

CAUTION BEFORE INFLATION DATA IN THE U.S.

July 10th, 2024

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- At the opening of the American session, the Mexican peso maintains the appreciation shown earlier and is positioned in 4th place among the currencies of emerging countries that present the greatest gains against the dollar. The Mexican currency was favored by the June inflation data published yesterday in Mexico, which showed that inflationary pressures are being more sustained than expected, which may cause the reference interest rate to remain at the current level (11.00%) for longer.
- The dollar, as measured by the DXY index, starts the day in negative territory, as Federal Reserve Chairman Jerome Powell reiterated the central bank's cautious approach to interest rate cuts in his appearance before the Committee of the Senate Bench. Powell said the Fed needs more data to support that inflation is moving sustainably toward 2.0% before cutting the federal funds rate. However, he warned that maintaining a restrictive policy for too long could unintentionally weaken economic activity and employment. Investors now await Powell's appearance before the House of Representatives today, as well as key US inflation figures tomorrow for further clues as to what the path of monetary policy will be. Markets still see a more than 70% chance of a Fed rate cut in September, with a second cut almost fully priced in for December.
- China's annual inflation fell slightly to 0.2% in June from 0.3% reported the previous two months, falling short of market estimates of 0.4%. It was the fifth consecutive month in which an annual increase in prices was recorded, after 4 consecutive months of deflations, but the lowest figure since March, in the midst of a fragile economic recovery.

USD/MXN



USD/MXN SPOT

During the overnight session, the price reached a minimum of \$17.78 and a maximum of \$17.92 units. For today we estimate a **fluctuation range between \$17.70 and \$17.95 pesos per dollar**, considering support levels at \$17.65 and resistance at \$18.00.

EURO/USD SPOT

For today we estimate a **trading range between \$1.081 and \$1.084 dollars per euro**, considering support levels at \$1.080 and resistance levels at \$1.085 units.

USD/MXN: Technical Indicators of the previous session

Bullish and Bearish Fluctuation Levels (Intra-Day)							
Range for Buyers		17.89	-0.7%	Range for Sellers		18.09	0.4%
		17.93	-0.4%			18.13	0.7%
Change (%)		Open	High	Low	Close	Daily Difference (5 days)	
Day	-0.5	18.11	18.11	17.96	18.01	High (cents)	-48.49
Week	-1.9	0.03%	-0.43%	-0.22%	-0.53%	Low (cents)	4.70
Acum. M	3.6	1 week		4 Weeks		52 Weeks	
12 months	5.0	High	18.50	2.7%	18.99	5.5%	18.99
Year 2024	6.2	Low	17.96	-0.3%	17.88	-0.7%	16.26

Economic Calendar

Hour	Currency	Event	Actual	Forecast	Prior
05:00	USD	MBA Mortgage Applications (05/Jul)	-0.2%	--	-2.6%
06:00	BRL	Consumer Inflation (Annual) (Jun)	4.2%	4.3%	3.9%
06:00	BRL	Consumer Inflation (Monthly) (Jun)	0.2%	0.3%	0.5%
08:00	USD	Fed Chair Jerome Powell Testifies Before House Financial Services Committee			
12:30	USD	Fed's Goolsbee gives opening remarks alongside Bowman at an event			
	MXN	ANTAD VMT (Annual) (Jun)	--	--	8.1%
	MXN	Salary negotiations			9.2%
	KRW	Monetary Policy Decision Bank of Korea		3.5%	3.5%

Emerging Currencies Performance

		Closing		Change %			Cumulative %			
		Prior	Everyday	Weekly	Monthly	2021	2022	2023	2024	
Emerging Currencies										
Mexico	MXN	17.92	-0.5%	-1.9%	-2.6%	3.1%	-5.0%	-13.0%	5.6%	
Argentina	ARS	917.24	0.0%	0.3%	2.0%	22.1%	72.4%	356.4%	13.5%	
Brazil	BRL	5.42	-0.9%	-4.5%	1.4%	7.3%	-5.1%	-8.2%	11.7%	
Chile	CLP	931.80	-0.9%	-1.5%	1.5%	19.9%	-0.1%	3.6%	5.8%	
China	CNY	7.27	0.1%	0.0%	0.3%	-2.6%	8.5%	2.9%	2.4%	
Colombia	COP	4,015.54	-0.8%	-2.6%	2.1%	18.6%	19.3%	-20.1%	3.6%	
Hong Kong	HKD	7.81	0.0%	0.0%	0.0%	0.6%	0.1%	0.1%	0.0%	
India	INR	83.50	0.0%	0.0%	0.1%	1.7%	11.3%	0.6%	0.3%	
Peru	PEN	3.78	-0.1%	-0.9%	0.7%	10.5%	-4.8%	-2.7%	2.1%	
Russia	RUB	87.85	0.3%	0.0%	-1.3%	1.5%	-1.3%	20.6%	-1.8%	
South Africa	ZAR	18.15	0.2%	-2.5%	-4.0%	8.5%	6.9%	7.8%	-1.2%	

Performance of Developed Currencies

		Closing		Change %			Cumulative %			
		Prior	Everyday	Weekly	Monthly	2021	2022	2023	2024	
Developed Currencies										
Dollar Index	DXY	105.13	0.1%	-0.6%	0.2%	6.4%	8.2%	-2.1%	3.7%	
Australia	AUD	0.67	0.1%	1.1%	2.4%	-5.6%	-6.2%	0.0%	-1.0%	
Canada	CAD	1.36	0.0%	-0.3%	-0.9%	-0.7%	7.3%	-2.3%	3.0%	
Denmark	DKK	6.90	0.1%	-0.6%	-0.1%	7.4%	6.2%	-2.8%	2.1%	
Euro	EUR	1.08	-0.1%	0.6%	0.1%	-6.9%	-5.8%	3.1%	-2.0%	
Japan	JPY	161.33	0.3%	-0.1%	2.9%	11.5%	13.9%	7.6%	14.4%	
Norway	NOK	10.58	-0.2%	-0.8%	-1.2%	2.8%	11.2%	3.8%	4.0%	
New Zealand	NZD	0.61	0.0%	0.8%	0.3%	-5.0%	-7.0%	-0.5%	-3.1%	
United Kingdom	GBP	1.28	-0.2%	0.8%	0.5%	-1.0%	-10.7%	5.4%	0.4%	
Sweden	SEK	10.56	-0.3%	-0.2%	0.1%	10.1%	15.2%	-3.4%	4.8%	
Switzerland	CHF	0.90	0.0%	-0.7%	0.1%	3.1%	1.3%	-9.0%	6.7%	

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