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THE DOLLAR IN FREE FALL

- At the opening of the American session, the Mexican peso strengthened and positioned itself in 14th place among emerging market currencies with the greatest gains against the dollar. Today, the exchange rate maintains a downward trend, driven by the dollar's decline amid tensions between Trump and the Fed, in addition to considering the strengthening of the Mexican currency, following the positive outcome of a call between the US president and Claudia Sheinbaum last week. Speculation surrounding a possible trade agreement between Mexico and the US pushed the peso to \$19.62 per dollar, considering the supposed preferential treatment expected in the tariff negotiations for our country.
- The dollar, as measured by the DXY index, is showing a slight rebound after falling to the floor of 97.92 (a three-year low), as Trump's threats to oust Fed Chairman Jerome Powell increase. At the close of last week, there were multiple comments about the US president's intentions to intervene in the Fed's independence and dismiss Powell before the end of his term. This came after considering Trump's pressure for the Federal Reserve to accelerate its interest rate cut cycle, as the current monetary policy narrative interferes with his tariff plans.
- Within the basket of developed economy currencies, all counterparties have strengthened against the dollar, with the Swiss franc and the euro posting the largest gains (1.3% and 1.1% respectively). The decline in consumer confidence in dollar-denominated assets, driven by uncertainty about the Fed's independence, has reinforced the shift of investments to other safe-haven assets.

USD/MXN



Fuente: Refinitiv

USD/MXN SPOT

During the overnight session, the price reached a minimum of \$19.65 and a maximum of \$19.73 units. For today we estimate a **fluctuation range between \$19.60 and \$19.72 pesos per dollar**, considering support levels at \$19.55 and resistance at \$19.80.

EURO/USD SPOT

For today we estimate a **trading range between \$1.148 and \$1.150 dollars per euro**, considering support levels at \$1.146 and resistance levels at \$1.157 units.

USD/MXN: Technical Indicators of the previous session

Bullish and Bearish Fluctuation Levels (Intra-Day)								
Range for Buyers		19.74	-0.9%	Range for Sellers		20.04	0.6%	
		19.81	-0.6%			20.11	0.9%	
Change (%)		Open	High	Low	Close	Daily Difference (5 days)		
Day	-0.9	20.10	20.14	19.91	19.93	High (cents) -69.87		
Week	-1.5	0.08%	-0.05%	-0.09%	-0.86%	Low (cents) 1.75		
Acum. M	-0.1	1 week		4 Weeks		52 Weeks		
12 months	16.7	High	20.63	3.5%	21.08	5.8%	21.29	6.9%
Year 2025	-4.3	Low	19.91	-0.1%	19.84	-0.4%	16.53	-17.1%

Economic Calendar

Hour	Currency	Event	Current	Foresight	Prior
09:30	USD	3-month debt auction (T-Bill)			4.2%
09:30	USD	6-month debt auction (T-Bill)			4.1%

Emerging Currencies Performance

		Closing	Change %			Cumulative %				
		Prior	Everyday	Weekly	Monthly	2022	2023	2024	2025	
Emerging Currencies										
Mexico	MXN	19.91	0.9%	1.7%	0.1%	5.3%	14.9%	-18.5%	4.6%	
Argentina	ARS	1,137.99	5.3%	-5.4%	-6.3%	-42.0%	-78.1%	-21.6%	-9.4%	
Brazil	BRL	5.87	0.3%	-0.7%	-2.1%	5.4%	8.9%	-21.4%	5.2%	
Chile	CLP	969.13	0.3%	1.2%	-4.2%	0.1%	-3.5%	-11.6%	2.8%	
China	CNY	7.30	0.2%	0.6%	-0.9%	-7.9%	-2.8%	-2.7%	0.0%	
Colombia	COP	4,305.77	1.1%	0.4%	-4.8%	-16.2%	25.2%	-12.0%	2.3%	
Hong Kong	HKD	7.76	-0.1%	0.0%	0.1%	-0.1%	-0.1%	0.6%	0.1%	
India	INR	85.69	0.1%	1.2%	1.5%	-10.1%	-0.6%	-2.8%	-0.1%	
Peru	PEN	3.73	0.4%	-0.6%	-2.0%	5.1%	2.7%	-1.4%	0.7%	
Russia	RUB	83.01	-0.7%	3.6%	3.0%	1.3%	-17.1%	-21.2%	36.7%	
South Africa	ZAR	18.82	1.2%	2.5%	-3.3%	-6.5%	-7.2%	-2.6%	0.1%	

Performance of Developed Currencies

		Closing	Change %			Cumulative %				
		Prior	Everyday	Weekly	Monthly	2021	2022	2023	2024	
Developed Currencies										
Dollar Index	DXY	99.32	-0.9%	-3.5%	-4.2%	8.2%	-2.1%	7.1%	-8.4%	
Australia	AUD	0.64	0.4%	3.6%	0.8%	-6.2%	0.0%	-9.2%	3.0%	
Canada	CAD	1.39	0.7%	1.6%	3.6%	-6.8%	2.3%	-7.9%	3.8%	
Denmark	DKK	6.55	1.0%	4.1%	4.7%	-5.9%	2.9%	-6.2%	9.9%	
Euro	EUR	1.14	1.0%	4.1%	4.8%	-5.8%	3.1%	-6.2%	10.1%	
Japan	JPY	142.00	0.9%	4.1%	4.7%	-12.2%	-7.0%	-10.3%	10.7%	
Norway	NOK	10.57	0.7%	2.1%	0.8%	-10.1%	-3.6%	-10.7%	7.7%	
New Zealand	NZD	0.59	0.6%	5.2%	3.3%	-7.0%	-0.5%	-11.5%	6.1%	
United Kingdom	GBP	1.32	0.1%	3.3%	2.4%	-10.7%	5.4%	-1.7%	5.8%	
Sweden	SEK	9.75	1.3%	2.2%	3.9%	-13.2%	3.5%	-9.0%	13.5%	
Switzerland	CHF	0.81	1.2%	5.4%	8.8%	-1.3%	9.9%	-7.3%	11.6%	

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