Global FX Outlook

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SMART MONEY MOVES™

August 2026

The big picture

No peace, no panic

July exposed the fragility of the assumption that geopolitical risks were steadily fading. Just weeks after the US and Iran signed a memorandum of understanding intended to pave the way for a lasting peace agreement, hostilities escalated sharply. Brent crude rose more than 30% from its June lows and the Strait of Hormuz effectively closed once again. This revived inflation concerns and reinforced the higher-for-longer rates narrative.

This backdrop initially appeared supportive of the US dollar. Yet the greenback failed to establish broad leadership across G10, highlighting that geopolitical tensions and higher oil prices alone were no longer sufficient to drive sustained USD gains.

At the same time, low volatility and resilient risk appetite continued to underpin carry trades. High-yielding currencies remained among the month's strongest performers despite escalating geopolitical tensions. Whether that confidence proves justified remains an open question

Should elevated energy prices begin to erode growth expectations and spark a more meaningful risk-off episode, the unwind of crowded carry positions could emerge as a dominant market theme in the months ahead.

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 4 – click here

Despite falling in July, the US dollar index remains over 2% stronger year-to-date and speculative traders continue to build on bullish bets.

EU

Slide 11 – click here

The euro continues to hover around the 1.14 pivot point, influenced by rate differentials as energy prices soar again.

UK

Slide 13 – click here

The pound briefly climbed above 1.18 versus the euro, its highest level in a year. But the move increasingly looked disconnected from underlying rate differentials.

AU

Slide 17 – click here

AUD/USD has faded into mid-year as the twin engines of its earlier outperformance, rate differentials and the terms of trade, have run their course.

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Global macro pulse

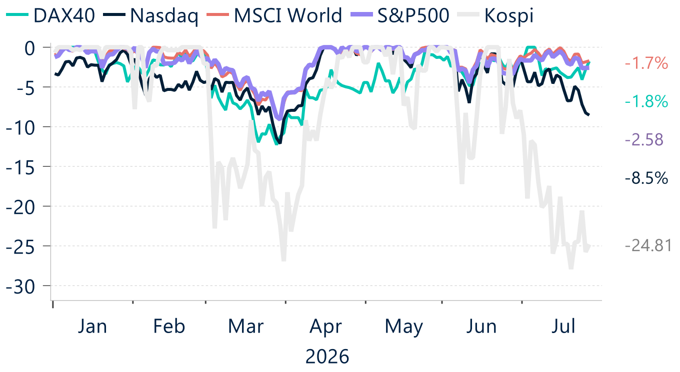
Key market themes to watch

The AI trade under pressure

Concerns over AI spending and lofty valuations continue to dent confidence in the crowded trade, pushing AI-focused equity indices to multi-month lows. The bar for companies to satisfy investors is rising, with even strong earnings often failing to lift sentiment. Adding to the pressure are higher energy prices, and intensifying competition from China. Together, they form a toxic cocktail: companies must absorb higher input costs while maintaining competitive prices, all under the scrutiny of an increasingly impatient investor base.

Kospi in a bear market

Equity drawdown from recent peak in %



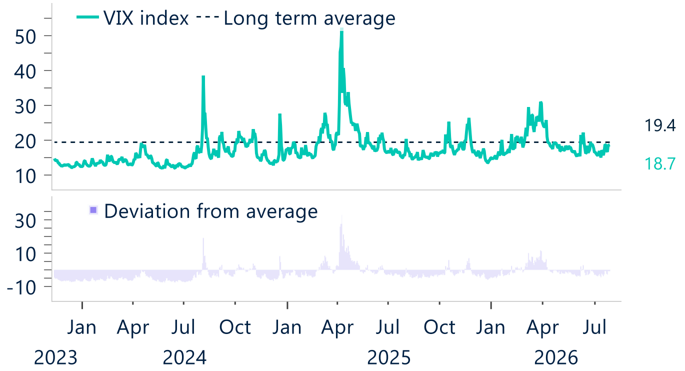
Source: Convera, Macrobond

Escalate to de-escalate

Developments in the Middle East continue to dominate headlines as the US and Iran spent much of July trading fire despite signing a memorandum of understanding aimed at fostering a more durable peace. Both sides accuse the other of breaching the agreement, with deep-rooted distrust clouding the outlook. Yet markets remain convinced that diplomacy will ultimately prevail, largely shrugging off periodic flare-ups. The latest escalation was the biggest test yet of the "escalate to de-escalate" dynamic, and for now, it has held.

Volatility regime surprisingly subdued

VIX and deviation from long-term mean



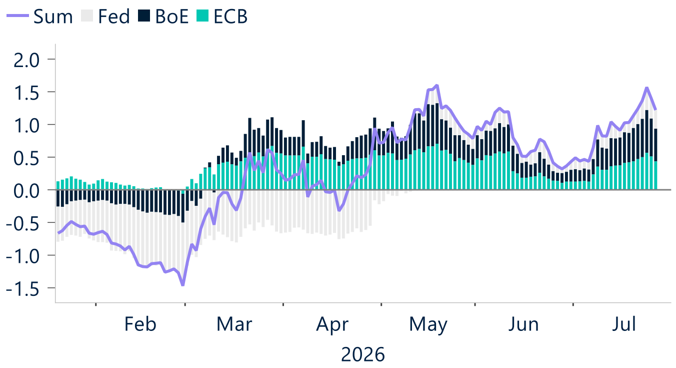
Source: Convera, Macrobond

To hike or not to hike

Inflation releases in August will matter more than any central bank commentary. With policymakers offering little guidance on this year's tightening path, investors will look to incoming data for direction. June's inflation prints were softer than expected, but it may be too soon to declare the peak behind us given the recent re-escalation in geopolitical tensions. Markets remain priced for a hawkish outcome, with more than one full rate hike still priced for the major Banks. However, if oil prices continue to ease, we expect that bias to gradually unwind.

Is the hawkish consensus bound to unwind?

Cumulative rate hikes/cuts priced in - next 24 months

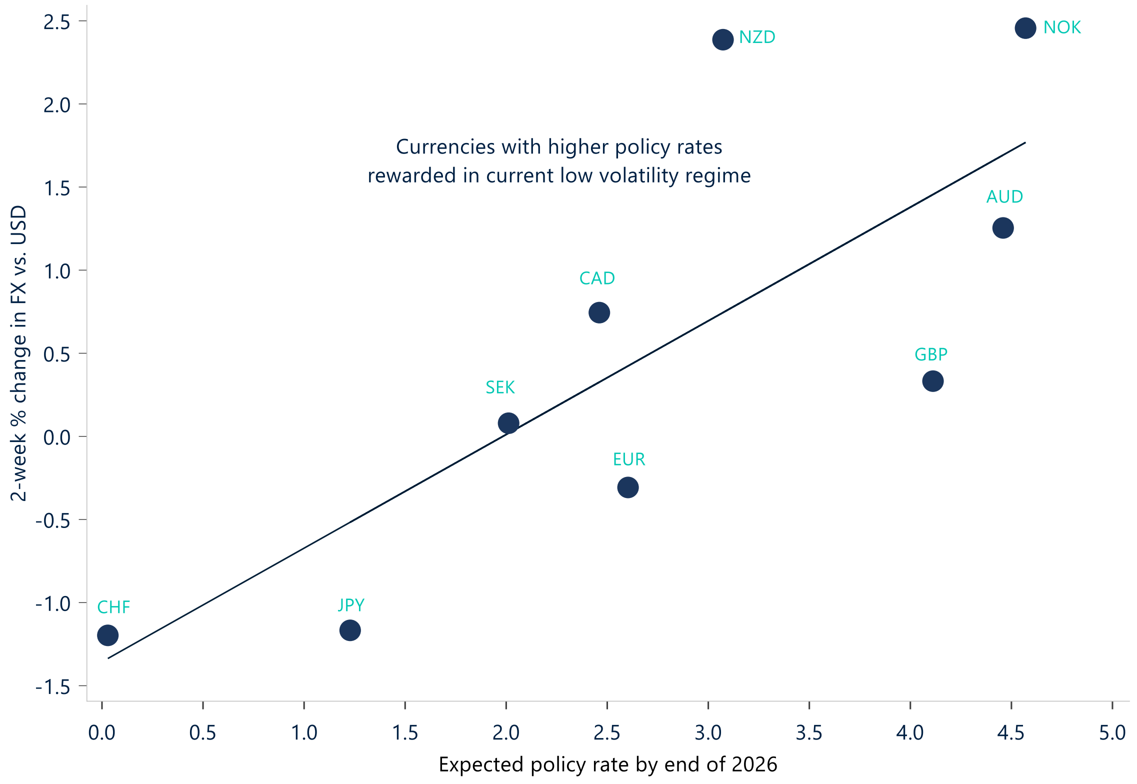


Source: Convera, Macrobond

Theme in focus: Priced for hikes, trading carry

Carry on regardless: in yield we trust

Central bank rate expectations and G10 FX returns vs the USD



Source: Convera, Macrobond

While markets have become increasingly hawkish, many economists remain more cautious, arguing that fading inflation risks and tighter financial conditions should reduce the need for the full extent of tightening currently priced in.

For FX markets, the key variable is not the absolute level of interest rates but how expected policy paths differ across economies. As the old adage goes, "currencies trade on the path of rates, not the level of rates."

Yet despite repeated swings in global rate expectations, changes in relative policy outlooks have often been more modest, limiting sustained FX moves. This has created the volatility paradox: carry trades have flourished despite volatile rate expectations because realized FX volatility has remained remarkably low. With geopolitical tensions and shifting central-bank signals failing to generate significant currency volatility, investors have continued to harvest yield differentials, making carry a dominant FX theme.

The key question is what ultimately breaks this regime. Back in March, the focus was on duration and degree. The market impact of a geopolitical shock depends less on the initial headline and more on how long disruption lasts, how intense it becomes and how far it spreads. That framework remains relevant today because it will determine whether current rate pricing is ultimately validated. A prolonged disruption could reignite inflation pressures, validate the market's higher-for-longer narrative, hit risk sentiment and trigger volatility, thus challenging the carry trade backdrop.

Key market events to watch

August 2026

Americas

3 - ISM Mfg PMI
5 - ADP Employment Change
5 - ISM Services PMI
7 - Jobs Report
12 - CPI
14 - Retail Sales
18 - Industrial Production
21 - S&P PMIs
26 - GDP

4 - S&P PMIs
7 - Unemployment Rate
17 - CPI
28 - GDP

Europe

13 - GDP
13 - Industrial Production
18 - Unemployment Rate
19 - CPI
21 - Retail Sales
21 - S&P PMIs

14 - GDP
21 - S&P PMIs

7 - Industrial Production
18 - ZEW Economic Sentiment
21 - S&P PMIs
25 - IFO Business Climate
28 - Unemployment Rate
31 - CPI

APAC

11 - Policy Rate Decision
20 - Unemployment Rate

4 - Unemployment Rate

17 - GDP
21 - CPI
21 - S&P PMIs
28 - Unemployment Rate
31 - Industrial Production

3 - RatingDog Mfg PMI
9 - CPI
17 - Retail Sales
17 - Industrial Production
31 - NBS Mfg PMI

Source: Convera, Bloomberg – June 26, 2026. Dates BST.

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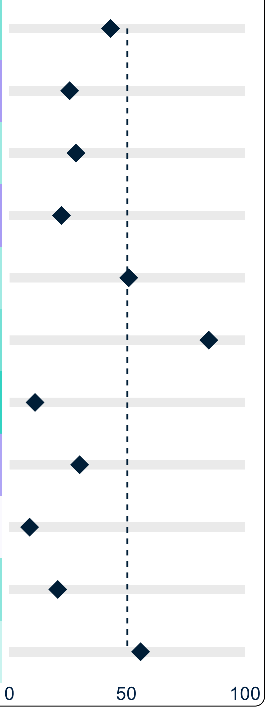
Global FX pulse

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	Volatility percentile*
NZD/USD	0.5875	3.5%	-0.3%	0.9%	6.3%	68%	
AUD/USD	0.7035	1.7%	9.5%	1.8%	5.8%	41%	
GBP/USD	1.346	1.5%	1.9%	0.5%	3.8%	63%	
EUR/USD	1.152	0.8%	0.9%	-1.0%	4.1%	41%	
GBP/EUR	1.169	0.6%	1.0%	1.4%	3.2%	62%	
EUR/PLN	4.311	0.3%	0.8%	1.5%	2.9%	69%	
USD/HKD	7.841	0.0%	-0.1%	0.3%	0.2%	80%	
EUR/CZK	24.22	-0.2%	-1.5%	-0.3%	1.4%	42%	
USD/SGD	1.282	-0.9%	-1.2%	-0.1%	2.7%	50%	
USD/CAD	1.401	-1.3%	1.1%	1.2%	4.8%	65%	
USD/JPY	160.1	-1.5%	6.2%	1.3%	5.6%	57%	



* 1-month stdev, percentile-ranked over a 1-year window | Source: Convera, Macrobond - 31 July 2026

Winner

NZD

The New Zealand dollar has recently been one of the standout performers in G10, with swaps now implying more than four rate hikes from the RBNZ by the middle of 2027.

Loser

USD

The USD's failure to capitalize on rising geopolitical tensions highlights a higher threshold for further gains in the absence of a broader risk-off shock.

Volatility check

EUR/PLN

Whilst the kiwi moved the most, it was the zloty that proved most volatile, hit by a surprisingly dovish National Bank of Poland meeting.

US dollar

Neutral one-month bias

Review

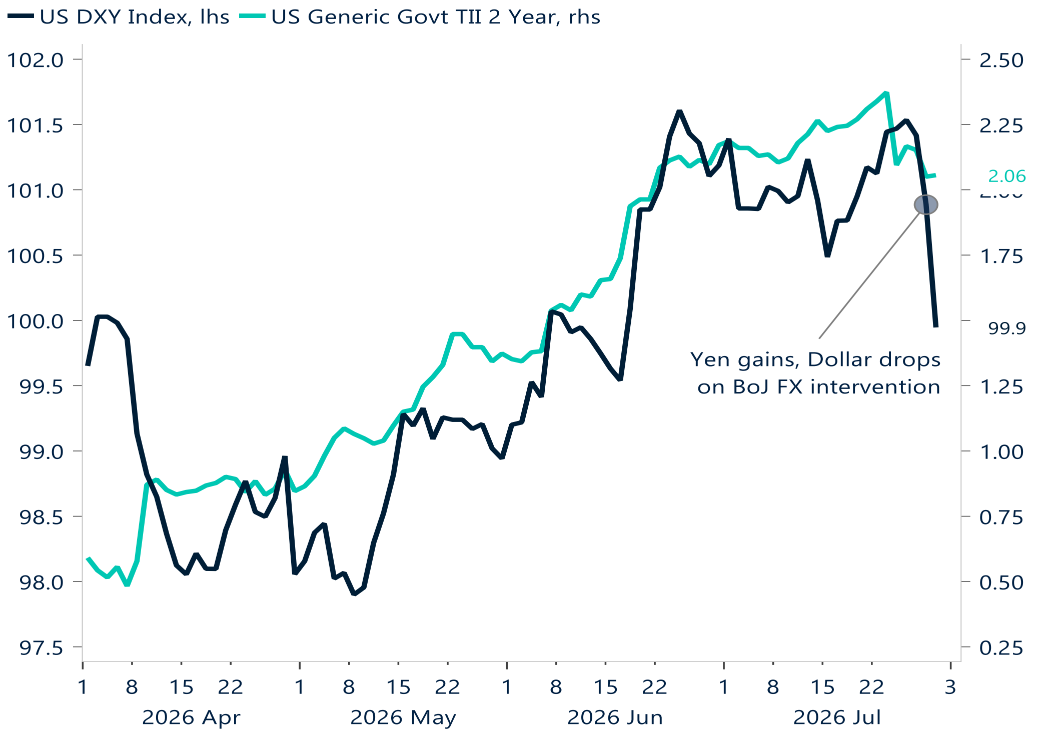
In July, the US dollar moved from a cleaner rates breakout into a more complicated mix of softer inflation, renewed oil risk, AI-led growth optimism, Fed communication, and late-month FX intervention pressure. Early in the month, the dollar steadied as geopolitical tensions resurfaced, but markets remained reluctant to price a full-blown energy crisis. The first major reset came with June CPI: headline inflation fell more than expected, core was flat on the month, and the dollar softened as rate-hike concerns eased. That relief did not last. When the US-Iran truce unraveled, crude rebounded, yields rose, and the dollar found support again through the inflation and policy-pressure channel. By late July, the rates move became the more important signal. The dollar rally and risk pullback were driven less by oil alone and more by a bond market reassessment of whether policy was restrictive enough for an economy still supported by resilient consumers, strong technology investment, and a higher implied growth path. But the Fed meeting brought no hike and no clear guidance, while BoJ intervention helped drive a sharp yen rebound, leaving DXY on track to end July close to 1% lower.

Outlook

Looking ahead, the dollar's August path depends on whether late-July risks stay contained or harden into a broader policy problem. The Fed remains central to risk: Warsh has avoided setting out a clear rate path, inflation-adjusted yields are still firming, and markets continue to price a meaningful chance that policy may need to stay tighter for longer. If oil stabilizes and the Fed stays on hold without validating hike pricing, the dollar bid should fade and the breakout could settle back into range trading. BoJ intervention adds another pressure point, especially if yen strength continues after its post-Fed surge. But if energy volatility persists, the Fed may put more weight on underlying demand, the AI investment cycle, and a potentially higher neutral-rate backdrop than on one soft CPI print. That would keep the dollar supported through rates, relative growth, and renewed confidence in the US macro story. For now, the base case is a firm but volatile USD: supported by real rates, Fed uncertainty and residual haven demand, but vulnerable to pauses whenever softer inflation, yen strength, or stretched positioning reduce the urgency to chase.

Front-end yields + intervention to keep steering the US dollar

US DXY Index and US 2-year inflation-linked yields



Source: Convera, Macrobond

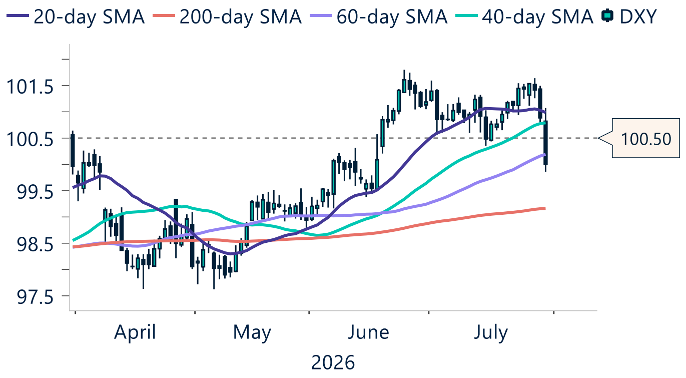
USD: Three signals that matter

1. Fundamentals

- After being close to one-year high, the Dollar Index drops ending July on no Fed hike and Bank of Japan intervention
- With renewed hostilities between US-Iran conflict, the Fed's path remains as uncertain as it's been over the past couple of months.
- Q2 growth came below expectations due to volatile segments, but beyond the headline, consumer and investment remains steady.

No Fed hike and Yen intervention send dollar down

DXY daily chart and technicals



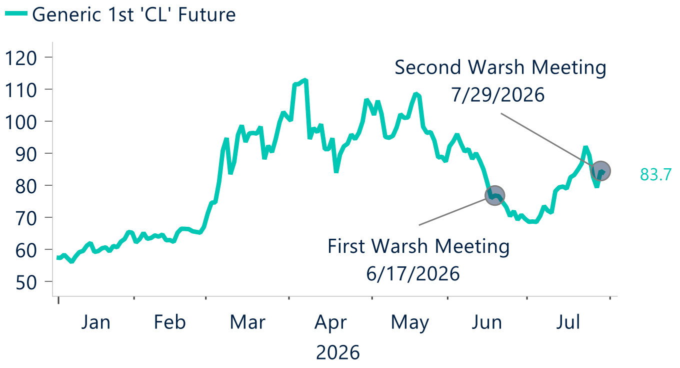
Source: Convera, Macrobond

2. Market dynamics

- It's two meetings under Warsh now, inflation will remain the focus as employment and growth remain steady.
- Oil volatility will continue playing a key risk to US inflation in the second half of the year.
- Rising real yields and risk-off episodes, have given the US dollar a steady support short-term.

Oil volatility remains a key risk to US inflation

Oil, WTI futures



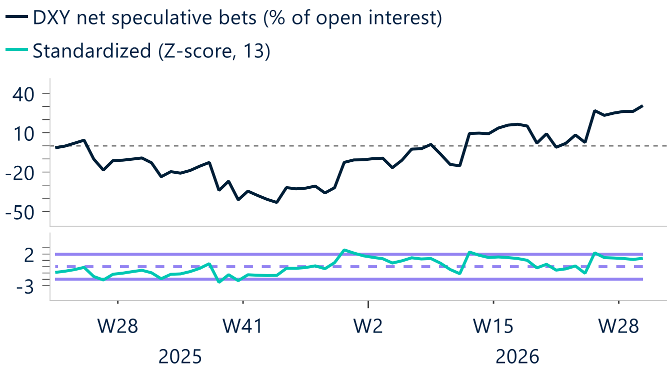
Source: Convera, Macrobond

3. Sentiment/positioning

- Despite of the drop ending July, traders remain USD long.
- After the conflict started, the energy shock has essentially erased any hope for interest rate cuts this year.
- Policy premium has slowly faded as Fed's reasserted independence puts macro and monetary policy path back in focus.

Traders stay USD long

CFTC net non-commerical futures positions



Source: Convera, Macrobond

Euro

Mildly bullish one-month bias

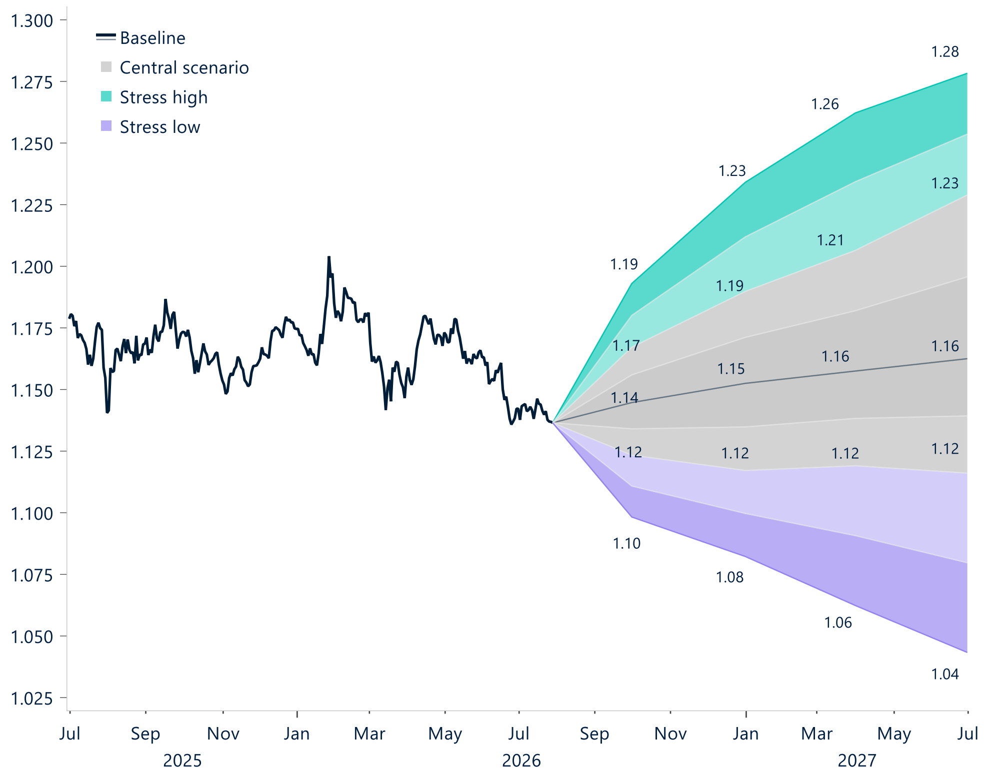
Review

A sharp resurgence in US-Iran tensions in July weighed modestly on EUR/USD. The euro tends to take on risk-sensitive characteristics when geopolitical tensions rise, reflecting the eurozone's dependence on imported energy. As oil prices briefly approached $100 a barrel, the single currency came under some pressure. That said, markets stopped well short of full risk-off mode, continuing to view the flare-up as part of a broader negotiation framework. EUR/USD price action reflected that view, with the pair largely rangebound between 1.1350 and 1.1450 throughout July. The euro weakened more noticeably against commodity-linked currencies, particularly the AUD, CAD and NZD. Higher oil prices and only limited risk aversion created a supportive backdrop for those currencies. EUR/USD recovered some ground at month-end after a Fed meeting that failed to deliver a more hawkish stance many had anticipated.

Outlook

The euro is likely to continue struggling to benefit from the ECB's tightening bias. Markets already lean hawkish, with one full hike and around a 50% chance of a second priced in by year-end. With the de-escalation narrative bruised but still intact, the scope for further hawkish repricing appears limited. At the same time, lingering concerns about the eurozone growth outlook continue to dilute the currency support typically associated with higher rates. That leaves the Fed outlook doing much of the heavy lifting for EUR/USD. In our view, the recent de-escalation has delayed, rather than eliminated, the eventual unwinding of hawkish Fed expectations, which should help support the pair. A Fed Chair reluctant to provide clear forward guidance further weakens the case for a more hawkish policy path. A mildly bullish view on EUR/USD through August hinges on softer-than-expected US macro data and de-escalation momentum regaining traction.

EUR/USD future scenarios



Sources: Convera, Oxford Economics, Macrobond. 29 July 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

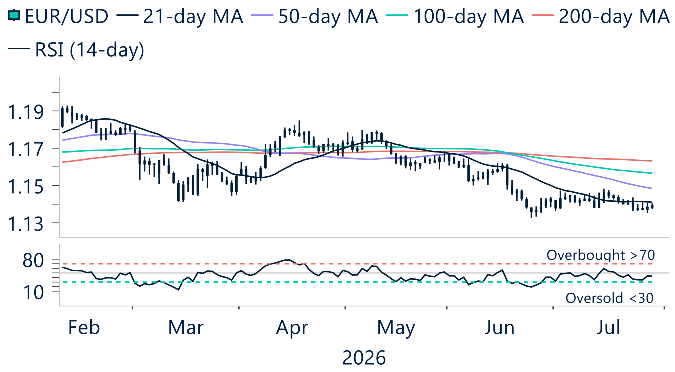
EUR: Three signals that matter

1. Price action

- EUR/USD spent July hovering around 1.14, zigzagging around its 21-day moving average, a sign that the bearish bias has lost some momentum.
- The pair is broadly flat on a month-to-date basis and down 3% year-to-date. Markets remain in consolidation mode as investors reassess the pair's key catalysts: geopolitical risks and central bank outlooks.

EUR/USD spent July hovering around 1.14

EUR/USD daily developments & technicals



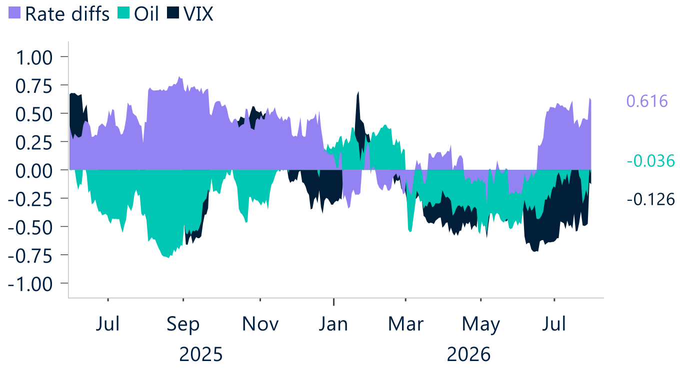
Source: Convera, Macrobond

2. Market dynamics

- Rate differentials have become a more important driver of EUR/USD since the conflict erupted earlier this year. However, the pair has been more sensitive to the US side of the equation, helping explain its downside bias this summer amid a hawkish Fed.
- Risk sentiment remains relevant for EUR/USD, but the bar for a meaningful market reaction has risen as investors increasingly view the conflict as a persistent backdrop rather than an imminent systemic threat.

Rate spreads re-gain influence over EUR/USD

1M correlations: EUR/USD changes vs Brent, rate diffs, VIX



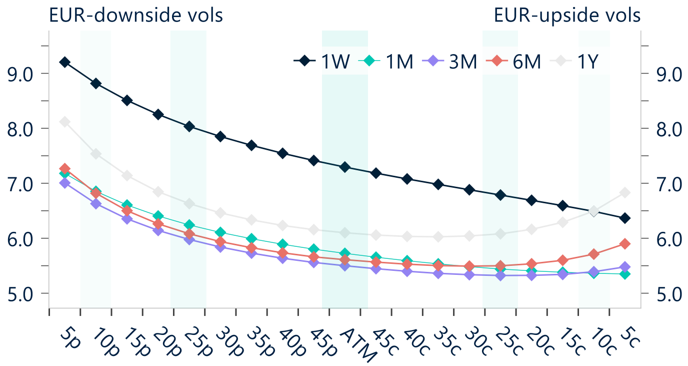
Source: Convera, Macrobond

3. Sentiment/positioning

- Investors continue to pay up for EUR/USD downside protection across tenors, reflecting lingering caution towards the euro. Geopolitical risks remain a drag, while a more hawkish ECB has offered limited support to the common currency.
- Notably, the 1-year tenor shows a steeper right wing, hinting at some demand for EUR/USD upside optionality. This fits with expectations of a more dovish Fed heading into 2027.

Lingering EUR caution

EUR/USD smile: implied vols for puts, ATM, and calls



Source: Convera, Macrobond

British pound

Neutral one-month bias

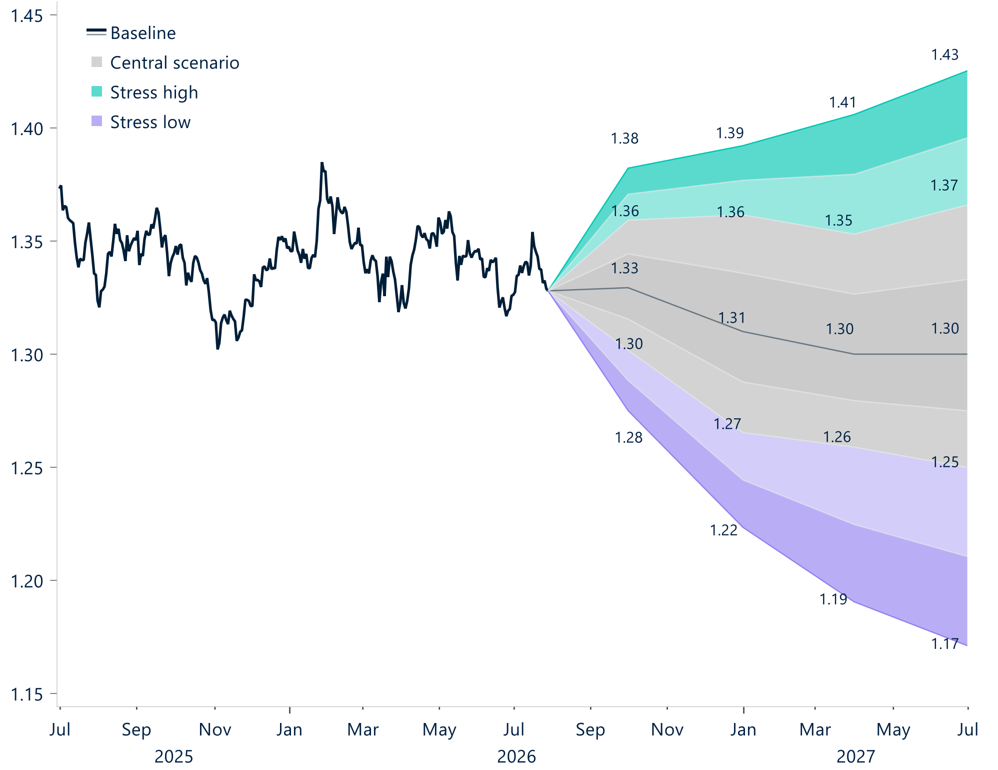
Review

Sterling enjoyed a broadly constructive July, outperforming most G10 peers despite a more challenging global backdrop emerging later in the month. The pound benefited initially from a combination of carry demand and easing UK political risk, with markets welcoming the orderly transition from Keir Starmer to Andy Burnham. GBP/EUR surged above 1.18 to a fresh one-year high, while GBP/JPY reached its highest level since 2008 and GBP/USD rallied to its highest level since mid-May. As the month progressed, the relief rally around UK politics faded, while renewed Middle East tensions and rising oil prices revived the terms-of-trade narrative. Sterling's rate advantage became less influential, resilient UK data failed to meaningfully support and the BoE left rates unchanged, with a slight dovish lean in rhetoric. By month-end, sterling had surrendered a large chunk of its July gains, particularly against the euro and commodity-linked peers.

Outlook

Sterling's outlook is becoming increasingly dependent on whether its yield advantage can be maintained. Earlier in the summer, low volatility and hawkish BoE pricing created an attractive carry backdrop. That support looks vulnerable if volatility rises and geopolitical tensions continue to undermine risk sentiment. Meanwhile, the political relief trade is entering a more challenging phase. Burnham's early spending commitments have already revived questions around fiscal discipline, and scrutiny is likely to intensify ahead of the Autumn Budget. Any perceived loosening of fiscal policy could reintroduce a UK-specific risk premium, weighing on both gilts and the pound. While elevated GBP short positioning may help limit downside, it is unlikely to drive a recovery on its own. However, if fiscal credibility is preserved and sentiment improves, positioning could amplify sterling's upside if yields and carry continue exerting greater influence on FX markets.

GBP/USD future scenarios



Sources: Convera, Oxford Economics, Macrobond. 29 July 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

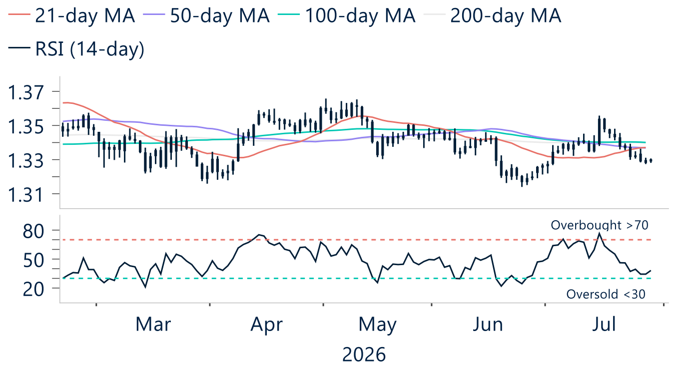
GBP: Three signals that matter

1. Price action

- GBP/USD extended its recovery from late-June lows, rallying more than 3% to a three-month peak above 1.35 by mid-July. However, momentum faded sharply, with the pair back below all major daily moving averages by month-end before stabilising around 1.33.
- The 100-week moving average near 1.32 remains the key downside marker, while a cluster of daily and weekly moving averages around 1.34 now presents an important resistance zone.

Bearish bias intact below key moving averages

GBP/USD daily developments & technicals



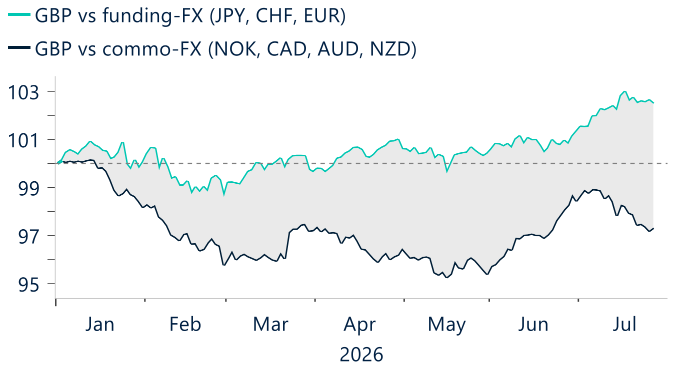
Source: Convera, Macrobond

2. Market dynamics

- Sterling's relative performance continues to highlight the market forces shaping FX. The pound has consistently outperformed traditional funding currencies such as the EUR, JPY and CHF, benefiting from its yield advantage in a low-volatility environment.
- By contrast, it has lagged commodity-linked currencies, reflecting the renewed influence of energy prices and terms-of-trade dynamics. The key question is whether these trends persist.

Sterling's fortunes between carry and commo

GBP vs G10 peers, indexed to 100 = 01.01.2026



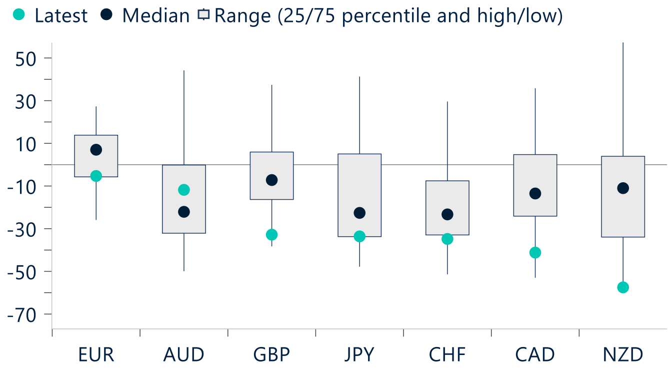
Source: Convera, Macrobond

3. Sentiment/positioning

- Positioning data shows GBP shorts remain elevated by historical standards, highlighting lingering scepticism towards the pound despite its recent gains. From a contrarian perspective, that could prove supportive.
- Stretched bearish positioning may limit further downside and, if sentiment towards GBP improves, could amplify its upside through short covering. That remains conditional on both the global backdrop and domestic fundamentals, particularly fiscal credibility.

Bearish bets against GBP look stretched

Spec positioning, % of open interest (vs. USD) since 2016



Source: Convera, Macrobond

Canadian dollar

Neutral one-month bias

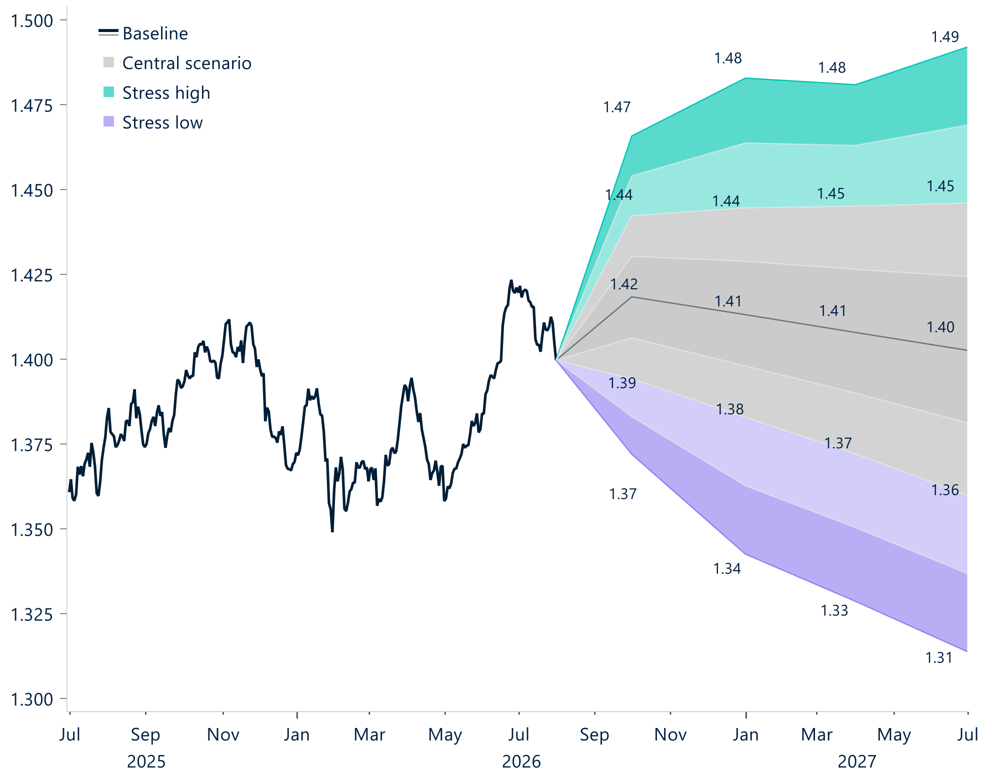
Review

July put USD/CAD in a tug-of-war between softer US data, renewed oil risk, and wide policy divergence. Early in the month, the dollar lost altitude after the payrolls miss, giving CAD a brief window to recover from June's yield shock and CUSMA uncertainty. That relief faded quickly. As the US-Iran truce unraveled, crude rebounded, yields rose, and USD/CAD stayed supported above 1.41. Even though Canada's labor data looked steadier on the surface, the domestic details were still uneven: services carried the job gains, manufacturing remained under pressure, and slack was visible enough to keep the Bank of Canada cautious. The main downside break came after softer US CPI, when rate-hike concerns eased, the two-year yield fell and reinforced with a no hike-no guidance from the Fed, which pushed the USD/CAD toward 1.40. The move was mostly a dollar/yields adjustment rather than a Loonie re-rating, with higher oil offering limited help and trade uncertainty still weighing in the background.

Outlook

For August, USD/CAD likely remains driven by rates, oil, and Canada-specific trade risk. If softer US inflation keeps the Fed from validating hike pricing and US yields drift lower, the pair can extend its end of July move. But CAD needs more than a softer dollar to build a durable recovery. Canada still faces weak manufacturing momentum, cautious Bank of Canada guidance, and lingering CUSMA uncertainty. The latest tariff threat from President Trump adds another layer, with proposed levies on certain Canadian products potentially reaching 50%. The initial CAD reaction was limited, likely because markets still see room for negotiation before implementation, while short CAD positioning, firmer oil, and better retail sales helped cushion the shock. Even so, the episode reinforces Canada's unique exposure to US trade policy. Base case is a choppy USD/CAD range, with weakness harder to sustain unless US yields fall, oil volatility cools, and the Canada trade-risk premium fades.

USD/CAD future scenarios



Sources: Convera, Oxford Economics, Macrobond. 30 July 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

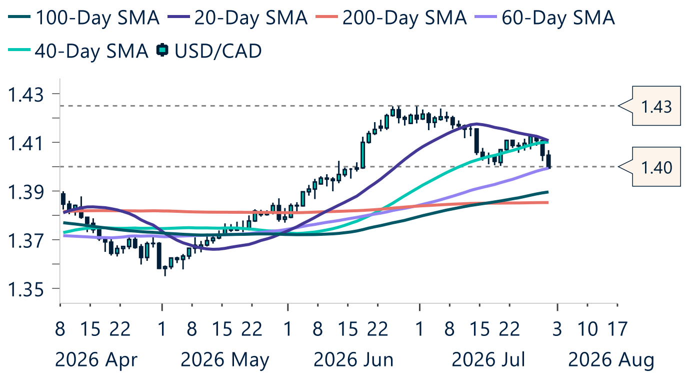
CAD: Three signals that matter

1. Price action

- After breaking decisively past 1.40 back in June and its highest level since April 2025 at 1.424, the USD/CAD has failed to sustain above 1.41.
- Short-term US-CA yield differentials have eased after hitting its highest level since May 2025.
- The price action was over-stretched, market dynamics and sentiment point to a consolidation around 1.40.

USD/CAD consolidates around 1.40

USD/CAD daily chart and technicals



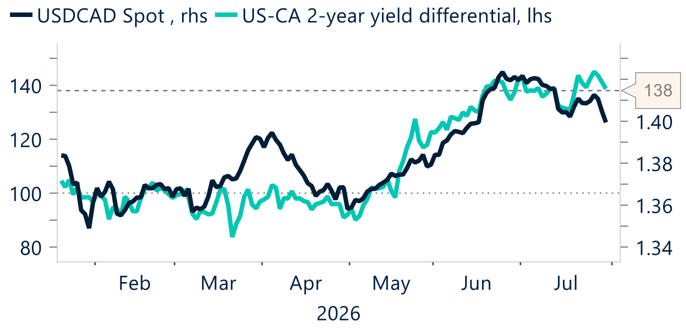
Source: Convera, Macrobond

2. Market dynamics

- Hawkish Fed repricing, a flatter US curve, wider US-Canada rate differentials and fears around the CUSMA review have been main drivers of USD/CAD on the upside.
- Higher crude is limited oil tailwind for USD/CAD, as terms of trade improve.
- Even as headline inflation sits above 3%, markets still expect the BoC to stay on hold for the rest of 2026

Short-term yield spread eases from highest since May '25

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



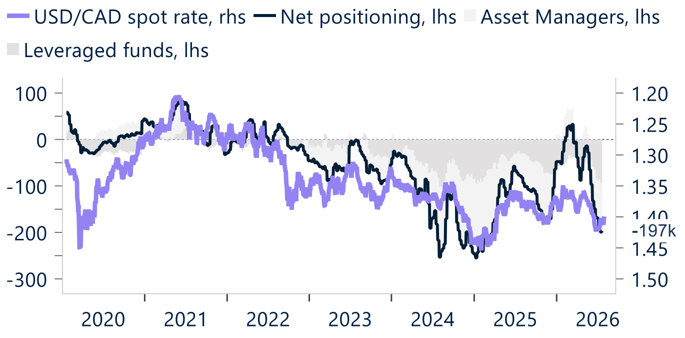
Source: Convera, Macrobond

3. Sentiment/positioning

- Market sentiment has been decisively bearish; but an overshoot beyond 1.42 is unlikely as markets await more data.
- The CUSMA deal has been a major structural headwind over the past year and a half. Markets anticipate high volatility given the new proposed US tariffs on certain Canadian products. Although a limited impact as a share of Canadian exports, US-Canada trade relationship will continue to be a drag and limit any Loonie advances relative to G10 peers.

Contrarian signal on peak pessimism?

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



Source: Convera, Macrobond

Australian dollar

Mildly bullish one-month bias

Review

AUD/USD has faded into mid-year as the twin engines of its earlier outperformance, rate differentials and the terms of trade, have run their course.

Softer domestic activity and housing data have seen forward rates and the RBA's relative hawkishness slip back in G10 pack, eroding the policy premium that supported the currency through the first half.

China's underperformance has been a direct drag on the pair since Middle East tensions flared, offsetting the support that positive carry continues to provide.

Superannuation hedge ratios held steady at 23.2% in the first quarter, pausing what had been a gradual shift higher in hedging on foreign equity portfolios, even after a period of firm spot performance.

Outlook

The unwind has run faster than fundamentals justify, leaving scope for near-term stabilization, though we do not expect a return to recent peaks given the clear deterioration in domestic momentum. Prevailing rate differentials are an imprecise anchor for the pair, pinning the level only loosely, so the direction of rate spreads matters more than the outright gap. A genuine turn in China risk sentiment would help the pair more than oil-led optimism, where other risk currencies are better placed to benefit.

Falling house prices and the associated hit to household wealth should weigh on growth from late 2026, confirming the hiking cycle is complete, with cuts arriving in 2027.

Technically, initial support lies at 50-day EMA of 0.7005, followed by 21-day EMA of 0.6985. We see AUD/USD around 0.70 into September before settling near 0.72 by year-end, with carry and a resumed rise in hedging activity limiting the downside.

AUD/USD future scenarios

Sources: Convera, Oxford Economics, Macrobond. 30 July 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

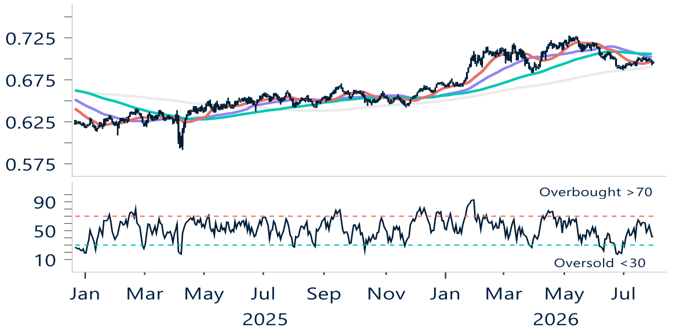
AUD: Three signals that matter

1. Price action

- AUD/USD has slipped below the 0.7000 psychological handle with RSI at 46 reading, though momentum has yet to confirm a durable turn.
- The initial support lies at 50-day EMA of 0.7005, followed by 21-day EMA of 0.6985.
- The pullback has run faster than fundamentals warrant, arguing for consolidation rather than fresh trend extension near term.

AUD/USD next key resistance at 100-day EMA

AUD/USD daily Moving Averages and RSI



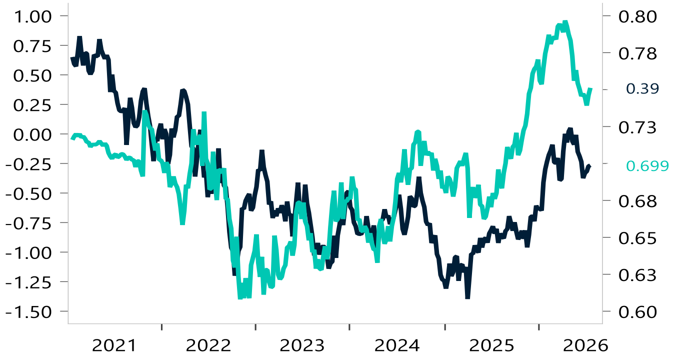
Source: Convera, Macrobond

2. Market dynamics

- The AU-US 2-year spread is one of the pair's primary engine, and it has turned less friendly
- Prevailing carry is only a loose anchor for the level of the pair; the direction of spread repricing matters more, and a meaningful reversal would require a dovish shift in Fed expectations.

Wedge btw AUD/USD and rates differential

Government bond yield differential (AU - US)



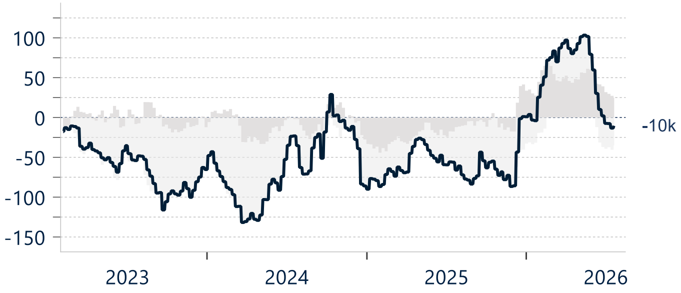
Source: Convera, Macrobond

3. Sentiment/positioning

- Speculative positioning peaked at extreme long levels earlier in 2026 and continues to unwind, with net futures now around -10k contracts.
- A genuine improvement in China risk sentiment — a clear drag in recent months — would do more to rebuild longs than any oil-led relief.

AUD longs unwind from extreme highs

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



Source: Convera, Macrobond

Japanese yen

Mildly bearish one-month bias

Review

USD/JPY traded to multi-decade highs at 163.99, its strongest level since 1986, in mid-July before the Bank of Japan intervened in FX markets near the end of July, driving the biggest one-day loss in USD/JPY in two years. The Bank of Japan intervened in FX markets at the start of New York trading with reports of coordinated action as US authorities also performed a so-called "rate check".

We view the move as a pre-emptive attempt to maximize the impact of intervention by catching markets off guard, potentially with tacit US support. However, Japan's ability to sustainably reverse yen weakness remains constrained by wide US-Japan yield differentials and the limited scope for aggressive BoJ tightening.

Fiscal policy added pressure late in the month: the draft Basic Policy unveiled a 370 trillion yen investment plan through FY2040 with no caps on ministry budget requests, raising the risk of materially larger JGB issuance next fiscal year.

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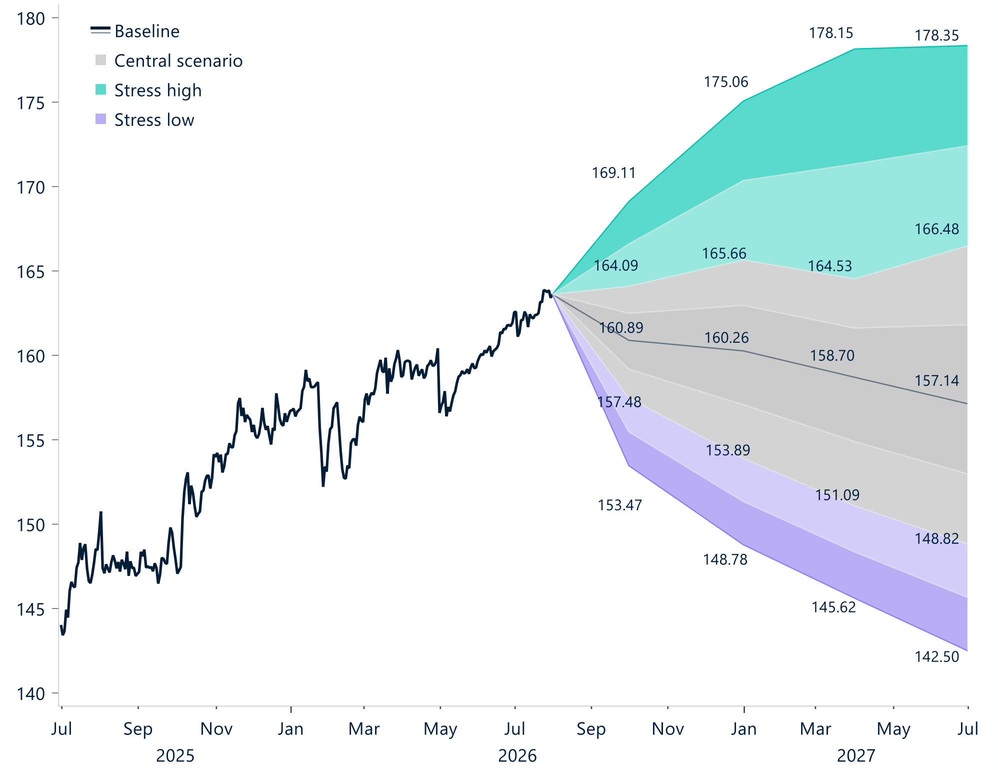
Outlook

Authorities had remained on the sidelines even as USD/JPY traded above 163 but reportedly intervened in the FX market on 30 July ahead of the BoJ meeting. The move triggered a sharp yen rally, although intervention alone is unlikely to alter the broader macro backdrop of wide US-Japan yield differentials and gradual BoJ normalization.

While intervention may generate near-term volatility and make investors more cautious about aggressively selling the yen, the broader macro backdrop remains challenging for the currency. Traders continue to expect the US-Japan rate gap to remain wide, limiting the likelihood that intervention alone delivers a lasting trend reversal.

Following the intervention-led selloff, the 160.00 area becomes the first key support zone. We see the 50-day EMA of 161.45, followed by 21-day EMA around 162.27 as the next key level of resistance.

USD/JPY future scenarios



Sources: Convera, Oxford Economics, Macrobond. 30 July 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

Chinese yuan

Bullish one-month bias

Review

The yuan strengthened through the first half at a smoother pace than expected, even as US-China rate differentials re-widened, leaving the move increasingly detached from rate fundamentals. Yuan strength also sat somewhat at odds with the domestic cycle, as data surprises turned sharply negative in the second quarter amid broad weakness in investment and demand.

That disconnect is not unusual: China's trade-led balance of payments, tightly managed capital account and limited foreign participation mean the currency can decouple from rate fundamentals for extended periods, and valuation models rarely give reliable reversal signals. Corporate behaviour remains the key structural support. Exporters have been converting part of their incremental trade income since turning net dollar sellers in 2025, while the far larger stock of dollar savings accumulated since 2022 remains largely untouched.

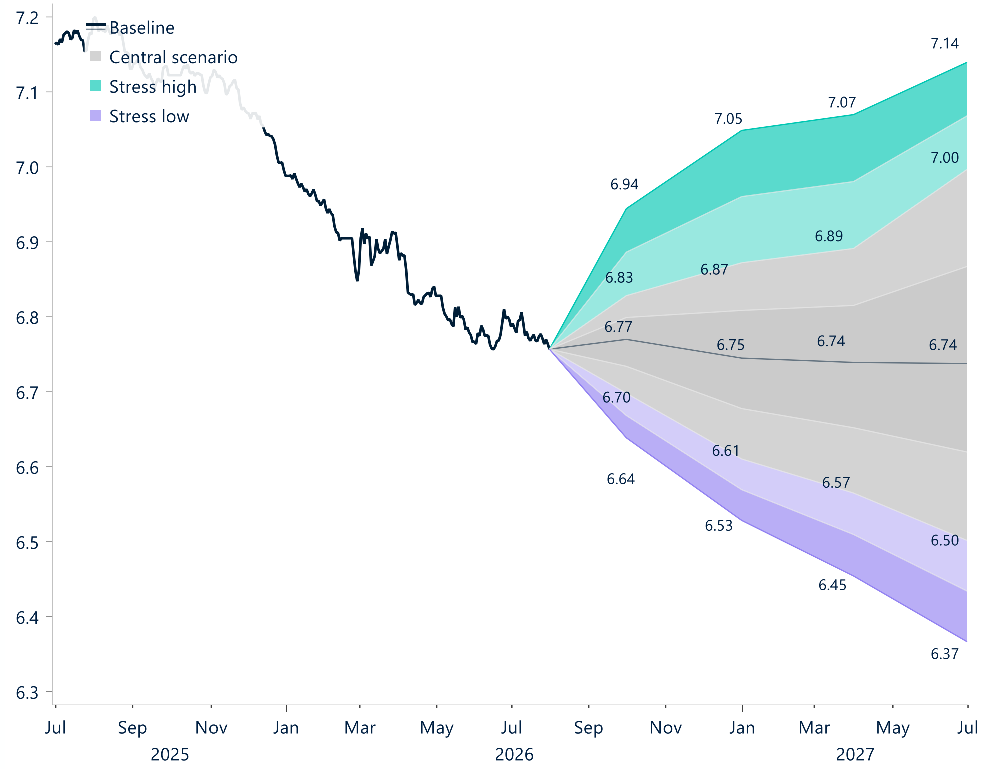
Outlook

We expect the appreciation trend to stay intact into the second half, but at a softer pace as the broader dollar firms. A busy diplomatic calendar and continued high-level US-China engagement ahead of the November trade-truce expiry should help maintain a supportive backdrop and reduce the risk of a sharp policy-driven reversal.

We expect USD/CNY to remain biased lower through the remainder of 2026, reaching around 6.70 by year-end, before gradually retracing toward 6.75–6.80 during 2027 as wide rate differentials reassert themselves.

Technically for USD/CNY, 21-day EMA of 6.7712 is the first key resistance level. Beyond that, 50-day EMA of 6.7849 is the next key resistance followed by 100-day EMA of 6.8224. Conversely, the next key support level is at 6.7500.

USD/CNY future scenarios



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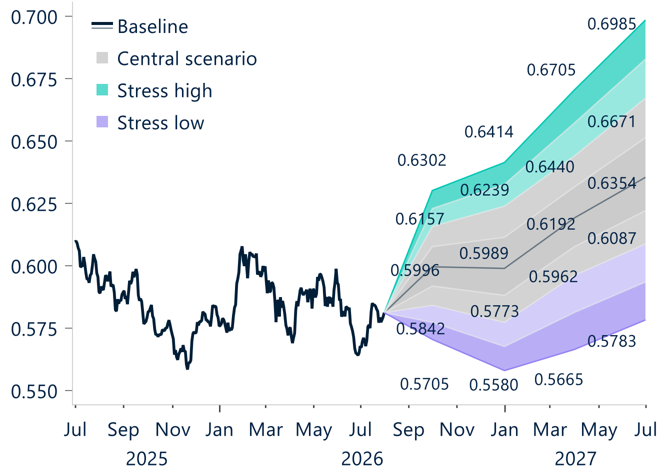
APAC (ex-majors)

New Zealand dollar NZD/USD

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

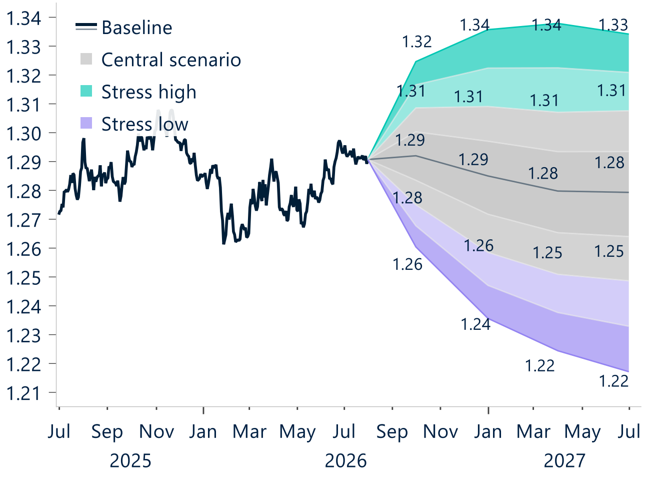


Singapore dollar USD/SGD

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

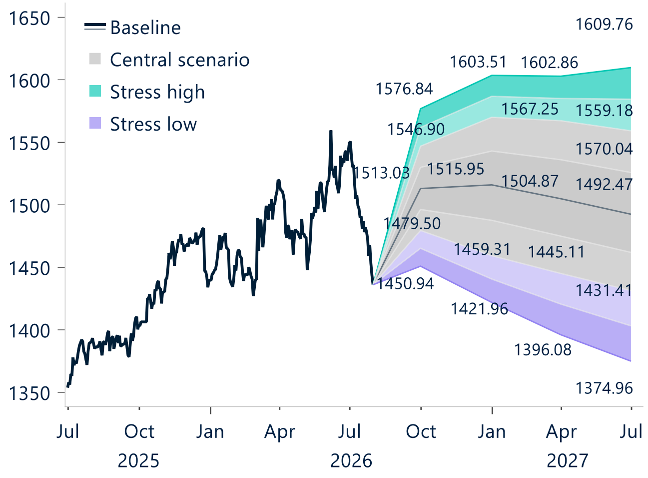


South Korean won USD/KRW

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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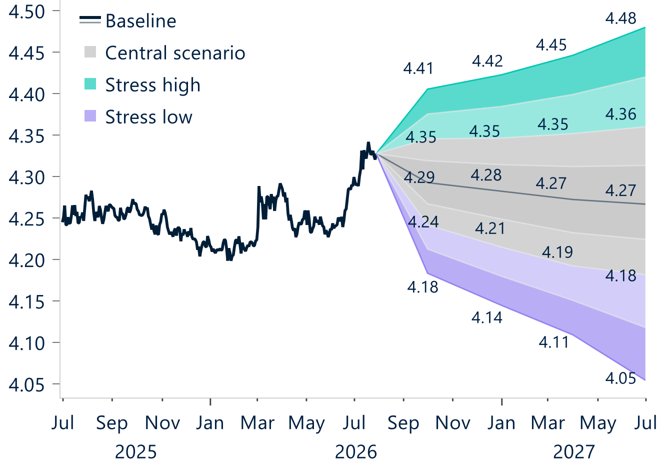
CEE

Polish zloty EUR/PLN

Upside: US-Iran tensions re-escalate. The National Bank of Poland reinforces its dovish stance, delivering another rate cut after the summer.

Central: The dovish undertone persists, but further rate cuts are avoided.

Downside: The dovish tilt is abandoned. Economic outperformance accelerates in H2 2026, supported by stronger absorption of EU funds.

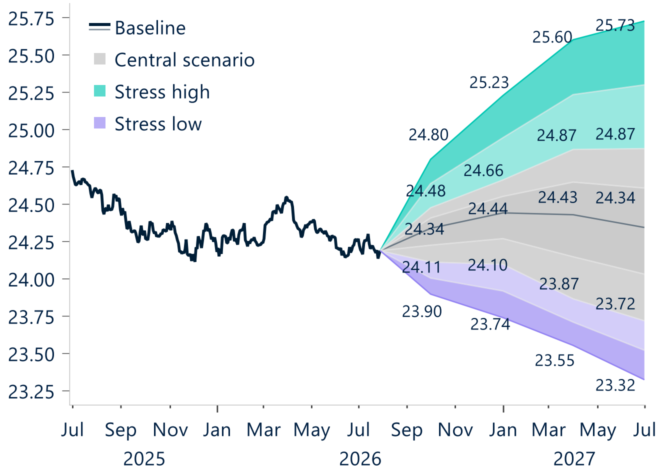


Czech koruna EUR/CZK

Upside: Renewed Middle East violence drags the broader CEE high beta complex lower.

Central: The CNB remains on hold, but a strong dollar story and elevated energy prices keep CZK under pressure.

Downside: The CNB hikes again to contain inflation pressures. Czech economic outperformance re-accelerates on faster-than-expected Middle East de-escalation.

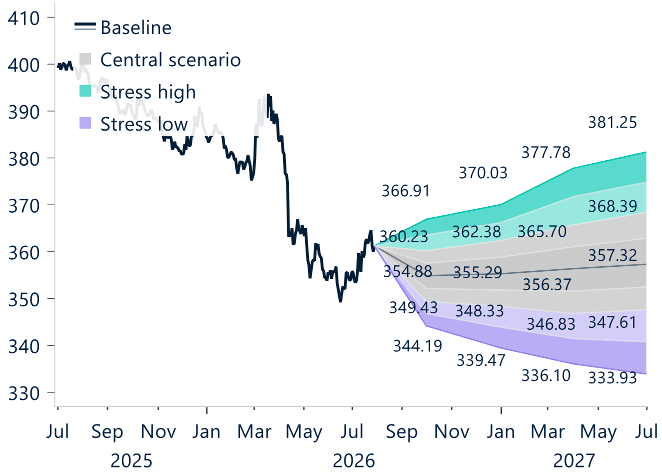


Hungarian forint EUR/HUF

Upside: Risk-off sentiment returns following re-escalation between the US and Iran, weighing on CEE currencies.

Central: The NBH maintains a dovish bias. This stance is largely priced in by markets, tempering further pressure on HUF.

Downside: The NBH cuts less than currently priced (two cuts). Geopolitical de-escalation and EU funds boost Hungary's economy.



Sources: Convera, Oxford Economics, Macrobond. 23 July 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

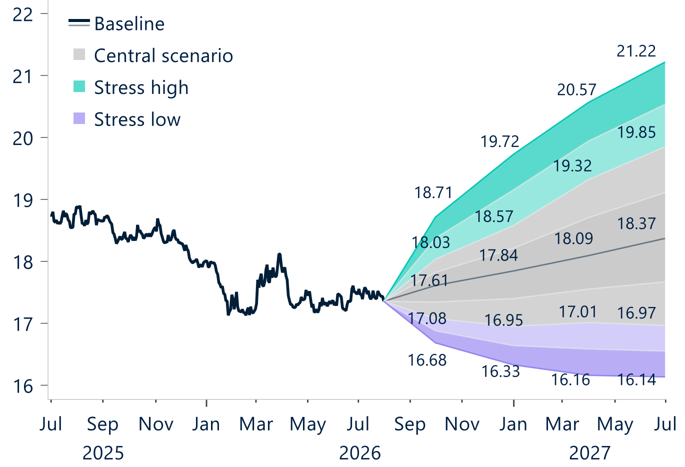
LatAm

Mexican peso USD/MXN

Upside A hawkish Fed pivot or nearshoring friction could spark a breakout back above the 17.9 mark.

Central Expect quiet consolidation near 17.40 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.

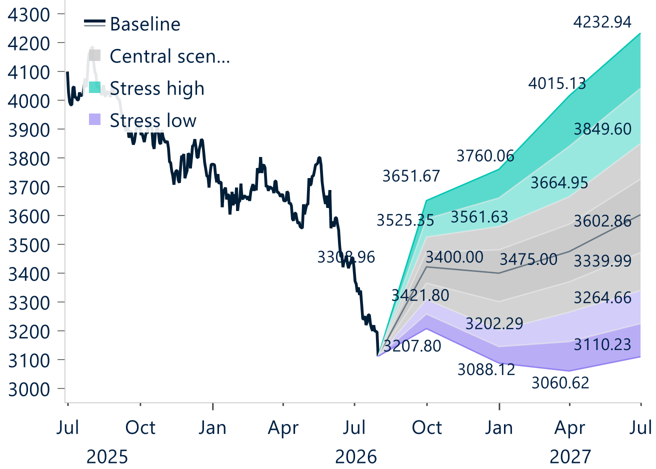


Colombian peso USD/COP

Upside A slump in crude oil prices or a risk-off sentiment could push the pair toward 3,600.

Central Stable energy exports and momentum after presidential elections should keep the peso range-bound and comfortable between 3,200 and 3,500.

Downside Favorable external market conditions and stronger growth could push the COP to 3,100.

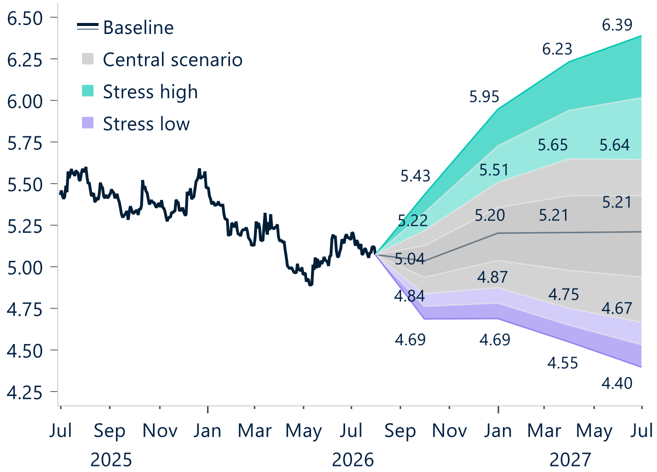


Brazilian real USD/BRL

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

Central The pair should anchor near 5.15 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.



Sources: Convera, Oxford Economics, Macrobond. 30 July 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

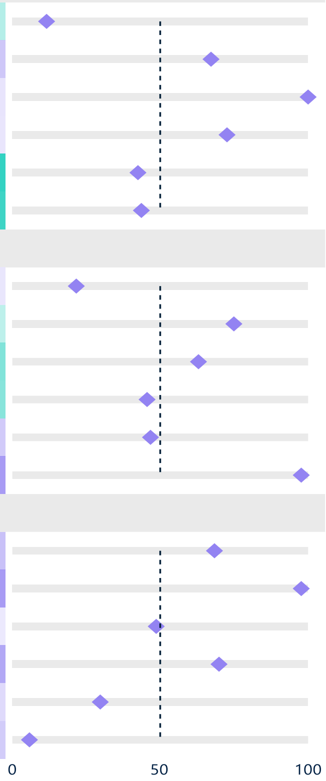
Regional FX breakdown

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	1.641	-0.6%	-7.4%	-2.7%	3.1%	58%
EUR/JPY	183.4	-1.2%	7.6%	-0.2%	2.9%	25%
EUR/CZK	24.21	-0.3%	-1.6%	-0.3%	1.4%	39%
GBP/JPY	214.2	-0.6%	8.3%	1.2%	4.1%	39%
GBP/AUD	1.916	0.0%	-6.9%	-1.3%	4.3%	76%
GBP/CAD	1.885	0.1%	3.0%	1.6%	4.0%	74%
NAM						
AUD/USD	0.7028	1.6%	9.2%	1.7%	5.8%	39%
NZD/GBP	0.4366	2.0%	-2.0%	0.5%	4.8%	57%
USD/CHF	0.8048	-0.4%	-1.2%	1.5%	5.6%	64%
EUR/CAD	1.614	-0.5%	2.3%	0.2%	2.3%	63%
EUR/CNY	7.785	0.6%	-5.2%	-3.1%	4.6%	27%
USD/CNY	6.752	-0.5%	-6.2%	-2.2%	1.3%	0.11%
APAC						
AUD/JPY	111.8	-0.6%	16.2%	2.4%	3.5%	22%
USD/CNY	6.752	-0.5%	-6.2%	-2.2%	1.3%	0.11%
EUR/SGD	1.478	0.0%	-0.1%	-1.1%	2.5%	41%
AUD/NZD	1.195	-1.9%	9.5%	0.8%	3.0%	7.7%
AUD/SGD	0.9008	0.6%	8.0%	1.6%	4.1%	34%
AUD/CNY	4.745	1.4%	2.5%	-0.5%	6.1%	28%

Volatility percentile*



* 1-month stdev, percentile-ranked over a 1-year window | Source: Convera, Macrobond - Thursday, July 30, 2026

NZD/GBP exhibits the strongest short-term momentum. The pair posted the strongest monthly advance on the board, gaining 2.0% MTD. It trades 0.5% above its 200-day average and sits at 57% of its three-month range. While the 1-year trend remains negative (-2.0%), this strong short-term momentum indicates a robust near-term shift in favor of the NZD against the pound.

AUD/USD stands out with strong gains, up 1.6% MTD and 9.2% over a 1-year period, while trading 1.7% above its 200-day average. Several other AUD crosses maintain powerful longer-term trends despite recent pullbacks: AUD/JPY remains up an impressive 16.2% over a 1-year window and 2.4% above its 200-day average, while AUD/NZD is up 9.5% over the same 1-year period. However, AUD/NZD saw the sharpest decline in the sample this month (-1.9% MTD) and is pinned near the bottom of its range at just 7.7% in-range.

JPY crosses remain structurally firm, but near-term momentum has faded. AUD/JPY (+16.2% 1-year), GBP/JPY (+8.3% 1-year), and EUR/JPY (+7.6% 1-year) continue to reflect broad, long-term JPY underperformance. However, all three fell during the month (-0.6%, -0.6%, and -1.2%, respectively) and now sit in the lower half of their three-month ranges (22%, 39%, and 25%).

USD/CNY is down 6.2% over a 1-year period, trades 2.2% below its 200-day average, and sits essentially at the absolute floor of its three-month range at an extreme 0.11% in-range. EUR/CNY shares a similar longer-term bearish structure, down 5.2% over a 1-year period and 3.1% below its 200-day average. Despite a slight 0.6% MTD bounce for EUR/CNY, these represent the cleanest examples of persistent downside momentum across the board.

FX forecast scenarios

	Scenarios	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q1	2028 Q2
USD/CAD	Stress high	1.468	1.484	1.482	1.493	1.495	1.512	1.526	1.553
	Upper central	1.443	1.445	1.446	1.446	1.441	1.432	1.429	1.422
	Baseline	**1.418**	**1.413**	**1.408**	**1.403**	**1.396**	**1.386**	**1.377**	**1.371**
	Lower central	1.394	1.382	1.371	1.359	1.344	1.326	1.313	1.295
	Stress low	1.371	1.342	1.328	1.313	1.302	1.284	1.261	1.248
USD/MXN	Stress high	18.73	19.79	20.56	21.23	21.71	22.25	22.91	23.37
	Upper central	18.05	18.59	19.35	19.87	20.39	20.36	20.21	20.36
	Baseline	**17.61**	**17.84**	**18.09**	**18.37**	**18.64**	**18.88**	**19.09**	**19.3**
	Lower central	17.06	16.95	16.98	16.96	17.25	17.55	17.65	18.01
	Stress low	16.67	16.31	16.16	16.13	15.89	15.94	16.24	16.36
USD/JPY	Stress high	169.4	175.2	178.3	178.3	180.3	180.6	182.4	181.9
	Upper central	164.2	165.7	164.7	166.6	169.3	171.4	171.4	172.1
	Baseline	**160.9**	**160.3**	**158.7**	**157.1**	**155.5**	**153.9**	**152.4**	**151**
	Lower central	157.3	153.8	151	148.7	144.1	141.8	138.5	135.3
	Stress low	153.3	148.7	145.5	142.3	139	135.4	132.2	128.9
USD/CNY	Stress high	6.949	7.053	7.069	7.145	7.256	7.286	7.371	7.411
	Upper central	6.833	6.871	6.899	6.998	7.007	6.995	7.074	7.09
	Baseline	**6.77**	**6.745**	**6.739**	**6.738**	**6.736**	**6.735**	**6.733**	**6.732**
	Lower central	6.695	6.609	6.566	6.501	6.48	6.458	6.432	6.376
	Stress low	6.632	6.528	6.454	6.365	6.287	6.266	6.266	6.262

Sources: Convera, Oxford Economics, Macrobond. 23 July 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

	Scenarios	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q1	2028 Q2
EUR/USD	Stress high	1.193	1.234	1.262	1.278	1.292	1.299	1.302	1.308
	Upper central	1.167	1.19	1.206	1.229	1.244	1.263	1.268	1.274
	Baseline	**1.145**	**1.153**	**1.158**	**1.163**	**1.168**	**1.172**	**1.175**	**1.178**
	Lower central	1.123	1.117	1.119	1.116	1.119	1.117	1.11	1.107
	Stress low	1.098	1.082	1.062	1.043	1.024	1.027	1.031	1.026
EUR/GBP	Stress high	0.89	0.9274	0.9506	0.9589	0.961	0.9614	0.9855	0.9998
	Upper central	0.8713	0.8987	0.9197	0.9278	0.931	0.9303	0.9299	0.926
	Baseline	**0.8611**	**0.8798**	**0.8904**	**0.8942**	**0.8981**	**0.9014**	**0.9041**	**0.9056**
	Lower central	0.8485	0.8589	0.8614	0.8626	0.8611	0.865	0.8688	0.8704
	Stress low	0.8366	0.8399	0.8413	0.8336	0.8276	0.8286	0.8352	0.8471
EUR/CHF	Stress high	0.9452	0.9624	0.9725	0.9872	0.9942	1.004	1.015	1.025
	Upper central	0.9336	0.945	0.9514	0.9542	0.9591	0.9687	0.9757	0.976
	Baseline	**0.9236**	**0.9275**	**0.93**	**0.93**	**0.93**	**0.93**	**0.9293**	**0.9279**
	Lower central	0.9153	0.9147	0.9122	0.9102	0.9025	0.8969	0.8856	0.8809
	Stress low	0.9046	0.8979	0.892	0.8758	0.862	0.8595	0.8599	0.8556
EUR/CNY	Stress high	8.044	8.253	8.354	8.443	8.509	8.615	8.736	8.803
	Upper central	7.891	8.022	8.115	8.23	8.322	8.383	8.461	8.483
	Baseline	**7.75**	**7.774**	**7.801**	**7.833**	**7.865**	**7.892**	**7.914**	**7.93**
	Lower central	7.607	7.567	7.554	7.554	7.543	7.549	7.46	7.384
	Stress low	7.488	7.342	7.188	7.122	7.005	6.992	6.983	6.98

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	Scenarios	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q1	2028 Q2
EUR/CZK	Stress high	24.8	25.23	25.6	25.73	25.76	25.76	25.72	25.59
	Upper central	24.48	24.66	24.87	24.87	24.94	24.9	24.88	24.85
	Baseline	**24.34**	**24.44**	**24.43**	**24.34**	**24.25**	**24.14**	**24.02**	**23.9**
	Lower central	24.11	24.1	23.87	23.72	23.51	23.34	23.18	23.04
	Stress low	23.9	23.74	23.55	23.32	23.04	22.81	22.54	22.48
EUR/PLN	Stress high	4.405	4.423	4.446	4.48	4.477	4.477	4.477	4.468
	Upper central	4.345	4.346	4.352	4.36	4.369	4.382	4.38	4.386
	Baseline	**4.293**	**4.282**	**4.272**	**4.267**	**4.258**	**4.247**	**4.239**	**4.231**
	Lower central	4.242	4.215	4.192	4.182	4.152	4.141	4.127	4.105
	Stress low	4.183	4.145	4.109	4.054	4.032	4.01	3.959	3.955
USD/CZK	Stress high	22.38	22.88	23.2	23.21	23.69	23.42	23.36	23.6
	Upper central	21.85	22.02	22.03	22.07	21.94	21.9	21.97	21.59
	Baseline	**21.26**	**21.21**	**21.11**	**20.94**	**20.77**	**20.6**	**20.43**	**20.29**
	Lower central	20.73	20.43	20.37	19.88	19.39	19.12	18.87	18.69
	Stress low	20.17	19.52	18.8	18.53	18.37	18.06	17.95	17.81
USD/PLN	Stress high	3.976	4.032	4.09	4.187	4.307	4.225	4.198	4.185
	Upper central	3.854	3.862	3.868	3.902	3.897	3.915	3.947	3.935
	Baseline	**3.75**	**3.716**	**3.691**	**3.67**	**3.647**	**3.624**	**3.607**	**3.592**
	Lower central	3.645	3.562	3.501	3.435	3.383	3.326	3.295	3.259
	Stress low	3.548	3.416	3.314	3.275	3.24	3.179	3.134	3.118

Sources: Convera, Oxford Economics, Macrobond. 23 July 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

	Scenarios	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q1	2028 Q2
	Stress high	1.3822	1.3922	1.4059	1.4252	1.4283	1.4238	1.4273	1.4268
	Upper central	1.3592	1.3616	1.3530	1.3660	1.3715	1.3885	1.3880	1.3911
GBP/USD	**Baseline**	**1.3294**	**1.3100**	**1.3000**	**1.3000**	**1.3000**	**1.3000**	**1.3000**	**1.3008**
	Lower central	1.3017	1.2654	1.2589	1.2499	1.2317	1.2333	1.2329	1.2343
	Stress low	1.2751	1.2235	1.1905	1.1712	1.1715	1.1523	1.1347	1.1389
	Stress high	1.195	1.191	1.189	1.199	1.208	1.207	1.197	1.181
	Upper central	1.179	1.164	1.161	1.159	1.161	1.156	1.151	1.149
GBP/EUR	**Baseline**	**1.161**	**1.137**	**1.123**	**1.118**	**1.113**	**1.109**	**1.106**	**1.104**
	Lower central	1.148	1.113	1.087	1.078	1.074	1.075	1.075	1.08
	Stress low	1.124	1.078	1.052	1.043	1.041	1.04	1.015	1
	Stress high	1.9398	1.9465	1.9527	1.9478	1.9795	2.0098	2.0245	2.0569
	Upper central	1.8961	1.8866	1.8817	1.8840	1.8965	1.9019	1.9159	1.9060
GBP/AUD	**Baseline**	**1.8500**	**1.8238**	**1.7990**	**1.7913**	**1.7863**	**1.7825**	**1.7786**	**1.7759**
	Lower central	1.8098	1.7699	1.7278	1.7101	1.6989	1.6902	1.6852	1.6664
	Stress low	1.7667	1.6984	1.6429	1.6165	1.6059	1.5617	1.5379	1.5148
	Stress high	225	226.7	226.3	228	232	232.4	233.5	238.3
	Upper central	219.5	219.2	218.1	219.2	219.7	219.6	221.4	221.6
GBP/JPY	**Baseline**	**213.9**	**209.9**	**206.3**	**204.3**	**202.2**	**200.1**	**198.1**	**196.4**
	Lower central	209.1	203.5	198.5	193.2	188.5	184.3	179.9	175.1
	Stress low	202.7	193.3	185.9	180.6	175.4	168.1	161.6	152.9

Sources: Convera, Oxford Economics, Macrobond. 23 July 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

	Scenarios	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q1	2028 Q2
GBP/CAD	Stress high	1.957	1.958	1.968	1.961	1.983	1.984	2.007	2.02
	Upper central	1.919	1.906	1.889	1.891	1.9	1.904	1.899	1.895
	Baseline	**1.886**	**1.851**	**1.83**	**1.823**	**1.814**	**1.802**	**1.79**	**1.783**
	Lower central	1.853	1.811	1.784	1.772	1.755	1.739	1.712	1.699
	Stress low	1.817	1.739	1.695	1.694	1.645	1.597	1.598	1.597
GBP/CHF	Stress high	1.112	1.114	1.115	1.125	1.124	1.119	1.118	1.109
	Upper central	1.093	1.087	1.088	1.085	1.084	1.084	1.084	1.08
	Baseline	**1.073**	**1.054**	**1.044**	**1.04**	**1.036**	**1.032**	**1.028**	**1.025**
	Lower central	1.054	1.028	1.011	1.007	0.9919	0.9792	0.9739	0.9771
	Stress low	1.032	0.993	0.9782	0.9643	0.9497	0.9401	0.9333	0.9281
GBP/NOK	Stress high	13.69	13.54	13.58	13.52	13.56	13.55	13.55	13.3
	Upper central	13.39	13.07	12.85	12.74	12.76	12.63	12.52	12.45
	Baseline	**13.07**	**12.65**	**12.34**	**12.16**	**12.01**	**11.89**	**11.78**	**11.68**
	Lower central	12.76	12.26	11.86	11.65	11.41	11.28	11.16	10.93
	Stress low	12.47	11.91	11.38	11.1	10.75	10.46	10.33	10.25
GBP/CNY	Stress high	9.321	9.314	9.299	9.349	9.485	9.48	9.504	9.52
	Upper central	9.162	9.093	9.063	9.075	9.067	9.099	9.144	9.176
	Baseline	**9**	**8.836**	**8.761**	**8.759**	**8.757**	**8.755**	**8.753**	**8.757**
	Lower central	8.84	8.589	8.444	8.418	8.438	8.386	8.357	8.325
	Stress low	8.687	8.383	8.193	8.145	8.125	8.121	8.052	7.981

Sources: Convera, Oxford Economics, Macrobond. 23 July 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

	Scenarios	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q1	2028 Q2
AUD/USD	Stress high	0.7571	0.769	0.7846	0.7945	0.8165	0.8369	0.8399	0.8495
	Upper central	0.7357	0.7434	0.7579	0.7649	0.7682	0.7767	0.7885	0.8046
	Baseline	**0.7186**	**0.7183**	**0.7226**	**0.7257**	**0.7278**	**0.7293**	**0.7309**	**0.7325**
	Lower central	0.7007	0.695	0.6937	0.6932	0.6854	0.679	0.6778	0.6732
	Stress low	0.6839	0.6712	0.6586	0.6551	0.654	0.6503	0.6362	0.6299
AUD/EUR	Stress high	0.6567	0.6582	0.666	0.6752	0.6803	0.6829	0.6857	0.6916
	Upper central	0.6406	0.6425	0.6486	0.6506	0.6523	0.6581	0.6553	0.6593
	Baseline	**0.6278**	**0.6232**	**0.6243**	**0.6243**	**0.6233**	**0.6224**	**0.6219**	**0.6218**
	Lower central	0.6141	0.6056	0.6067	0.6067	0.5999	0.5943	0.5952	0.5942
	Stress low	0.6025	0.5872	0.5732	0.5667	0.5616	0.5571	0.5462	0.5409
AUD/NZD	Stress high	1.235	1.257	1.228	1.201	1.188	1.177	1.168	1.16
	Upper central	1.217	1.229	1.196	1.173	1.163	1.154	1.143	1.137
	Baseline	**1.198**	**1.199**	**1.167**	**1.142**	**1.125**	**1.113**	**1.102**	**1.093**
	Lower central	1.18	1.172	1.141	1.116	1.093	1.086	1.08	1.069
	Stress low	1.163	1.142	1.114	1.084	1.061	1.027	0.9942	0.9784
AUD/CNY	Stress high	5.089	5.117	5.195	5.288	5.351	5.39	5.427	5.484
	Upper central	4.964	4.994	5.06	5.096	5.13	5.194	5.186	5.229
	Baseline	**4.865**	**4.845**	**4.87**	**4.89**	**4.902**	**4.912**	**4.921**	**4.931**
	Lower central	4.759	4.708	4.733	4.752	4.718	4.691	4.71	4.712
	Stress low	4.669	4.565	4.471	4.439	4.417	4.397	4.323	4.289

Sources: Convera, Oxford Economics, Macrobond. 23 July 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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Geopolitics

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