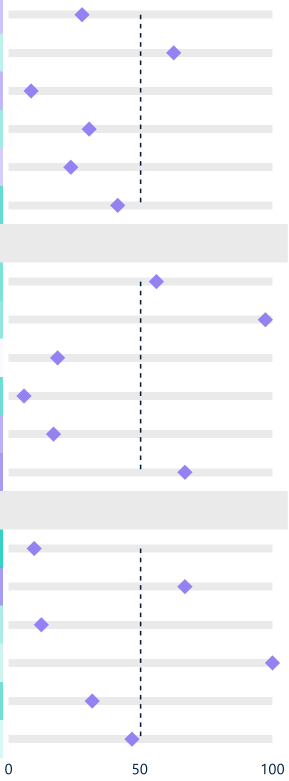
Regional FX breakdown

Performance review, paired with the currency pairs' volatility profile

Appreciation Depreciation

	Spot	MTD % change	1-year % change	Spot vs. 200D avg	3-month range	In-range level
EU						
EUR/AUD	1.629	0.0%	-7.3%	-5.2%	4.5%	24%
EUR/JPY	185.5	1.0%	13.4%	2.4%	3.3%	60%
EUR/CZK	24.28	-0.4%	-2.6%	-0.2%	1.5%	17%
GBP/JPY	214	0.4%	9.7%	2.8%	3.5%	65%
GBP/AUD	1.879	-0.5%	-10.4%	-4.8%	4.5%	29%
GBP/CAD	1.855	0.4%	-0.5%	0.1%	3.8%	76%
NAM						
AUD/USD	0.7153	-0.7%	11.3%	5.0%	6.3%	72%
NZD/GBP	0.4411	1.5%	-0.4%	1.5%	3.7%	67%
USD/CHF	0.7847	0.4%	-5.1%	-0.8%	4.7%	47%
EUR/CAD	1.609	1.0%	3.0%	-0.3%	4.0%	75%
EUR/CNY	7.897	-1.4%	-2.8%	-3.2%	3.2%	13%
USD/CNY	6.778	-0.9%	-5.8%	-3.0%	2.2%	0.4%
APAC						
AUD/JPY	114	1.1%	22.4%	7.8%	5.3%	87%
USD/CNY	6.778	-0.9%	-5.8%	-3.0%	2.2%	0.4%
EUR/SGD	1.487	-0.5%	2.1%	-0.8%	2.7%	63%
AUD/NZD	1.208	-0.9%	12.2%	3.5%	4.1%	57%
AUD/SGD	0.9135	-0.4%	10.2%	4.5%	4.8%	73%
AUD/CNY	4.851	-1.3%	4.9%	2.0%	4.9%	56%

Volatility percentile*



* 1-month stdev, percentile-ranked over a 1-year window | Source: Convera, Macrobond - 28 May 2026

AUD/JPY. The clearest trend leader on the entire board. AUD/JPY is up 22.6% y/y, sits a hefty 8.0% above its 200-day average, and is trading at an 87% in-range level, which places it close to the top of its three-month range. What makes the move more impressive is that its volatility percentile looks relatively low, implying the advance has been persistent rather than disorderly.

AUD crosses more broadly. The broader AUD complex is the dominant macro theme. AUD/NZD (+12.8% y/y, +4.7% vs 200D, 85% in-range) and AUD/SGD (+10.4% y/y, +4.9% vs 200D, 80% in-range) confirm that the strength is not isolated to JPY alone. Even AUD/USD, despite a softer -0.4% MTD, still carries a strong +11.3% y/y return and remains +5.4% above its 200-day average, with spot at 76% of its three-month range. In other words, AUD still screens as one of the strongest directional blocs even after some short-term consolidation.

USD/CNY This is the most obvious downside outlier. USD/CNY is down 5.7% y/y, trades 2.9% below its 200-day average, and sits at just 3.7% in-range, which is effectively pinned near the bottom of its three-month band. That combination makes it the table's most extended bearish trend by range positioning.

JPY crosses. The JPY-cross complex remains structurally firm, but the trend quality is more mixed than in AUD/JPY. EUR/JPY (+13.2% y/y, +2.2% vs 200D, 52% in-range) and GBP/JPY (+10.1% y/y, +3.1% vs 200D, 73% in-range) both show healthy positive long-term momentum, yet neither is as stretched or as dominant as AUD/JPY. Broadly, the board still reflects persistent JPY underperformance, especially versus higher-beta currencies.

FX forecast scenarios

Future scenarios

	Scenarios	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q1	2028 Q2
USD/CAD	High	1.404	1.442	1.470	1.496	1.517	1.533	1.544	1.549	1.548
	Baseline + σ	1.382	1.403	1.392	1.409	1.407	1.394	1.402	1.399	1.397
	Baseline	**1.372**	**1.383**	**1.382**	**1.379**	**1.377**	**1.374**	**1.372**	**1.369**	**1.367**
	Baseline - σ	1.362	1.363	1.372	1.349	1.347	1.354	1.342	1.339	1.337
	Low	1.341	1.323	1.294	1.263	1.236	1.215	1.200	1.190	1.185
USD/MXN	High	19.12	19.35	19.73	20.18	20.62	21.00	21.31	21.58	21.80
	Baseline + σ	18.19	18.46	18.84	19.54	19.81	20.11	20.44	20.64	20.83
	Baseline	**17.92**	**17.98**	**18.18**	**18.46**	**18.73**	**18.98**	**19.20**	**19.42**	**19.63**
	Baseline - σ	17.65	17.5	17.52	17.38	17.65	17.85	17.96	18.2	18.43
	Low	16.73	16.61	16.64	16.74	16.84	16.96	17.10	17.27	17.46
USD/JPY	High	168.9	174.2	178.9	183.1	185.9	187.6	188.4	188.3	187.3
	Baseline + σ	159.2	159.4	159.0	158.4	156.9	155.4	154.0	152.6	151.3
	Baseline	**159.0**	**159.0**	**158.4**	**157.4**	**155.9**	**154.3**	**152.8**	**151.4**	**150.1**
	Baseline - σ	158.7	158.5	157.7	156.3	154.8	153.1	151.5	150.1	148.9
	Low	152.9	149.3	145.0	140.3	135.8	131.9	128.8	126.5	125.1
USD/CNY	High	7.084	7.173	7.281	7.393	7.485	7.553	7.596	7.619	7.622
	Baseline + σ	7.139	7.31	7.47	7.873	7.861	7.898	7.996	7.967	7.942
	Baseline	**6.869**	**6.83**	**6.81**	**6.793**	**6.781**	**6.768**	**6.756**	**6.747**	**6.742**
	Baseline - σ	6.599	6.35	6.15	5.713	5.701	5.638	5.516	5.527	5.542
	Low	6.653	6.486	6.338	6.194	6.076	5.984	5.915	5.875	5.862

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Future scenarios

	Scenarios	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q1	2028 Q2
EUR/USD	High	1.195	1.223	1.248	1.272	1.296	1.315	1.327	1.334	1.336
	Baseline + σ	1.164	1.172	1.187	1.221	1.226	1.229	1.231	1.231	1.221
	Baseline	**1.154**	**1.162**	**1.167**	**1.171**	**1.176**	**1.179**	**1.181**	**1.181**	**1.181**
	Baseline - σ	1.144	1.152	1.147	1.121	1.126	1.129	1.131	1.131	1.141
	Low	1.114	1.101	1.086	1.070	1.055	1.044	1.035	1.029	1.027
EUR/GBP	High	0.924	0.966	1.020	1.073	1.116	1.150	1.173	1.187	1.190
	Baseline + σ	0.880	0.893	0.910	0.966	0.971	0.974	0.975	0.975	0.967
	Baseline	**0.866**	**0.873**	**0.888**	**0.899**	**0.904**	**0.907**	**0.908**	**0.908**	**0.908**
	Baseline - σ	0.851	0.852	0.865	0.831	0.836	0.839	0.840	0.840	0.848
	Low	0.811	0.789	0.773	0.754	0.733	0.716	0.704	0.697	0.695
EUR/CHF	High	0.994	1.025	1.063	1.100	1.131	1.156	1.174	1.183	1.185
	Baseline + σ	0.931	0.937	0.946	0.997	0.997	0.997	0.996	0.996	0.986
	Baseline	**0.917**	**0.917**	**0.924**	**0.930**	**0.930**	**0.930**	**0.929**	**0.929**	**0.927**
	Baseline - σ	0.902	0.896	0.901	0.862	0.862	0.862	0.861	0.861	0.867
	Low	0.842	0.815	0.795	0.773	0.747	0.728	0.714	0.705	0.701
EUR/CNY	High	8.470	8.776	9.091	9.411	9.706	9.936	10.08	10.16	10.18
	Baseline + σ	7.947	7.959	7.972	8.028	8.042	8.053	8.048	8.040	8.028
	Baseline	**7.933**	**7.939**	**7.950**	**7.961**	**7.975**	**7.986**	**7.981**	**7.973**	**7.969**
	Baseline - σ	7.918	7.918	7.927	7.893	7.907	7.918	7.913	7.905	7.909
	Low	7.412	7.145	6.886	6.631	6.413	6.248	6.123	6.046	6.025

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Future scenarios

	Scenarios	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q1	2028 Q2
EUR/CZK	High	26.61	27.50	28.36	29.07	29.78	30.29	30.62	30.76	30.70
	Baseline + σ	25.04	25.08	25.58	27.08	27.07	26.90	26.72	26.52	26.14
	Baseline	**24.51**	**24.60**	**24.65**	**24.56**	**24.44**	**24.31**	**24.19**	**24.07**	**23.95**
	Baseline - σ	23.97	24.11	23.71	22.03	21.80	21.71	21.65	21.61	21.75
	Low	22.49	21.86	21.20	20.42	19.62	18.99	18.52	18.20	18.03
EUR/PLN	High	4.611	4.745	4.892	5.040	5.187	5.293	5.363	5.402	5.407
	Baseline + σ	4.383	4.362	4.411	4.644	4.668	4.658	4.647	4.676	4.629
	Baseline	**4.277**	**4.267**	**4.267**	**4.267**	**4.266**	**4.257**	**4.246**	**4.238**	**4.230**
	Baseline - σ	4.170	4.171	4.122	3.889	3.863	3.855	3.844	3.799	3.830
	Low	3.955	3.814	3.685	3.558	3.435	3.334	3.260	3.216	3.198
USD/CZK	High	22.26	22.47	22.71	22.84	22.96	23.03	23.06	23.05	22.98
	Baseline + σ	21.32	21.25	21.25	21.33	21.18	21.01	20.88	20.80	20.65
	Baseline	**21.22**	**21.16**	**21.11**	**20.96**	**20.78**	**20.61**	**20.48**	**20.37**	**20.26**
	Baseline - σ	21.11	21.06	20.96	20.58	20.37	20.20	20.07	19.93	19.86
	Low	20.19	19.84	19.51	19.08	18.59	18.19	17.89	17.68	17.55
USD/PLN	High	3.857	3.879	3.918	3.959	4.000	4.023	4.039	4.049	4.047
	Baseline + σ	3.809	3.765	3.799	4.018	4.029	4.009	3.995	4.025	3.978
	Baseline	**3.703**	**3.670**	**3.655**	**3.641**	**3.627**	**3.608**	**3.594**	**3.587**	**3.579**
	Baseline - σ	3.596	3.574	3.510	3.263	3.224	3.206	3.192	3.148	3.179
	Low	3.550	3.462	3.391	3.323	3.255	3.193	3.149	3.124	3.112

Chart sources: Oxford Economics, Bloomberg, Convera – May 29, 2026. 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	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q1	2028 Q2
GBP/USD	High	1.372	1.395	1.403	1.418	1.438	1.456	1.469	1.476	1.478
	Baseline + σ	1.343	1.351	1.323	1.342	1.339	1.339	1.34	1.34	1.34
	Baseline	**1.333**	**1.331**	**1.313**	**1.302**	**1.299**	**1.299**	**1.3**	**1.3**	**1.300**
	Baseline - σ	1.323	1.311	1.303	1.262	1.259	1.259	1.26	1.26	1.26
	Low	1.293	1.266	1.223	1.186	1.160	1.143	1.130	1.123	1.121
GBP/EUR	High	1.231	1.267	1.292	1.324	1.363	1.394	1.419	1.434	1.438
	Baseline + σ	1.176	1.174	1.159	1.212	1.206	1.201	1.200	1.200	1.187
	Baseline	**1.154**	**1.144**	**1.124**	**1.111**	**1.105**	**1.101**	**1.100**	**1.100**	**1.100**
	Baseline - σ	1.131	1.113	1.088	1.009	1.003	1.000	0.999	0.999	1.012
	Low	1.082	1.035	0.979	0.931	0.895	0.869	0.851	0.842	0.839
GBP/JPY	High	231.8	243.2	251.1	259.7	267.5	273.3	276.8	278.0	276.9
	Baseline + σ	212.0	211.7	208.1	205.1	202.7	200.7	198.7	196.9	195.2
	Baseline	**212.0**	**211.7**	**208.1**	**205.0**	**202.6**	**200.6**	**198.6**	**196.8**	**195.2**
	Baseline - σ	211.9	211.6	208.0	204.8	202.4	200.4	198.4	196.6	195.1
	Low	197.9	189.1	177.4	166.5	157.7	150.8	145.7	142.2	140.3
GBP/AUD	High	2.056	2.101	2.125	2.161	2.206	2.242	2.267	2.279	2.279
	Baseline + σ	1.889	1.882	1.854	1.898	1.890	1.886	1.882	1.878	1.862
	Baseline	**1.867**	**1.852**	**1.819**	**1.797**	**1.789**	**1.786**	**1.782**	**1.778**	**1.775**
	Baseline - σ	1.844	1.821	1.783	1.695	1.687	1.685	1.681	1.677	1.687
	Low	1.686	1.619	1.536	1.465	1.417	1.381	1.356	1.339	1.333

Chart sources: Oxford Economics, Bloomberg, Convera – May 29, 2026. 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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Future scenarios

	Scenarios	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q1	2028 Q2
GBP/CAD	High	1.926	2.013	2.063	2.121	2.183	2.234	2.268	2.287	2.289
	Baseline + σ	1.856	1.894	1.842	1.891	1.885	1.868	1.878	1.874	1.871
	Baseline	**1.829**	**1.840**	**1.815**	**1.796**	**1.790**	**1.787**	**1.783**	**1.780**	**1.777**
	Baseline - σ	1.801	1.785	1.787	1.700	1.694	1.705	1.687	1.685	1.682
	Low	1.735	1.675	1.582	1.498	1.435	1.389	1.357	1.337	1.330
GBP/CHF	High	1.141	1.169	1.196	1.225	1.255	1.280	1.299	1.310	1.311
	Baseline + σ	1.079	1.079	1.074	1.118	1.112	1.122	1.121	1.120	1.118
	Baseline	**1.058**	**1.050**	**1.040**	**1.033**	**1.027**	**1.024**	**1.023**	**1.022**	**1.020**
	Baseline - σ	1.036	1.020	1.005	0.947	0.941	0.925	0.924	0.923	0.921
	Low	0.978	0.937	0.895	0.857	0.822	0.797	0.780	0.770	0.766
GBP/NOK	High	14.23	14.50	14.87	15.30	15.75	16.11	16.35	16.46	16.43
	Baseline + σ	12.75	12.44	12.23	12.12	12.03	11.96	11.90	11.84	11.76
	Baseline	**12.73**	**12.42**	**12.20**	**12.04**	**11.95**	**11.87**	**11.81**	**11.75**	**11.67**
	Baseline - σ	12.70	12.39	12.16	11.95	11.86	11.77	11.71	11.65	11.57
	Low	11.68	10.94	10.32	9.760	9.313	8.973	8.727	8.560	8.467
GBP/CNY	High	9.721	10.01	10.22	10.48	10.76	11.00	11.16	11.24	11.26
	Baseline + σ	9.177	9.120	8.978	8.931	8.899	8.896	8.881	8.869	8.864
	Baseline	**9.156**	**9.091**	**8.944**	**8.846**	**8.814**	**8.798**	**8.783**	**8.771**	**8.766**
	Baseline - σ	9.134	9.061	8.909	8.760	8.728	8.699	8.684	8.672	8.667
	Low	8.609	8.213	7.752	7.347	7.054	6.841	6.690	6.601	6.577

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Future scenarios

	Scenarios	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q1	2028 Q2
AUD/USD	High	0.767	0.781	0.796	0.809	0.819	0.827	0.833	0.838	0.841
	Baseline + σ	0.728	0.743	0.748	0.755	0.757	0.758	0.755	0.756	0.758
	Baseline	**0.713**	**0.718**	**0.722**	**0.724**	**0.726**	**0.727**	**0.729**	**0.730**	**0.732**
	Baseline - σ	0.697	0.692	0.695	0.692	0.694	0.695	0.702	0.703	0.705
	Low	0.667	0.664	0.660	0.656	0.652	0.649	0.648	0.647	0.648
AUD/EUR	High	0.688	0.709	0.732	0.755	0.776	0.792	0.805	0.814	0.818
	Baseline + σ	0.638	0.654	0.649	0.641	0.640	0.639	0.632	0.633	0.639
	Baseline	**0.618**	**0.617**	**0.618**	**0.618**	**0.617**	**0.616**	**0.617**	**0.618**	**0.619**
	Baseline - σ	0.597	0.579	0.586	0.594	0.593	0.592	0.601	0.602	0.598
	Low	0.557	0.542	0.529	0.515	0.502	0.493	0.488	0.485	0.485
AUD/NZD	High	1.299	1.377	1.395	1.415	1.429	1.439	1.444	1.445	1.439
	Baseline + σ	1.182	1.235	1.207	1.179	1.161	1.145	1.125	1.115	1.112
	Baseline	**1.162**	**1.198**	**1.176**	**1.156**	**1.138**	**1.122**	**1.110**	**1.100**	**1.092**
	Baseline - σ	1.141	1.160	1.144	1.132	1.114	1.098	1.094	1.084	1.071
	Low	1.043	1.045	0.994	0.946	0.906	0.874	0.850	0.834	0.825
AUD/CNY	High	5.436	5.609	5.796	5.983	6.132	6.250	6.335	6.389	6.411
	Baseline + σ	4.922	4.943	4.947	4.946	4.947	4.949	4.942	4.946	4.958
	Baseline	**4.902**	**4.906**	**4.916**	**4.923**	**4.924**	**4.926**	**4.927**	**4.931**	**4.938**
	Baseline - σ	4.881	4.868	4.884	4.899	4.900	4.902	4.911	4.915	4.917
	Low	4.439	4.308	4.186	4.063	3.962	3.886	3.833	3.805	3.803

Chart sources: Oxford Economics, Bloomberg, Convera – May 29, 2026. 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.

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^Options products are not available in Hong Kong.
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