

Long USD/MXN stopped

- Our long USD/MXN trade recommendation issued on 27 February was stopped at 20.10, and we have also closed the corresponding position in the EM FX portfolio.
- Our forecasts remain the same at USD/MXN 21.50 for the end of this year and USD/MXN 22.50 for the end of 2026.
- We have recently revised our growth outlook for Mexico lower from 1.5% to 0.7% for this year, which assumes that a revised agreement governing Mexico & US relations is signed and that punitive across-the-board tariffs are avoided.



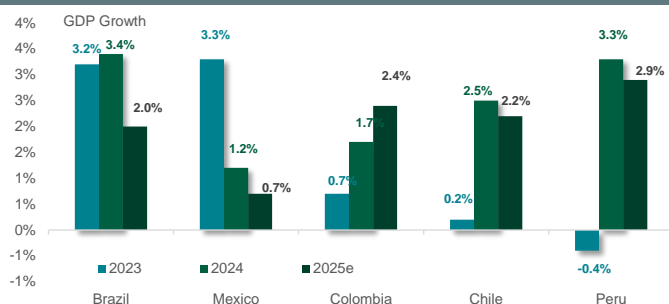
Positive momentum overwhelms fundamentals in the short term

Our long USD/MXN trade recommendation issued on 27 February was stopped at 20.10 as positive momentum, amid a short reprieve from tariff headlines, is overwhelming fundamentals. We record a loss of 2.6%. We have also closed the corresponding position in the EM FX portfolio.

Our forecasts remain the same at USD/MXN 21.50 for the end of this year and USD/MXN 22.50 for the end of 2026. Our view is based on a number of factors, including downward pressure on current account inflows (exports and remittances), a more decisive shift towards monetary policy easing and deteriorating fiscal outlook.

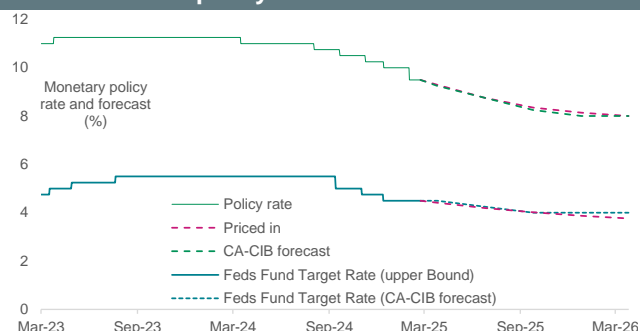
We have recently revised our growth outlook lower from 1.5% to 0.7% for this year, which assumes that a revised agreement governing Mexico & US relations is signed and that punitive across-the-board tariffs are avoided.

Growth forecasts for 2025



Source: Crédit Agricole CIB

Mexico and US policy rates forecast vs market



Source: Bloomberg, Crédit Agricole CIB

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