

Citi Wealth Management FX Snapshot



Please note and carefully read the Important Disclosure on the last part

May 13, 2024

Major Currencies Performance

CCY	Close	Weekly Change	1 month high	1 month low	1 month change	3 month high	3 month low	3 month change	52 week high	52 week low	Year-To-Date Change
USD	105.30	0.3%	106.26	105.03	0.1%	106.26	102.71	1.1%	107.35	99.58	3.9%
EUR/USD	1.0771	0.1%	1.0782	1.0619	0.3%	1.0948	1.0619	-0.1%	1.1276	1.0448	-2.4%
USD/JPY	155.78	1.8%	158.33	153.05	1.7%	158.33	146.95	4.3%	160.17	135.59	10.5%
GBP/USD	1.2525	-0.2%	1.2563	1.2350	-0.1%	1.2858	1.2350	-0.8%	1.3142	1.2037	-1.6%
USD/CAD	1.3672	-0.1%	1.3829	1.3657	-0.1%	1.3829	1.3451	1.6%	1.3899	1.3093	3.2%
AUD/USD	0.6604	-0.1%	0.6625	0.6402	1.4%	0.6629	0.6402	1.2%	0.6900	0.6270	-3.1%
NZD/USD	0.6020	0.1%	0.6034	0.5881	0.8%	0.6197	0.5881	-2.1%	0.6412	0.5774	-4.7%
USD/CHF	0.9065	0.1%	0.9194	0.9054	-0.7%	0.9194	0.8757	3.6%	0.9244	0.8333	7.7%
USD/CNY	7.2269	-0.2%	7.2464	7.2088	-0.1%	7.2464	7.1816	0.5%	7.3503	6.9475	1.8%
USD/CNH	7.2341	0.6%	7.2731	7.1928	-0.4%	7.2761	7.1799	0.2%	7.3682	6.9551	1.5%
GOLD	2360.50	2.6%	2391.93	2286.25	1.1%	2391.93	1992.33	16.6%	2431.52	1810.51	14.4%

CCY	Last Trading Day Change				Technical levels				Citi Forecasts		
	Close	Day High	Day Low	Daily Change	Sup2	Sup1	Res1	Res2	0-3M	6-12M	LT
USD	105.30	105.40	105.14	0.07%	103.88	104.52	106.52	107.35	104.91	108.70	93.48
EUR/USD	1.0771	1.0790	1.0760	-0.10%	1.0448	1.0601	1.0885	1.0981	1.075	1.02	1.20
USD/JPY	155.78	155.90	155.27	0.19%	150.00	152.12	157.68	160.17	151	146	130
GBP/USD	1.2525	1.2541	1.2503	0.01%	1.2187	1.2300	1.2709	1.2803	1.26	1.20	1.40
USD/CAD	1.3672	1.3691	1.3635	-0.04%	1.3359	1.3478	1.3846	1.3899	1.38	1.40	1.25
AUD/USD	0.6604	0.6623	0.6596	-0.24%	0.6363	0.6443	0.6668	0.6871	0.65	0.64	0.76
NZD/USD	0.6020	0.6040	0.6009	-0.23%	0.5774	0.5852	0.6083	0.6218	0.60	0.58	0.67
USD/CHF	0.9065	0.9085	0.9055	0.06%	0.8888	0.8999	0.9244	0.9342	0.90	0.90	0.85
USD/CNY	7.2269	7.2269	7.2206	0.03%	--	--	--	--	7.25	7.35	6.80
USD/CNH	7.2341	7.2347	7.2202	0.16%	7.1414	7.1653	7.2831	7.3400	--	--	--
GOLD	2360.50	2378.46	2345.27	0.60%	\$2,149	\$2,280	\$2,432	\$2,500	\$2,400	\$3,000	--

Source: Bloomberg L.P., as of May 10, 2024 (cut off time is NY Time 5:00pm); Citi analysts (forecasts as of Apr 18, 2024)

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Citi Wealth Management Investment & FX Insight



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A US softer landing will likely be AUD supportive

S2	S1	R1	R2	0-3m Forecast	6-12m Forecast	LT Forecast
0.6363	0.6443	0.6668	0.6871	0.65	0.64	0.76



- A US softer landing will likely provide a more supportive backdrop for risk assets and FX, particularly those linked to commodities such as AUD.
- As the Fed cuts rate, rate differentials may move against USD (the RBA is expected to be the last among major central banks to cut rates in 2025).
- AUD's resilience continues to be highlighted at 0.65 level versus USD with AUD also expected to further outperform NZD and CAD over the medium term.

Source: Bloomberg L.P., as of May 10, 2024

Bullish on JPY in medium-to long-term

S2	S1	R1	R2	0-3m Forecast	6-12m Forecast	LT Forecast
150.00	152.12	157.68	160.17	151	146	130



- When US-Japan short-term interest rate spread widens to more than 5%, this tends to put upward pressure on USDJPY. There has been strong buying of the USD by leveraged investors since the Fed raised rate to above 5% in May last year and that JPY selling has increased.
- The unwinding of JPY carry would start at the time the Fed has made three rate cuts. Until then Citi Analysts believe the USDJPY may trade in a range straddling ¥155/\$ before entering a medium- to long-term downtrend.

Source: Bloomberg L.P., as of May 10, 2024

***FX TRADING INVOLVES RISKS**

Citi Wealth Management Investment & FX Insight



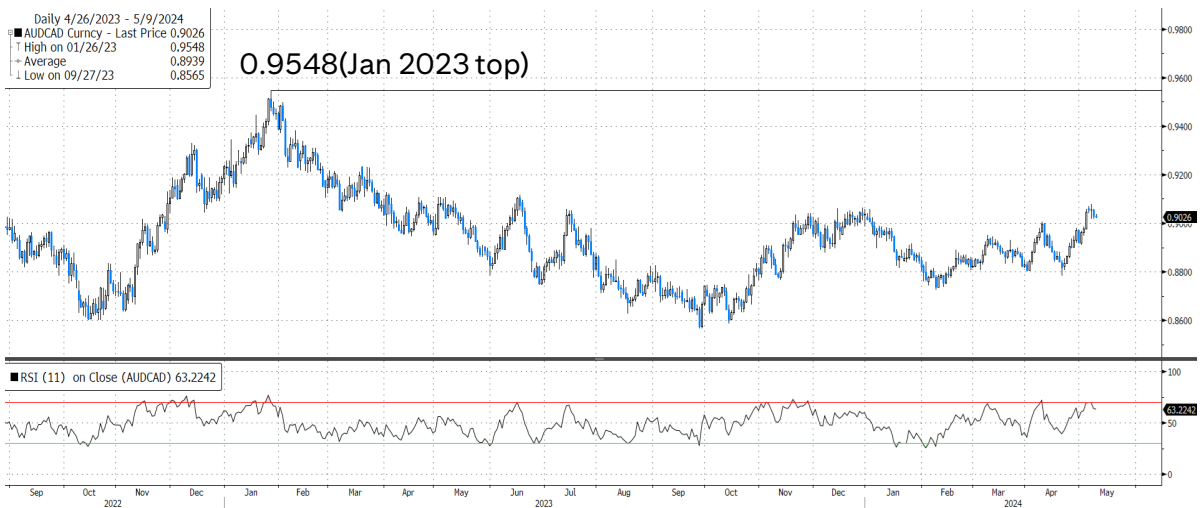
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AUD/NZD



Source: Bloomberg L.P., as of May 10, 2024

AUD/CAD



Source: Bloomberg L.P., as of May 10, 2024

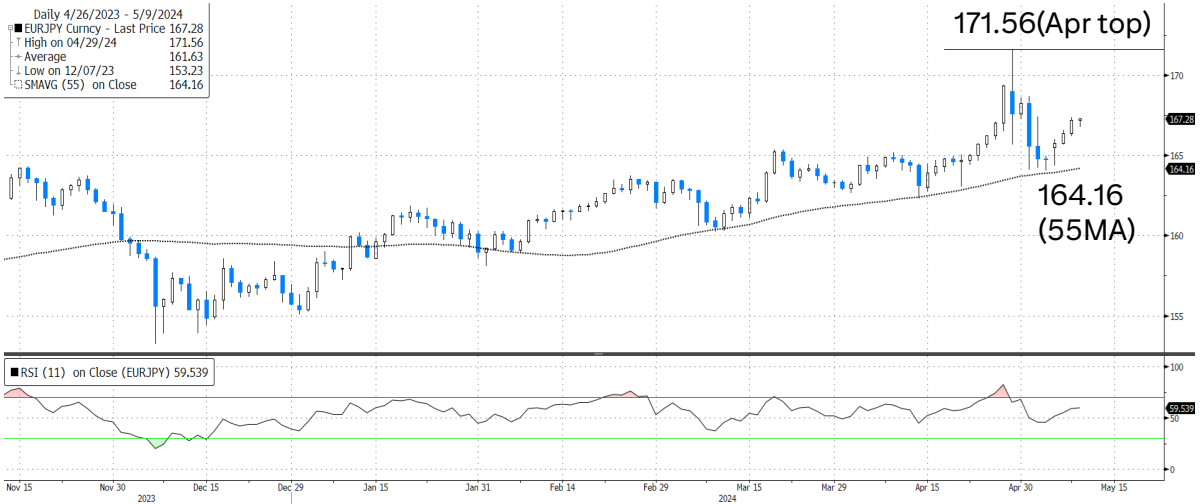
***FX TRADING INVOLVES RISKS**

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EUR/JPY



Source: Bloomberg L.P., as of May 10, 2024

CHF/JPY



Source: Bloomberg L.P., as of May 10, 2024

***FX TRADING INVOLVES RISKS**

Citi Wealth Management

FX Snapshot



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Important Economic Data (May 13, 2024 – May 17, 2024) Source: Bloomberg L.P. (K = Thousand, M = Million, B = Billion)

Time		Event	Period	Actual	Survey	Prior
Monday						
05/13/24 09:30	AU	NAB Business Confidence	Apr	--	--	1
05/13/24 20:30	CA	Building Permits MoM	Mar	--	--	9.30%
Tuesday						
05/14/24 14:00	UK	Average Weekly Earnings 3M/YoY	Mar	--	--	5.60%
05/14/24 14:00	UK	ILO Unemployment Rate 3Mths	Mar	--	--	4.20%
Wednesday						
05/15/24 09:30	AU	Wage Price Index YoY	1Q	--	--	4.20%
05/15/24 17:00	EC	GDP SA YoY	1Q	--	--	0.40%
05/15/24 20:30	US	CPI MoM	Apr	--	0.30%	0.40%
05/15/24 20:30	US	CPI Ex Food and Energy MoM	Apr	--	0.30%	0.40%
05/15/24 20:30	US	Retail Sales Advance MoM	Apr	--	0.40%	0.70%
05/15/24 20:30	US	Retail Sales Ex Auto MoM	Apr	--	0.20%	1.10%
05/15/24 21:00	CA	Existing Home Sales MoM	Apr	--	--	0.50%
Thursday						
05/16/24 07:50	JN	GDP Annualized SA QoQ	1Q	--	-1.60%	0.40%
05/16/24 09:30	AU	Unemployment Rate	Apr	--	--	3.80%
05/16/24 09:30	AU	Employment Change	Apr	--	--	-6.6k
05/16/24 20:30	US	Initial Jobless Claims	May	--	--	--
05/16/24 20:30	US	Housing Starts MoM	Apr	--	8.80%	-14.70%
05/16/24 20:30	US	Building Permits MoM	Apr	--	1.40%	-4.30%
Friday						
05/17/24 10:00	CH	Industrial Production YoY	Apr	--	5.40%	4.50%
05/17/24 10:00	CH	Retail Sales YoY	Apr	--	3.90%	3.10%
05/17/24 17:00	EC	CPI YoY	Apr	--	--	2.40%

Interest Rate forecasts %

	Current (5/13/2024)	Q2	Q3	Q4
*USD	5.50	5.50	5.00	4.50
EUR	4.00	3.75	3.25	3.00
GBP	5.25	5.00	4.75	4.25
CHF	1.50	1.25	1.00	1.00
*JPY	0.10	0.10	0.10	0.10
AUD	4.35	4.35	4.35	4.35
NZD	5.50	5.50	5.50	5.00
CAD	5.00	5.00	4.50	4.00

Source: forecasts are from Citi analysts

* USD and JPY interest rate - upper bound

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Higher Credit Risk – Unrated or non investment grade Debt Securities generally have predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. There is greater risk of non-payment of interest and loss of principal. Many issuers of these Debt Securities have experienced substantial difficulties in servicing their debt obligations, which has led to default and restructurings. The issuers of these Debt Securities generally have to pay a higher rate of interest than investment grade Debt Securities.

Higher Liquidity and Secondary Market Risk – The markets in which unrated or non investment grade Debt Securities are traded are generally more limited than those in which investment grade Debt Securities are traded. This lack of liquidity may make it more difficult to resell these Debt Securities and obtain market quotations.

Downgrade Risk – Downgrades in the credit rating of unrated or non investment grade Debt Securities by rating agencies are generally accompanied by declines in the market value of these Debt Securities. In some circumstances, investors in the unrated or non investment grade Debt Securities market may anticipate such downgrades as a result of these credits being placed on "credit watch" by rating agencies, causing volatility and speculation of further credit deterioration.

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Event Risk – This includes any of a variety of events that can adversely affect the issuer of unrated or non investment grade Debt Securities, and therefore the issuer's ability to meet debt service obligations to repay principal and interest to Debt Securities holders. Event risk may pertain to the issuer specifically, the industry or business sector of the issuer, or generally upon the overall economy. It could have a direct or indirect impact on the issuer and their outstanding debts.

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