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World at a Glance

Agitated markets

23 September 2026

FX, Rates and Commodities
Global

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Next edition

Wed 21 Oct 2026

Key forecasts in FX, rates and commodities

While US growth data has been robust, markets remain agitated as risks pile up, including energy/Iran, intractable fiscal woes, trade wars, AI worries – in advance of US midterms. Since last month, we made revisions for the US 10yr, oil prices and EUR-USD.

G10 FX: modest changes since last month

Since last month, we made modest revisions in our EUR-USD profile, but ultimately did not change our forecasts for end-2026 at 1.15 and end-2027 at 1.20. Also since last month, we did make revisions to Antipodean and Nordic FX.

Interest rates: 5% US 10yr Yields

We have revised our US outlook. We now expect the 10y yield to end the year at 5.0% (up from 4.5% previously, in line with forwards) and the 2y yield to rise to 5.0% (up from 4.5% previously and modestly above forwards). We also have revisions elsewhere.

EM Asia: rally stalls on Fed & oil

We maintain our year-end USD/CNY forecast at 6.6. Export proceeds conversion and an undervalued CNY are the key drivers for this view, as well as increasing pressure from the G7 to address trade imbalances. Bullish CNY, bearish PHP and TWD; neutral the rest.

EEMEA: more weakness in the very short term

Hawkish Fed and higher oil prices point to further near-term EEMEA FX weakness against the USD. We are bullish TRY, neutral on ZAR, PLN, CZK and HUF, bearish on ILS. NGN to outperform NDFs, KZT valuations are stretched

LatAm: the Brazil Election

Brazil's general election is scheduled for Sunday, October 4. The election presents a choice between economic models. We forecast GDP growth in LatAm at 2.0%. We now expect lower growth in Brazil, Argentina, Chile and Uruguay

Commodities: revisions to oil

We now see ongoing geopolitical tensions through year-end as the most likely outcome and raise our 2H26 Brent forecast to $95/bbl from $83/bbl. Continued inventory draws support an average 2027 Brent price near $80/bbl. No changes in metals.

The World at a Glance (WAAG) is our flagship monthly publication, highlighting our key forecasts in FX, rates and commodities. This edition covers each of the G10 currencies, six major developed-market interest rates, the major EM currencies, and five key commodities

Timestamp: 23 September 2026 05:18PM EDT

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US rates: From Jackson to action

Mark Cabana, CFA
BofAS

Themes: Fed not yet restrictive

Recent Fed communication has reinforced a hawkish policy stance. Following the 25bp hike at the September FOMC, Chair Warsh characterized the move as removing accommodation rather than tightening policy, implying the Fed does not yet view policy as restrictive. As a result, the Fed is likely to continue tightening until financial conditions become restrictive.

Our US economists still expect two more 25bps Fed hikes in 2H '26 (Oct & Dec). That outlook is based on the view that the inflation overshoot remains relatively modest and that some supply-related pressures should fade over coming quarters. However, risks remain skewed toward a more persistent inflation backdrop which would force the Fed to either tolerate a longer period of above-target inflation or lean more aggressively against demand.

A hawkish Fed is good for the long end because it increases inflation-fighting credibility which should reduce term premium. We are now bearish front-end rates and expect a flatter UST curve.

Forecasts: hawkish Fed shifts forecasts higher

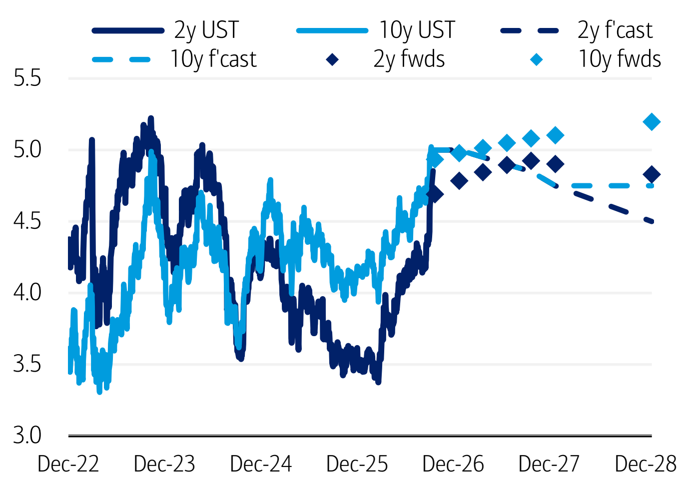
The Fed's tone at the September FOMC leads us to revise our US rates forecasts higher. We now expect the 10y yield to end the year at 5.0% (up from 4.5% previously, in line with forwards) and the 2y yield to rise to 5.0% (up from 4.5% previously and modestly above forwards). We expect markets to begin pricing eventual rate cuts, supporting a decline in both 2y and 10y yields to 4.75% by end-'27, below current forwards.

Risks: skew lower at the front end with risk of dovish pivot from Fed

Risks are to lower front end rates if the Fed pivots dovish. Further evidence of labor market cooling & continued disinflation would likely support lower UST yields and reinforce expectations for a more patient Fed. A renewed acceleration in growth, inflation, or commodity prices could reinforce hiking pressure.

Exhibit 1: UST 2y & 10y forecasts vs forwards (%)

Our rates forecasts are in line with fwds until Jun '27; below fwds afterwards



Source: BofA Global Research, Bloomberg

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Exhibit 2: Government bond yield forecasts (%)

Our forecast for year-end '26 of 10yT is 5%

	Q4 26	Q1 27	Q2 27	Q3 27
O/N SOFR	4.41	4.41	4.41	4.41
2y Govt	5.00	4.95	4.90	4.85
5y Govt	5.00	4.95	4.90	4.85
10y Govt	5.00	4.95	4.90	4.85
30y Govt	5.25	5.20	5.20	5.15

Source: BofA Global Research estimates

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Exhibit 3: Swap rate forecasts (%)

Our forecast for year-end '26 of 10y swaps is 4.43%%

	Q4 26	Q1 27	Q2 27	Q3 27
2y	4.85	4.82	4.77	4.72
5y	4.67	4.60	4.55	4.50
10y	4.43	4.40	4.35	4.30
30y	4.42	4.35	4.35	4.30

Source: BofA Global Research estimates

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USD: rebasement

Alex Cohen
BofAS

Themes: hike delivered

The dollar's choppy 2026 continued in September, with the Fed's 25bp rate hike providing the most recent injection of support. Dollar sentiment waned toward the end of the summer, on moderating labor and inflation data, concerns over Fed credibility (post-July FOMC), and active attempts by the US Treasury to suppress US yields via enhanced buybacks. But the tide tuned as Chair Warsh's course-correcting Jackson Hole speech and the upside August core-CPI print led to the first Fed hike in over 3 years. Calls for the "dollar debasement" have gone quiet.

The Fed's more hawkish turn has resulted in a notable repricing of policy expectations, with between 1 and 2 25bp of hikes priced for 2026, and a cumulative ~80bp of hikes implied by mid-2027. This is roughly 50bp more in aggregate than was priced immediately after the July FOMC. Central bank repricing has been a global theme, however, with similar tightening implied for several other G10 central banks. This is consistent with the ongoing rise in energy commodity prices and has resulted in more moderate associated FX moves. How these expectations are realized will be a key factor for G10 FX going forward. As we enter Q4, the DXY index now trades towards the upper end of its relatively tight range established since Liberation Day.

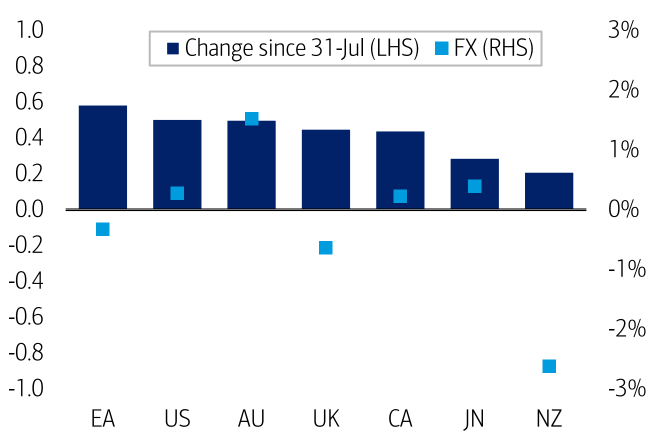
Forecasts: USD steady into year end

We expect the USD to end the year more-or-less around current levels vs most G10 currencies (ex-JPY), before resuming modest depreciation in 2027. For example, we forecast EUR/USD at 1.15 by end-2026, and 1.20 by end-2027.

Risks: energy and elections

Energy price fluctuations remain the most immediate "known-unknown" channel that could materially impact FX markets. Recent supply disruptions have pushed brent above $100 per barrel, and significant swings here pose 2-way risks for the USD. Similarly, the US mid-term elections in November introduce cross-currents for the dollar, as markets suggest ~85% odds of one or both houses of Congress changing control.

Exhibit 4: Sharp central bank repricing has been global, resulting in moderated FX moves
Change in implied June 2027 3m rate futures & FX (post July FOMC)



Source: Bloomberg; BofA Global Research. US=SOFR, EA=Euribor, AU=bank bills, UK=SONIA, CA=Corra, JN=TONA, NZ=bank bills.

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Exhibit 5: USD forecasts
EUR forecast is 1.15 for the end of 2026

	Q4 26	Q1 27	Q2 27	Q3 27
EUR-USD	1.15	1.17	1.19	1.20
USD-JPY	149	149	148	146

Source: BofA Global Research estimates

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Exhibit 6: Major macro forecasts
Looking for decent growth in 2026

	2025F	2026F	2027F
Real GDP (% yoy)	2.1	2.1	2.2
CPI (% yoy)	2.7	3.4	2.6
Policy Rate (end of period)	3.625	4.375	4.375
GenGov Bal (%/GDP)	-5.8	-6.0	-6.2
CurAct Bal (%/GDP)	-3.8	-3.2	-3.4

Source: Bloomberg, BofA Global Research estimates

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EUR: holding up

Michalis Rousakis
MLI (UK)

Themes: resilience despite higher energy prices and wider spreads

EUR has shown resilience despite higher energy prices and wider OAT and periphery spreads. We remain neutral vs USD for the rest of this year, but bearish vs JPY and AUD.

The recent newsflow has mostly been negative for the EUR. First, energy prices, particularly gas, have risen meaningfully. Low European gas inventories and Middle East developments have led our commodity strategists to revise up their TTF forecasts heading into the winter – they now see the Q4 TTF average at EUR 100/MWh (see report: Global Energy Weekly, 15 Sep '26). Second, OAT-Bund and periphery spreads have widened. Third, while data have held up, positive surprises have become less pronounced than during the summer. Still, EUR has shown resilience, which we think partly reflects light positioning and the ECB's inflation-fighting credentials.

In the rest of the year, we remain neutral on EUR-USD despite our constructive medium-term bias and bearish vs JPY and AUD. We also retain a bearish bias vs GBP but await greater clarity on the UK budget. We think France-related developments pose negative medium-term risks to the EUR but are well-priced for now, while we continue to see Germany as posing upside risks to our base case (see report: France risks for EUR 8 Sep '26 and Germany Viewpoint 17 Jul '26). That said, higher energy prices and uncertainty around the reaction functions of other central banks, particularly the Fed, leave us cautious for now. We are also somewhat concerned about a potential ECB over-reaction, although our economists do not expect the ECB to deliver anything close to what is currently priced by markets (see report: ECB review 10 Sep '26)..

Forecasts: we continue to forecast 1.15 by year-end and 1.20 by end-27

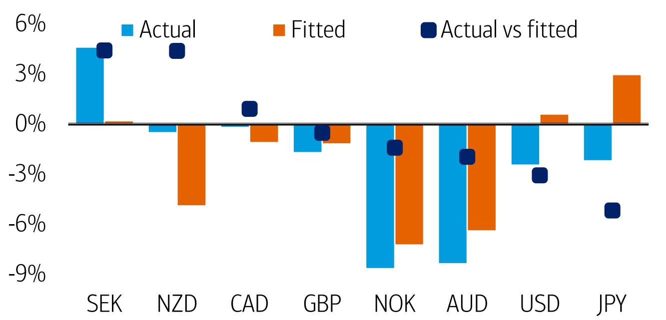
We recently made minimal tweaks to our profiles but continue to forecast 1.15 by year-end and 1.20 by end-27, vs Bloomberg consensus median forecasts of 1.17 and 1.19.

Risks: Iran, relative monetary policy, European politics and policies

Downside risks from Iran escalation, ECB overreaction, and European politics. Upside risks from a dovish Fed, European reforms, and faster European defence/fiscal spending.

Exhibit 7: EUR appears overvalued vs SEK and undervalued vs JPY

EUR-G10 FX: actual vs fitted % change year-to-date (positive values = EUR overvaluation)



Source: BofA Global Research, Bloomberg. Weekly data until Sep 18. We regress changes in log EUR-G10 FX on changes 1) in 2-year swap rate differentials, 2) log MSCI Global (VIX for EURCAD given that MSCI Global is not statistically significant), 3) log European gas prices for USD, JPY, GBP, SEK and log BCOM index for the commodity bloc (AUD, NZD, CAD, NOK). Fitted values correspond to estimates for data in 2021-2025. EUR crosses ranked from most to least overvalued.

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Exhibit 8: EUR forecasts

Our forecast is 1.15 for EUR-USD at end of 2026

	Q4 26	Q1 27	Q2 27	Q3 27
EUR-USD	1.15	1.17	1.19	1.20
EUR-JPY	171	174	176	175

Source: BofA Global Research estimates

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Exhibit 9: Major macro forecasts

Growth soft in our 2026 outlook

	2025F	2026F	2027F
Real GDP (% yoy)	1.3	1.0	1.0
CPI (% yoy)	2.1	3.0	2.5
Policy Rate* (end period)	2.00	2.75	2.25

Source: Bloomberg, BofA Global Research estimates

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JP rates: Takaichi pressure back in focus

Tomonobu Yamashita
BofAS Japan

Key theme: headline risk vs. dip-buying demand

JGBs continue to face headline risks, including higher defense spending targets, record-high FY2027 budget requests, and rising crude oil prices, all of which have contributed to selling pressure.

On the other hand, we expect net JGB supply relative to nominal GDP to decline in 2027 from 2026, reflecting a reduction in JGB redemptions held by the BoJ. In addition, dip-buying demand from non-Japanese investors appears to remain solid. As a result, we maintain a bullish bias toward the long-end of the JGB curve. That said, political pressure from the Takaichi administration raises the risk of the BoJ falling behind the curve.

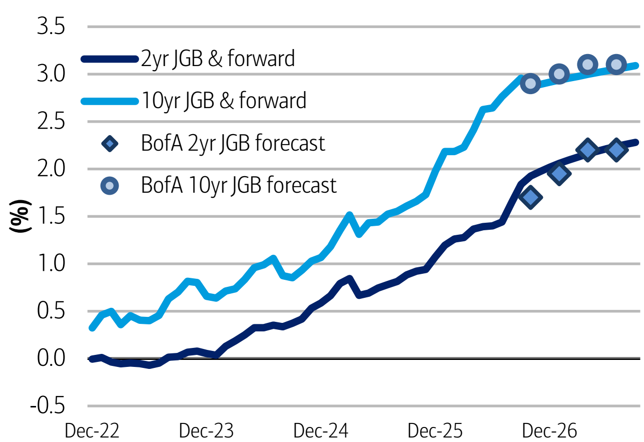
Forecast: we maintain our end-2026 forecast for the 10-year JGB yield at 3%

Bond yields have continued to rise globally, while investor sentiment toward yen duration has improved. Indeed, non-Japanese investors have remained buyers of JGBs on dips. Consequently, we maintain our end-2026 forecast for the 10-year JGB yield at 3.0% (see report: FX and Rates Sentiment Survey: Buyers' regret 11 September 2026).

Risk: Political pressure from PM Takaichi remains the key risk

While the BoJ delivered a 25bp rate hike at its September MPM, the two dovish board members appointed under the Takaichi administration voted against the move. At this stage, we maintain our base-case outlook. However, growing political pressure from the Takaichi administration may increase the risk of a twist steepening in the JGB curve, despite our base-case view of further flattening.

Exhibit 10: Yen rates – JGB yield forecasts and forwards
Both the market and BofA anticipate a continued upward trajectory



Source: BofA Global Research, Bloomberg

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Exhibit 11: Government bond yield forecasts
We forecast end-2026 10yr JGB yield at 3%

	Q4 26	Q1 27	Q2 27	Q3 27
TONA	1.48	1.73	1.73	1.98
2y Govt.	1.95	2.20	2.20	2.35
5y Govt	2.40	2.65	2.65	2.75
10y Govt	3.00	3.10	3.10	3.15
30y Govt	4.10	4.15	4.15	4.15

Source: BofA Global Research estimates

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Exhibit 12: Swap rate forecasts
Our Japan 10yr swap rate end-2026 forecast is 2.85%

	Q4 26	Q1 27	Q2 27	Q3 27
2y	2.03	2.28	2.28	2.40
5y	2.48	2.70	2.70	2.78
10y	2.85	3.00	3.00	3.10

Source: BofA Global Research estimates

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JPY: still constructive, but...

Shusuke Yamada
BofAS Japan

Themes: BoJ vs goverment

At the Sep BoJ meeting, the two Policy Board members appointed under the Takaichi administration voted against a rate hike. Markets interpreted the votes as reflecting the administration's preference for lower interest rates, fueling speculation about potential political pressure on the BoJ. Following the coordinated FX intervention by Japan and the US, markets had scaled back concerns that the BoJ was falling behind the curve, while expectations grew that the Takaichi administration was willing to tolerate further rate hikes. The dissenting votes have effectively dampened those expectations.

More importantly, the votes could undermine the credibility of Japan's inflation stabilization process. If so, renewed yen weakness and higher long-term yields could, ironically, increase pressure on the BoJ to tighten earlier and limit fiscal policy flexibility.

The yen weakened during Governor Ueda's press conference, but the overall message was not dovish. Rather, it appears that market expectations had been elevated. The tone remained broadly consistent with a quarterly hiking scenario, while suggesting a high hurdle for consecutive rate hikes. The market's base case remains a December hike. However, stronger pricing of an October hike move would require a fresh catalyst. Against this backdrop, higher expectations of a Fed hike in October have provided support for USD/JPY.

For details, see report: Japan Macro Watch: BoJ review: Higher, but still accommodative 18 September 2026.

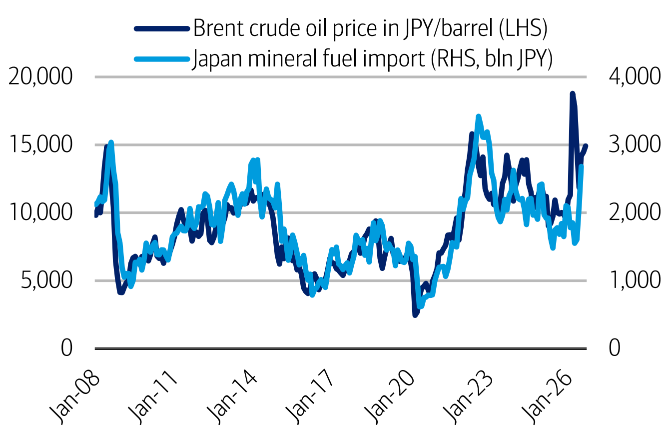
Forecasts: no change

We remain constructive on JPY and maintain our year-end USD/JPY forecast of 149. See report: Liquid Insight: FAQs on coordinated yen-buying intervention 05 August 2026.

Risks: PM Takaichi's policy stance and oil prices

PM Takaichi's policy stance remains unclear despite the MoF's FX intervention and the BoJ's rate hikes. If her preference for reflationary policy remains, the yen may remain under pressure. Elevated oil prices also pose downside risks to JPY.

Exhibit 13: Brent crude and Japan's monthly mineral fuel imports
Persistently elevated oil prices represent a medium-term risk to the yen appreciation scenario



Source: BofA Global Research, Bloomberg, Haver

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Exhibit 14: JPY forecasts
We look for 2026 year-end USD-JPY of 149

	Q4 26	Q1 27	Q2 27	Q3 27
USD-JPY	149	149	148	146
EUR-JPY	171	174	176	175

Source: BofA Global Research estimates

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Exhibit 15: Major macro forecasts (CY)
Our economics team looks for end-2026 BOJ rate to be 1.50%

	2025F	2026F	2027F
Real GDP (% yoy)	1.2	0.8	0.8
CPI (% yoy)	3.2	1.9	1.7
Policy Rate (end of period)	0.75	1.50	2.00

Source: Bloomberg, BofA Global Research estimates

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UK rates: increasingly nervous BoE

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A hawkish hold in September signals a likely November hike

Bank of England (BoE) delivered a hawkish hold in September, signalling that they are looking closer to moving towards a hike, if the recent rise in energy prices is sustained, and barring big downside data surprises. But as importantly, the Monetary Policy Committee (MPC) also implicitly pushed back slightly against the market pricing of close to four hikes at the time, saying that some of it reflected risk premia. And Bailey also highlighted that they didn't discuss the prospect of raising rates four times. The Bank's Quantitative Tightening (QT) overhaul can potentially lend some more support for Gilts than would have been the case under the status quo. With the Debt Management Office (DMO) in control of the Weighted Average Maturity (WAM), it should be more effective in matching supply to demand and thus limiting the impact of QT on Gilt term premia. Still, we are worried about a Gilt supply increase impact on ASWs in 2027 and beyond.

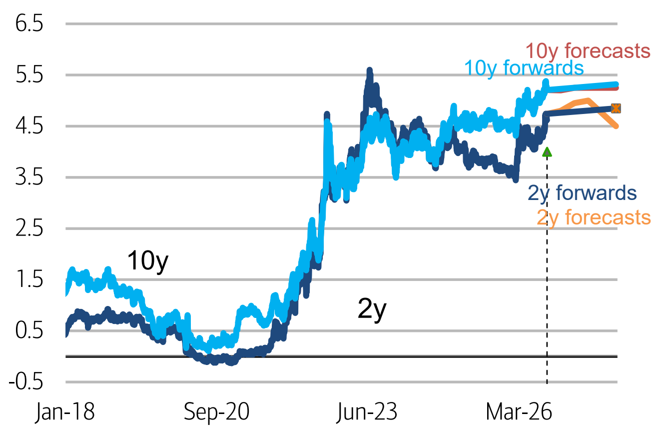
Forecast: adjustments on the back of Bank Rate call change

Our economists now expect the BoE to deliver two rate hikes, in November 2026 and February 2027, taking Bank Rate to 4.25%. This Bank Rate forecast assumes that elevated energy prices persist into early next year and that there are no significant downside surprises in the data. Thereafter, they expect three quarterly rate cuts in 2028, in February, May and August, bringing the terminal rate to 3.50%. In turn, we revise our yield forecasts to reflect these changes and mark-to-market. Our front-end Sonia rate forecasts remain materially below forwards, reflecting our base case of two Bank Rate hikes across 2026 to 2027, compared with more than four hikes currently priced by the market over the same period. Further out the curve, our Sonia rate forecasts are marginally below forwards. We also expect some curve-flattening pressure as hikes get delivered, while long-end Gilts should hold ground vs. Sonia at the back-end of the curve.

Risks: geopolitics and domestic politics in focus

The key question for the economy is how persistent the energy shock and broader uncertainty prove to be. Beyond geopolitics, domestic politics and the fiscal developments are additional key risks to watch.

Exhibit 16: Gilt yield benchmark histories, fwds and fcsts, %
We now project 2y Gilts at 4.80% and 10y Gilts at 5.20% by end-2026



Source: BofA Global Research, Bloomberg

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Exhibit 17: Government bond yield forecasts (%)
We see 10y Gilts at 5.20% by end-2026 and 5.25% by late 2027

	Q4 26	Q1 27	Q2 27	Q3 27
3m Sonia	4.25	4.50	4.25	4.25
2y Govt	4.80	4.95	5.00	4.75
5y Govt	4.85	4.90	4.90	4.75
10y Govt	**5.20**	**5.25**	**5.25**	**5.25**
30y Govt	5.70	5.70	5.70	5.70

Source: BofA Global Research estimates

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Exhibit 18: Sonia swap rate forecasts (%)
… and 10y Sonia at 4.75% by end-2026 and across 2027%

	Q4 26	Q1 27	Q2 27	Q3 27
2y	4.65	4.75	4.75	4.50
5y	4.65	4.65	4.65	4.50
10y	**4.75**	**4.75**	**4.75**	**4.75**
30y	5.00	5.00	5.00	5.00

Source: BofA Global Research estimates

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GBP: BoE steps up

Kamal Sharma
MLI (UK)

Themes: sometimes dull is good

As events stay dominated by the energy-led sell-off in global fixed income, GBP has been quietly going about its business. We say this because throughout the recent repricing in global rates GBP has traded in and orderly fashion with measures of GBP specific risk premium subdued. This is reassuring because previous rate selloffs have impacted GBP adversely via the fiscal term premium channel. The recent sell-off in rates has been unique in that global term premium has fallen. But whilst GBP has been relatively untouched by the pickup in rates vol, it has equally been unable to capitalise on higher UK yields. We think the explanation lies in the reaction in global FX volatility which has risen from its lows and in turn is impacting broader high beta FX sentiment. GBP is essentially tracking broader market trends rather than specific UK factors.

All things considered, the BoE made the best of an insidious situation given the amount of tightropes into the curve. We had flagged the risks to GBP given that the task was almost impossible. Nonetheless at the time of writing, BoE pricing is removing some of the tightening. Given the hawkish tone, we think 20bps priced in for November seems fair. In our view, whilst 4 hikes is excessive, risks are rising that the BoE may have to hike. Direct Gilt sales from the BoE to the DMO has been taken well by the market and takes away some of the pressures from active QT.

We think the market is trying to establish an equilibrium level of the amount of tightening In terms of risk management, the BoE has done as good a job as it could in the circumstances. EUR/GBP has risen but our bias would be to fade as the ECB finds itself in precisely the same dilemma as the BoE. Overlay increasing focus on French budgetary risks, we are comfortable with our directionally lower EUR/GBP.

Forecasts: no changes in our forecast profile

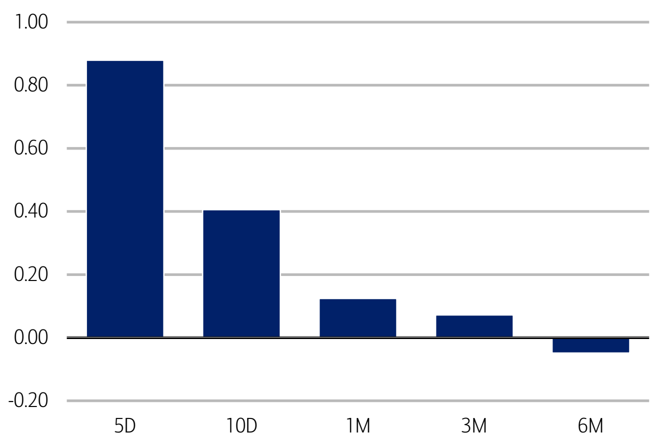
No changes in our forecast profile.

Risks: October 28th Budget

Focus will gradually shift to the 28th Budget and with-it renewed news flow. We expect a rise in FX volatility in the run up to the event.

Exhibit 19: Rolling correlation windows GBP TWI vs UK 10YR

GBP correlation rose post BoE but has been week over past month



Source: BofA Global Research, Bloomberg

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Exhibit 20: GBP forecasts

Our year-end 2026 EUR-GBP forecast is 0.84

	Q4 26	Q1 27	Q2 27	Q2 27
EUR-GBP	0.84	0.84	0.84	0.83
GBP-USD	1.37	1.39	1.42	1.45

Source: BofA Global Research estimates

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Exhibit 21: Major macro forecasts

Inflation still staying above target

	2025F	2026F	2027F
Real GDP (% yoy)	1.3	1.3	1.0
CPI (% yoy)	3.4	3.2	3.2
Policy Rate (end of period)	3.75	4.00	4.25

Source: Bloomberg, BofA Global Research estimates

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CA rates: long bias vs the US

Katie Craig
BofAS

Ralph Axel
BofAS

Themes: BoC on hold, fade market pricing of hikes

The Bank of Canada held their policy rate at 2.25% in September but highlighted upside risk to inflation from higher oil prices. The market priced in as many as 5 BoC hikes over the next year following what was perceived as a hawkish BoC statement, however, market pricing has since come down to 4-4.5 hikes currently priced. We continue to recommend clients fade market pricing of hikes, especially near term, given downside risks from ongoing trade uncertainty which is likely to weigh on growth and investment. Consistent with this view, we continue to like leaning long duration and in CAD curve steepeners vs the US where we believe an activist US Treasury will anchor back-end rates.

The market continues to price in more hikes in CA than in the US despite core inflation remaining at or below the BoC's 2% target and US inflation remaining above the Fed's 2% target for over 5 years. We believe the BoC can remain patient until there is consistent evidence that the inflation shock from higher oil prices is feeding into broader categories.

In line with our curve views, the divergence between US-CA policy will likely drive more upward pressure in US front-end rates than CA. Back-end rates however are likely to reflect more upside risk to inflation in CA if the BoC remains on hold, while back-end US rates will likely increase less than front-end rates due to expectations for lower inflation, potential Fed cuts priced in, and activist US Treasury cutting back-end supply.

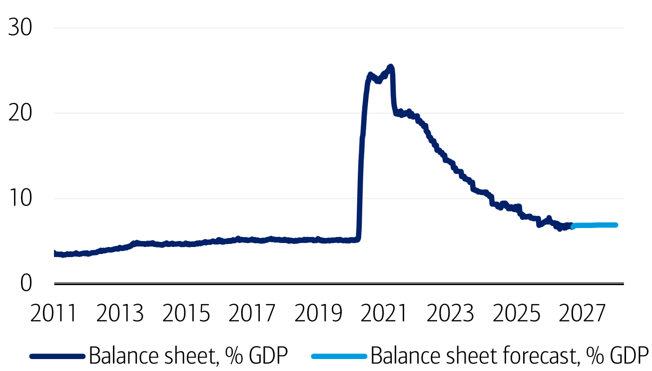
Forecasts: below forwards, especially at the front-end

We maintain our rates forecast but acknowledge that our front-end forecasts are well below forwards. Consistent with this we believe the market is overpricing near-term expectations of BoC hikes given limited spillover from higher oil prices and weaker growth from trade uncertainty.

Risks: biased to the upside

We acknowledge upside risks to our forecasts if the recent trend in the inflation data starts to turn or the BoC signals a more hawkish policy stance.

Exhibit 22: Bank of Canada balance sheet projection (CAD bn)
BoC is lending in repo to offset further decline in settlement balances



Source: BofA Global Research, Bloomberg, Bank of Canada

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Exhibit 23: Government bond yield forecasts (%)
Our forecasts are well below forwards as we fade market pricing of hikes

	Q4 26	Q1 27	Q2 27	Q3 27
2y	3.05	3.10	3.15	3.20
5y	3.40	3.45	3.50	3.55
10y	3.75	3.80	3.85	3.90

Source: BofA Global Research estimates

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Exhibit 24: Swap rate forecasts (%)
We see 10y swap spreads at 3.5% on YE '26

	Q4 26	Q1 27	Q2 27	Q3 27
2y	2.95	3.00	3.05	3.10
5y	3.25	3.30	3.35	3.40
10y	3.50	3.55	3.60	3.65

Source: BofA Global Research estimates

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CAD: USD upside risks

John Shin
BofAS

Themes: upside risks to USD-CAD

USD-CAD has generally been connected to rate differentials, along with much of G10, particularly on the back of the Fed's recent rate hike. The Bank of Canada's recent hold, albeit expected, helped point to CAD downside (see report: Canada Watch: "BOC hlds at 2.25%", 02 Sep 2026")

Our Canada economics team continues to expect the BOC to stay on hold now and into next year, especially after a recent soft employment number, while our US economics team expects the Federal Reserve to hike two more times this year. Still, while core inflation remains around target (see report: Canada Watch: "Headline and core inflation stand by in August", 14 Sep 2026"), markets have been looking at recent upside risks to headline inflation, particularly as a result of higher energy prices, and pricing in potential future rate BOC rate hikes.

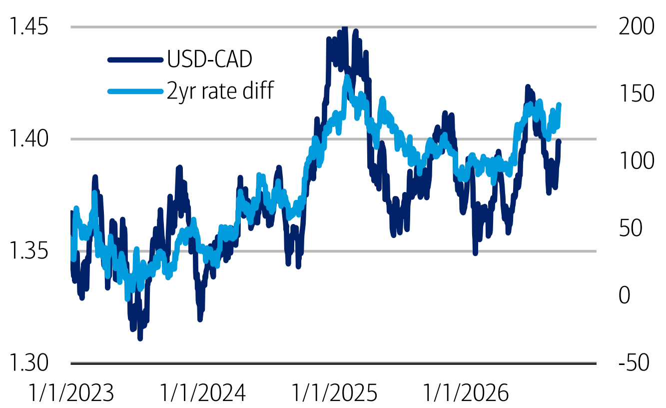
Forecast: remaining focused on 1.40

We do not make changes to our forecasts, with our focus for USD-CAD at around 1.40 over the medium term. Right now rate differentials do point to a modestly higher USD-CAD, but potential concerns around future possible BOC policy likely keep a relative lid on CAD downside. Moreover, we generally expect modest USD softening next year, as exemplified by our end-2027 EUR-USD forecast of 1.20, and we similarly expect USD-CAD to go similarly modestly lower over the medium term as well.

Risks: tariffs, US policies, and the war

Ongoing trade tensions continue to weigh on the outlook, with less hope around mitigation before US midterm elections. (See report: Canada Viewpoint, "Canada fights the trade war on two fronts", 22 Sep 2026) Prime Minister Carney's recent outreach to the European Union signals the likely persistence of these tensions, which may also dampen future expectations for the Bank of Canada. Meanwhile markets are pricing in further rate hikes on the US side after the Fed's recent move. And of course, the continuation of Middle East issues around Iran and the Strait of Hormuz will likely mean further volatile oil prices.

Exhibit 25: USD-CAD and US-CA 2yr yields, daily 2026
USD-CAD has been moving with rate differentials



Source: BofA Global Research, Bloomberg.

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Exhibit 26: USD/CAD FX forecast
We look for end-2026 USD-CAD at 1.40

	Q4 26	Q1 27	Q2 27	Q3 27
USD-CAD	1.40	1.40	1.40	1.38

Source: BofA Global Research estimates

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Exhibit 27: Major macro forecasts
We see the BoC staying on hold

	2025F	2026F	2027F
Real GDP (% yoy)	1.9	1.0	1.6
CPI (% yoy)	2.1	2.8	2.2
Policy Rate (end of period)	2.25	2.25	2.25

Source: Bloomberg, BofA Global Research estimates

BofA GLOBAL RESEARCH

AU rates: RBA on hold

Isabel Hartstein
Merrill Lynch (Australia)

Oliver Levingston
Merrill Lynch (Hong Kong)

We expect the RBA to hike in September

Since the strong July CPI print, our economists expect the RBA to raise the cash rate by 25bp to 4.60% at its September meeting. The stronger-than-expected Q2 GDP print supports the case for a near-term hike rather than waiting until November, as does the resurgence in oil prices. A cash rate above 4.60% cannot be ruled out, and risks skew to an additional hike this year, but our base case is for the RBA to remain on hold until restrictive policy is ultimately unwound in 2H '27.

Inflation risks skewed to the upside

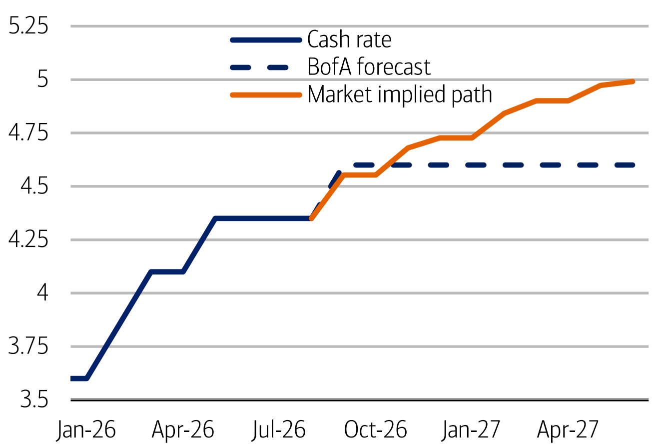
Market pricing suggests the RBA could hike one more time after September this year, with 38bp priced-in by December. The distribution of risks to inflation are skewed to the upside given the higher starting point for inflation in Australia and ongoing supply chain disuption. Recent RBA communication has been hawkish, with the minutes indicating that Board members see a risk of upside inflation pressures requiring additional tightening. The key downside risk is falling home values, however, household spending and GDP data indicate that demand remains solid.

Belly and long-end to remain elevated this year and retrace next year

We have revised our Australian Commonwealth Government Bond (ACGB) yield forecasts higher, reflecting current spot rates, persistent inflationary pressures both domestically and globally, and the sensitivity of ACGBs to US Treasuries. We expect Australian yields to remain elevated through the remainder of 2026, with inflation still above target and the RBA likely to deliver another hike in September.

Our 2-year yield forecasts are broadly in line with forwards in the near term, as we expect the 2-year ACGB yield to remain elevated through year-end amid further RBA tightening. Beyond mid-2027, we are more bullish than forwards imply. We are also modestly bullish on the 5-year and 10-year sectors. The main reason for the divergence is that we believe markets have underpriced the downside risks to growth from an aggressive RBA hiking cycle and housing market downturn.

Exhibit 28: RBA cash rate – market expectations vs BofA forecasts (%)
We expect the RBA to hike in September



Source: Bloomberg, BofA Global Research

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Exhibit 29: BofA ACGB yields forecasts
Curves to flatten until 1Q '27 until RBA rate cuts eventually lead to steeper 2s10s

	Q4 26	Q1 27	Q2 27	Q3 27
3m BBSW	4.60	4.60	4.60	4.35
2y Govt.	4.80	4.75	4.65	4.55
5y Govt	4.80	4.75	4.70	4.65
10y Govt	5.15	5.10	5.05	5.00

Source: BofA Global Research estimates

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Exhibit 30: Swap rate forecasts
We forecast swap rates to slowly retrace lower over the forecast horizon

	Q4 26	Q1 27	Q2 27	Q3 27
3y	4.90	4.85	4.75	4.65
10y	5.25	5.20	5.15	5.10

Source: BofA Global Research estimates.

BofA GLOBAL RESEARCH

AUD: upside risks

Isabel Hartstein
Merrill Lynch (Hong Kong)

Oliver Levingston
Merrill Lynch (Hong Kong)

AUD: upside risks amid hawkish RBA repricing

We are bullish AUD given elevated Australian Commonwealth Government Bond (ACGB) yields and resilient commodity prices. The key downside risk is a stronger US macroeconomic backdrop that leads markets to price in further Fed tightening. Commodity export prices should continue to offer some support for AUD, although the impact will likely be modest in the absence of new mining capex.

RBA is expected to raise the cash rate at its September meeting

We expect the RBA to raise the cash rate at its upcoming meeting to 4.60%, with risks of further hikes this year amid persistent inflationary pressures. Inflation risks remain skewed to the upside given the higher starting point for inflation in Australia and the risk of second-round effects from energy market disruptions in the Middle East. As a result, we expect the cash rate will need to remain higher for longer, such that Australia retains the highest policy rate among G10 central banks amid persistent core inflation, which should underpin AUD strength..

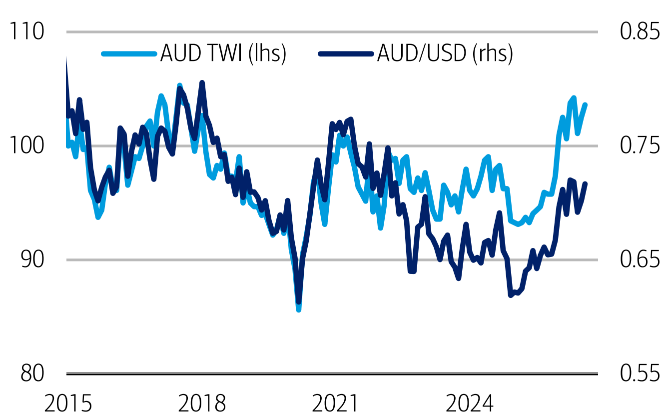
Risk assets supportive, but commodities boost may be limited

Key commodity export prices are expected to remain resilient, although the additional support they provide to the AUD is likely to be modest in the absence of a new mining capex cycle. While copper prices have surged alongside increased investment in AI infrastructure, the pass-through to the AUD has been limited. The AUD's sensitivity to China-related growth expectations could represent an important tailwind, but recent Chinese activity data have remained soft.

Changes in hedge ratios: tail risk, not our base case

To be clear, the hurdle for super funds to shift their hedge ratios has not been met. There are few examples of large or sustained falls in S&P 500 beyond April 2025 when AUD/USD fell through 0.60. Yet we remain alert to a scenario where US equities fall 10-15% and a coincident fall in the USD means AUD remains broadly stable. We would expect super funds to adjust their hedging programs in the aftermath, potentially sending AUD/USD higher in a move that could become self-reinforcing.

Exhibit 31: We expect AUD/USD to trade sideways this year
AUD TWI (Jan 2015 = 100, lhs) vs AUD/USD (rhs)



Source: Bloomberg

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Exhibit 32: AUD Forecasts
Our end-2026 AUD-USD forecast is 0.74

	Q4 26	Q1 27	2Q 27	3Q 27
AUD-USD	0.74	0.73	0.73	0.73
AUD-NZD	1.21	1.22	1.22	1.22

Source: BofA Global Research estimates

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Exhibit 33: Major macro forecasts
We forecast higher inflation in 2026

Australia	2025	2026F	2027F
Real GDP (% yoy)	2.0	2.0	1.6
CPI (% yoy)	2.9	3.7	2.5
Policy Rate (end of period)	3.60	4.60	4.10

Source: Bloomberg, BofA Global Research estimates

BofA GLOBAL RESEARCH

NZD: scope for further upside

Oliver Levingston
Merrill Lynch (Hong Kong)

Isabel Hartstein
Merrill Lynch (Hong Kong)

RBNZ expected to hike one more time this year

The RBNZ raised the OCR to 2.75% at its September meeting but revised the OCR path slightly lower, which has weighed on NZD. Our economists expect the RBNZ pause in October to allow time to assess inflation spillovers and election policies, and then resume tightening in December, taking the OCR to 3.00%. Inflation pressures remain elevated, with CPI rising 4.1% y/y in 2Q, exceeding both market expectations and the RBNZ's July forecast of 3.9%. However, the RBNZ revised the near-term inflation forecast down to 3.9% in 3Q and 4Q and expects inflation to fall to around the 2% midpoint from 4Q 2027.

High oil prices weigh on NZD

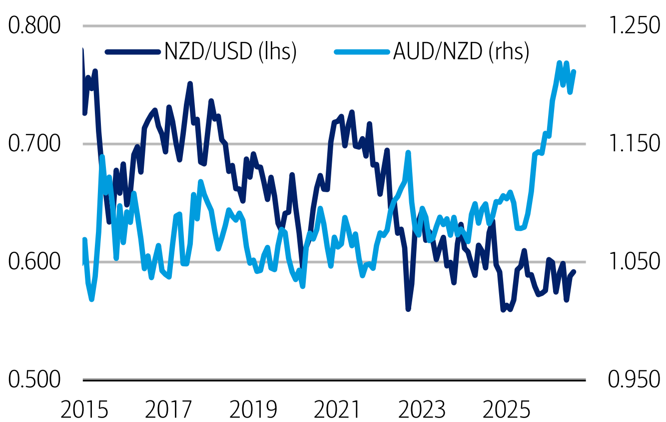
Rising tensions in the Middle East and higher oil prices have compounded the headwind from the RBNZ's dovish hike. New Zealand is a net import of oil products, so higher energy prices should result in a lower terms of trade and weigh on the NZD.

But we are constructive on NZD/USD and see upside risks to AUD/NZD

Although NZD has depreciated since the dovish RBNZ hike and increase in oil price, we remain constructive on NZD. On balance we expect the RBNZ to lift the OCR towards a neutral setting, which is estimated to be around 3%..

That said, we are relatively more bullish on AUD, and see upside risks to AUD/NZD for several reasons: 1) RBA communication has turned more hawkish with risks skewing towards multiple RBA hikes this year 2) oil prices could remain elevated for some time which is relatively bullish for AUD given it is a net energy exporter 3) uncertainty around the NZ election outcome could also weigh on NZD given the main opposition party is promising to reinstate the RBNZ dual mandate

Exhibit 34: NZD/USD vs AUD/NZD
We are constructive on NZD and bearish AUD/NZD



Source: Bloomberg

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Exhibit 35: BofA NZD forecasts
Our end-2026 NZD-USD forecast is 0.61

	Q4 26	Q1 27	Q2 27	Q327
NZD-USD	0.61	0.60	0.60	0.60
AUD-NZD	1.21	1.22	1.22	1.22

Source: BofA Global Research estimates

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Exhibit 36: Major macro forecast
We forecast growth recovering in 2026

New Zealand	2025F	2026F	2027F
Real GDP (% yoy)	0.2	1.5	2.1
CPI (% yoy)	2.8	3.4	2.3
Policy Rate (end of period)	2.25	3.00	3.00

Source: Bloomberg, BofA Global Research estimates

BofA GLOBAL RESEARCH

CHF: and then there was one....

Kamal Sharma
MLI (UK)

Themes: the only credible funder in G10

Sceptism has been the byword for market views towards trend CHF weakness using a carry framework. There have been moments, albeit fleeting, when it appeared, notably in early 2024, when the time was ripe for sizeable CHF overvaluation to correct. Such persistent CHF misalignment has been an anchor for many investors to take a medium-term bearish view on the currency. Ostensibly, the CHF should have ticked all the boxes for the funding currency of choice within G10. However, that view has not been helped in recent years by the trend depreciation in JPY which has been driven by deterioration in the balance of payments.

However, the past month suggests that the CHF is morphing into a more reliable funding currency than it has done in the past. The announcement by the US Treasury to increase its buybacks at the long end of the curve provided a momentary catalyst for CHF to rally as US fiscal dominance concerns to re-emerge. The start of the year had two very clear trends: rising global term premium driving gains in gold and the CHF. That relationship remains key for the CHF, but a USD sell-off in the absence of a vol spike, combined with the interpretation of what increasing buybacks mean in terms of USD liquidity, triggered the reversal in the CHF.For the SNB, where we expect steady rates over the coming year. Market pricing looks for nearly two rate hikes in 2027. We disagree and believe that the pricing out of such expectations will provide another driver for CHF weakness next year. Inflation remains well within the SNB range, and the SNB may lean on the FX rate to do the heavy lifting on containing inflation by dropping explicit reference to interventions.

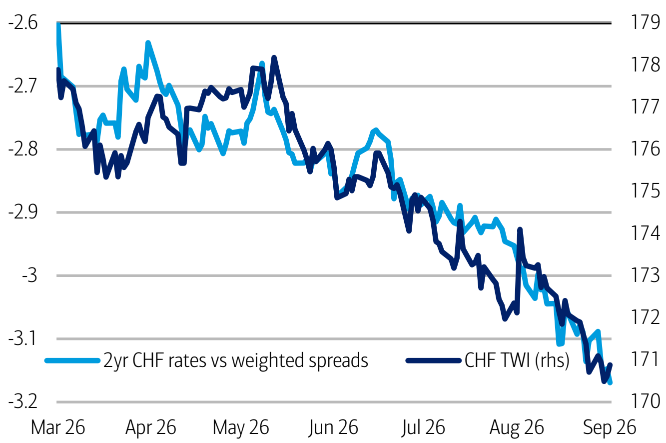
Forecasts: no direct changes to the forecast profile

No changes to the direct EUR-CHF forecast profile.

Risks: French politics/budget

A heavy schedule of French budget/political news could put a floor under CHF.

Exhibit 37: CHF TWI vs CHF 2yr spread vs weighted G10 spreads
Swiss rate compression is weighting on CHF TWI



Source: BofA Global Research, Bloomberg.

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Exhibit 38: CHF forecasts
Our 2026 year-end EUR-CHF forecast is 0.93

	Q4 26	Q1 27	Q2 27	Q3 27
EUR-CHF	0.93	0.94	0.94	0.95
USD-CHF	0.81	0.80	0.79	0.79

Source: BofA Global Research estimates

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Exhibit 39: Major macro forecasts
Inflation again well below 2% in 2026

	2025F	2026F	2027F
Real GDP (% yoy)	1.4	1.0	1.4
CPI (% yoy)	0.2	0.5	0.7
Policy Rate (end of period)	0.00	0.00	0.00

Source: Bloomberg, BofA Global Research estimates

BofA GLOBAL RESEARCH

NOK: bearish bias, but cautious on energy

Marcus Boman
MLI (UK)

Michalis Rousakis
MLI (UK)

Themes: energy prices remain the dominant driver

We recently revised our NOK forecasts higher, reflecting upward revisions to our energy-price forecasts and continued energy-market uncertainty. However, we retain a bearish NOK bias, forecasting EURNOK at 11.00 and NOKSEK at parity by year-end.

NOK continued to outperform across G10 FX over the past month, despite interest-rate differentials moving against it. The rally largely reflected higher energy prices, including gas. Low European gas inventories and Middle East developments have led our commodity strategists to revise up their TTF forecasts heading into the winter – they now see the Q4 TTF average at EUR 100/MWh (see report: Global Energy Weekly, 15 Sep '26). As a result, we are reluctant to lean against the current bullish NOK momentum.

That said, we retain our medium-term bearish bias on NOK for two reasons. First, Norway's macro backdrop still points to a slowdown. Inflation has remained clearly below Norges' forecasts for three consecutive months, activity data have not been particularly strong, and the latest Regional Network Survey was modestly bearish in our view. While it remains a close call, we expect Norges to remain on hold for the rest of this year before beginning to cut rates in 2027.

Second, even assuming energy prices remain the dominant driver, the recent NOK rally appears to have overshot fundamentals. Based on three-year weekly betas, higher oil prices would explain only ~1% of NOKSEK's appreciation over the past month. Rate differentials should also have offset part of the move, although NOKSEK's sensitivity to rates has fallen sharply in recent months (see report: Liquid Insight 21 Sep '26). The conclusion is unchanged when using one- and two-year lookbacks or six-month daily estimates.

Forecasts: we recently revised up our EURNOK forecast profile

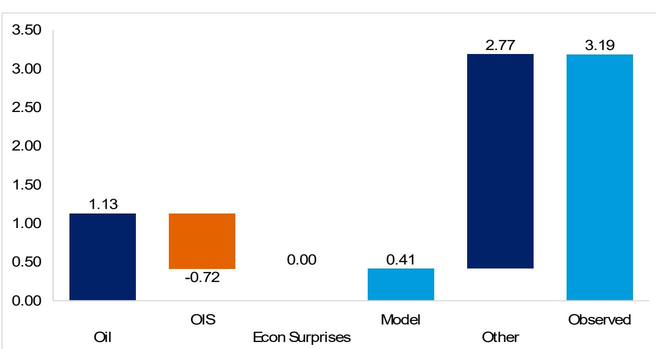
We forecast EURNOK at 11.00 by year-end, with USDNOK at 9.57 (EURUSD at 1.15). We continue to favour SEK over NOK and expect NOKSEK to move to parity by year-end.

Risks: hawkish Norges, Iran escalation, cold European winter

A further escalation in the Middle East, an unusually cold European winter, or a hawkish hike by Norges this week would pose upside risks to our NOK forecasts.

Exhibit 40: NOKSEK has rallied more than oil, interest rates differentials, and economic surprises* would have predicted

Predicted vs realized 1m NOKSEK returns based on 3y weekly betas



Source: BofA Global Research, Bloomberg

*We use 2y OIS spread as proxies for interest rates differentials and the spread between the Citi economic data surprise indexes for Norway and Sweden as a proxy for economic surprises

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Exhibit 41: NOK forecasts

Year-end EUR-NOK forecast of 11.00 in 2026

	Q4 26	Q1 27	Q2 27	Q3 27
EUR-NOK	11.00	11.10	11.10	11.10
USD-NOK	9.57	9.49	9.33	9.25

Source: BofA Global Research estimates

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Exhibit 42: Major macro forecasts

Norway recovery modest this year

	2025	2026F	2027F
Real GDP (% yoy)	1.7	0.8	0.7
CPI (% yoy)	3.0	3.2	2.6
Policy Rate (end of period)	4.00	4.25	3.75

Source: Bloomberg, BofA Global Research estimates.

BofA GLOBAL RESEARCH

SEK: bullish, but cautious near term

Marcus Boman
MLI (UK)

Michalis Rousakis
MLI (UK)

Themes: energy spike keeps us cautious, but fundamentals remain supportive

We remain constructive on SEK and maintain our EURSEK year-end target at 11.00. However, reluctant to push against the current negative SEK momentum, with energy prices remaining the dominant driver.

The rise in oil and gas prices has been a key theme across G10 FX over the past month. SEK's beta to oil has been the most negative in G10 over the pastr year, so it is no surprise that SEK has been the worst-performing currency over the past month.

Nor have the Riksbank and the latest inflation data provided support. In fact, the Riksbank's less-hawkish-than-expected communication, together with the downside surprise in the August inflation data, led us to revise our Riksbank call: we now expect them to hike in December, vs. September previously (see report: European Watch, 9 Sep '26).

That said, our medium-term bias for SEK remains firmly constructive. Recent activity data, both hard and soft, alongside the Riksbank's business survey have been encouraging. We expect Swedish growth to remain solid, with the new government likely to pursue modestly supportive fiscal policy with an investment-led growth agenda following the election (see report: Swedish Election Special, 10 Sep '26). We also continue to see external tailwinds from German fiscal and European defence spending, and have been positively surprised by the European economy's recilience to the war in the Middle East.

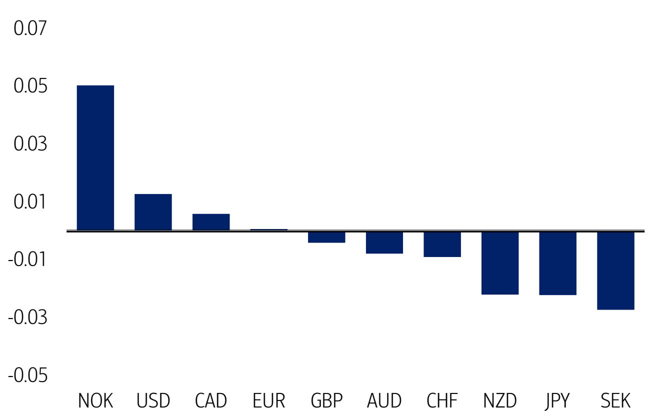
Forecasts: now look for NOKSEK at 1.00 by year-end

We maintain our year-end forecasts of 11.00 for EURSEK, 9.57 for USDSEK, but raised our year-end NOKSEK forecast to parity. Near-term risks to our EUR-SEK forecasts remain skewed to the upside.

Risks: data blips, US-Iran conflict

Key downside risks to our SEK forecasts and constructive bias include an equity sell-off, weaker Swedish data than we expect, and stronger-than-expected US inflation prints. A sustained escalation between the US and Iran would pose meaningful downside risks.

Exhibit 43: SEK has the most negative beta to oil prices in G10
1 year daily betas between returns of G10 trade weighted indices to oil



Source: Bloomberg, BofA Global Research.

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Exhibit 44: SEK forecasts
Our EUR-SEK forecast at end-2026 is 11.00

	Q4 26	Q1 27	Q2 27	Q3 27
EUR-SEK	11.00	10.80	10.60	10.50
USD-SEK	9.57	9.23	8.91	8.75

Source: BofA Global Research estimates

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Exhibit 45: Major macro forecasts
The Riksbank is very serious about inflation

	2025F	2026F	2027F
Real GDP (% yoy)	1.6	2.7	2.3
CPI (% yoy)	2.6	1.2	2.0
Policy Rate (end of period)	1.75	2.00	2.00

Source: Bloomberg, BofA Global Research estimates

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EM Asia

China: 6.6 year-end

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Maintained

We maintain our year-end USD/CNY forecast at 6.6. This represents a 1.6% appreciation relative to current spot levels and the outright forward rate at 6.65 and the Bloomberg consensus at 6.70. Export proceeds conversion and an undervalued CNY are the key drivers for this view, as well as increasing pressure from the G7 to address trade imbalances. Another notable development is that USD/CNY spot is trading 1% stronger than the midpoint of the daily trading band, which is unusual and indicative of appreciation pressure.

Nonetheless, China's deflationary risks remain a concern for CNY appreciation. Weak domestic demand does help to keep the current account surplus high, but it also brings debt deflation risks with it, which could trigger capital outflows under a stress scenario.

Valuation: Our COMPASS model (2-3 years), which estimates the fair-value exchange rate consistent with an equilibrium current account, suggests USD/CNY at 5.98, 12.2% below current spot. This aligns with our behavioral exchange-rate-equilibrium model, which shows CNY is undervalued by c.10% against its trading partners.

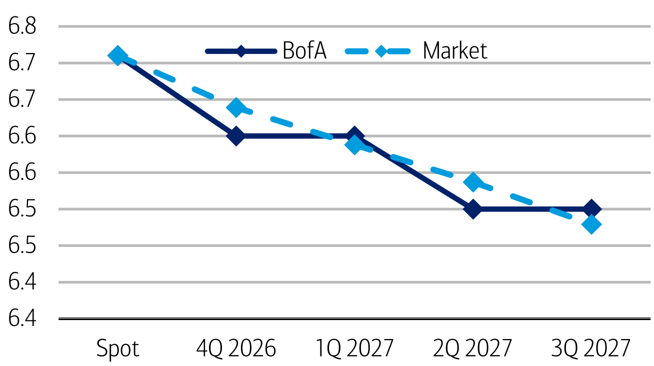
Positioning: Technical indicators, including daily RSI and MACD, show CNH consolidating with a bullish bias. 3M CNH forward points are also consolidating in a range, while 3-month 25-delta risk reversals marginally favor USD puts. This suggests the near-term bias is overbought and positioning for CNH appreciation.

Risk events: The September 24 Trump-Xi Summit in the US looms large for trade relations and stabilization of tariff regimes and global supply chains. Additionally, the EU is increasingly concerned about China's competitive export threat and is considering countervailing trade action in October.

Corporate hedging: Risks have shifted toward CNY appreciation, driven by macro imbalances in the US and China, and stronger-than-expected exporter FX selling from China.

Rates: Our year-end forecast for the 10y CGB is 1.75%, slightly above current levels. We believe risks are tilted toward a lower 10y yield in 2H, given: 1) CPI inflation is expected to peak, 2) K-shaped growth implies weak credit demand and less urgency for policy support, and 3) better value versus the front end.

Exhibit 46: USD/CNY forecasts vs forwards
Our 4Q26 forecast is below forwards



Source: BofA Global Research, Bloomberg

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Exhibit 47: USD/CNY forecasts
Expect USD/CNY at 6.6 by 4Q 2026

	Q4 26	Q1 27	Q2 27	Q3 27
USD-CNY	6.60	6.60	6.50	6.50

Source: BofA Global Research estimates

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Exhibit 48: We expect 2026 annual GDP below 5.0%
We expect growth to moderate in 2026 and 2027

China	2025F	2026F	2027F
Real GDP (% yoy)	5.0	4.5	4.2
CPI (% yoy)	0.0	0.8	0.5
7d OMO rate (eop)	1.4	1.4	1.4
Fiscal Bal (%/GDP)	-4.0	-4.0	-4.0
CurAct Bal (%/GDP)	3.7	3.3	3.3

Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

India: watching topside USDINR

Rahul Bajoria
BofAS India

Abhay Gupta
Merrill Lynch (Singapore)

Smriti Mehra
BofAS India

RBI expected to cap topside USDINR

INR found support from RBI smoothing around 96/USD level after earlier weakness due to oil price spike. Meanwhile, robust services exports mitigated the impact of higher oil prices on the CA deficit in 2Q but monthly CA deficit will seasonally widen to around 1-2% range. Oil remains key, as prices at USD80 or above, coupled with seasonal deterioration in the CAD toward end-3Q, remain key risks to INR. That would need either consistent capital inflows or RBI support to keep USDINR range-bound.

Other capital measures announced by the RBI last month have been successful with USD 127bn total inflows so far under deposit and offshore corporate funding flows. Although FX hedges on these flows would limit any direct impact on INR, they shore up the RBI's FX reserves, which is approaching USD750bn. This provides ammunition to lean against INR depreciation for months to come and should support INR's near-term carry appeal.

Valuation: INR is highly undervalued on both a NEER and REER basis relative to historical ranges. Our long-term FX Compass model places fair value at 91.88/USD, implying roughly 4% undervaluation versus spot.

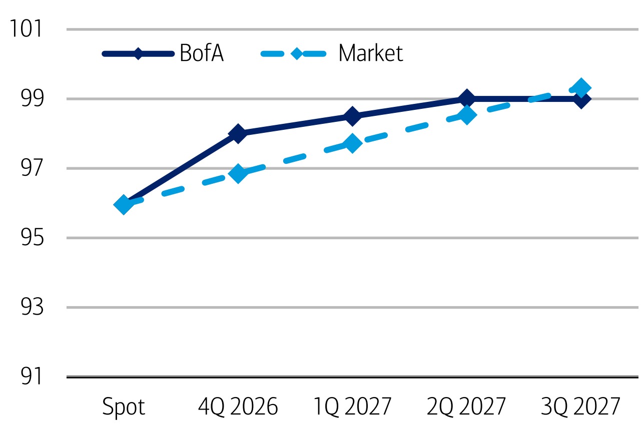
Positioning: We believe market positioning is marginally short USDINR, with NDF-implied yield spreads over onshore yields having compressed over the past month.

Risk events: India remains vulnerable to geopolitical uncertainty resulting in oil price staying higher for longer. Apart from widening the CA deficit, the stagflationary impact of higher oil prices leads to portfolio outflows from both equity and debt markets.

Corporate hedging: We recommend keeping INR exposure unhedged in the near term given appealing carry and RBI defense against weakness.

Rates: **Neutral level/steeper curve.** Fiscal stimulus and subsidy burden have increased the risk of higher issuance. Although oil prices have retreated from the peak, the risk of a food-price spike due to El Nino should keep rate-hike risks alive and weigh on duration demand. The RBI's recent measures to attract capital flows will inject large amounts of liquidity into the banking system while reducing the need for RBI bond purchases, putting steepening pressure on the bond-yield curve..

Exhibit 49: USD/INR forecasts)
Our forecast path vs forwards



Source: BofA Global Research, Haver

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Exhibit 50: USD/INR forecasts
Expect USD/INR at 98 by 4Q 2026

	Q4 26	Q1 27	Q2 27	Q3 27
USD-INR	98	98.5	99	99

Source: BofA Global Research estimates

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Exhibit 51: Major macro forecasts- (CY terms)
Growth-inflation outlook improves as Conflict related uncertainty declined

India	2025	2026F	2027F
Real GDP (% yoy)	7.3	7.7	7.5
CPI (% yoy)	2.2	4.4	4.9
Policy Rate (end of period)	5.25	5.5	5.75
Fiscal Bal (%/GDP)	-4.6	-4.5	-4.2
Cur Act Bal (%/GDP)	-0.5	-1.1	-0.6

Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

Indonesia: risk of dovish policy bias

Kai Wei Ang
Merrill Lynch (Singapore)

Abhay Gupta
Merrill Lynch (Singapore)

Rahul Bajoria
BofAS India

View: IDR facing risk of dovish policy bias
BI has put up a strong defense of IDR, via aggressive rate hikes and steps to attract more capital inflows. These inflows have supported BI's FX reserves that can then be used to support IDR through intervention. Pushback on market expectations for Fed rate hikes and consequent weakness in USD helped stabilize USD/IDR under 18,000/USD key level. That may have also led to some unwinding of some bearish positions. IDR remains exposed to broader USD strength if external financial conditions tighten again. This would usually lead to higher USD deposit demand from corporates and hedging flows from portfolio investors. Maturities of BI's USD sales in forwards markets, including DNDF and NDF, may also limit room for IDR appreciation.

BI Governor replacement caused volatility in IDR but nomination of current acting Governor was taken positively by the market. While seen as market-friendly, we believe BI may remain under pressure to align monetary policy towards government's growth priorities. That may result in a dovish tilt and reduce interest-rate support for IDR. IDR appears attractive on valuation versus peers. However, a more durable IDR appreciation would need wider rate-differentials versus US rates to make it more prohibitive for corporates to keep export proceeds in USD.

Valuation: IDR now appears undervalued relative to its historical NEER and REER ranges on a five-year window. Our long-term FX Compass model places fair value at 18,846.7/USD, implying roughly 6% overvaluation at spot.

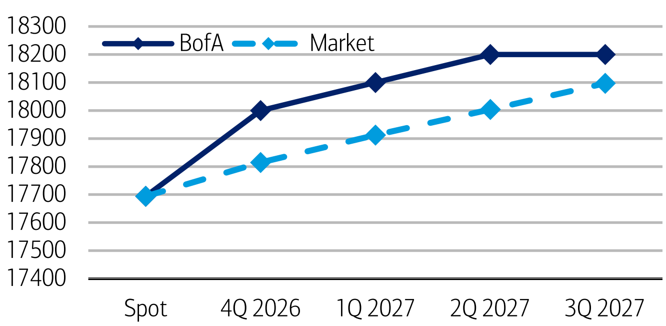
Positioning: We believe the market is positioned for IDR weakness, but on a moderate scale compared with last month.

Risk events: Beyond global risk aversion, the possibility of negative ratings actions due to fiscal concerns remains a risk.

Corporate hedging: We recommend maintaining IDR hedges given low hedging costs and risk of further IDR depreciation.

Rates: **Neutral level/steeper curve**. BI has turned defensive amid FX pressures, resulting in higher front-end yields and sharp curve flattening. The long end of the curve may also adjust higher as BI refrains from additional bond purchases, allowing fiscal concerns to be reflected in the bond curve.

Exhibit 52: USD/IDR forecasts
Our forecast path vs forwards



Source: BofA Global Research, Haver

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Exhibit 53: IDR forecasts for next 4 quarters
Forecast end-26 at 18,000/USD

	Q4 26	Q1 27	Q2 27	Q3 27
USD-IDR	18,000	18,100	18,200	18,200

Source: BofA Global Research

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Exhibit 54: Major macro forecasts
Indonesia's growth to edge up over the coming years

Indonesia	2025	2026F	2027F
Real GDP (% yoy)	5.1	5.3	5.5
CPI (% yoy)	1.9	3.3	3.0
Policy Rate (end of period)	4.75	5.75	5.75
Fiscal Bal (%/GDP)	-2.8	-2.9	-2.7
CurAct Bal (%/GDP)	-0.1	-1.8	-1.1

Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

Korea: neutral

Benson Wu, CFA
Merrill Lynch (Hong Kong)

Ting Him Ho, CFA
Merrill Lynch (Hong Kong)

Claudio Piron
Merrill Lynch (Singapore)

Macro: KRW appreciation risk

We revise our USD/KRW outlook is neutral, following a nearly 13.5% KRW rally against USD over the past two months. Our analysis suggests that acute equity rebalancing and KRW hedging exposure by foreign investors has subsided for now. Additionally, the fall in the KOSPI VIX volatility index should be supportive for stabilizing foreign portfolio equity outflows, which have been a significant drag on KRW this year. Accordingly, we forecast USD/KRW at 1420 and 1410 for end Q3 and 4Q respectively. Markets are also awaiting further details on Korea's investment plans into the US this September, which could stall KRW appreciation in the coming weeks. It is worth noting the Korea's GDP growth is outpacing US GDP y/y growth for the first two consecutive quarters of this year. The last time this happened was in Q2/Q3 of 2022, which lent confidence to BoK tightening cycle back then.

Positioning: Positioning is very long with RSI and MACD technical indicators suggest overbought conditions, though this is also consistent with a very strong trend of exporter USD selling and strong external current account position.

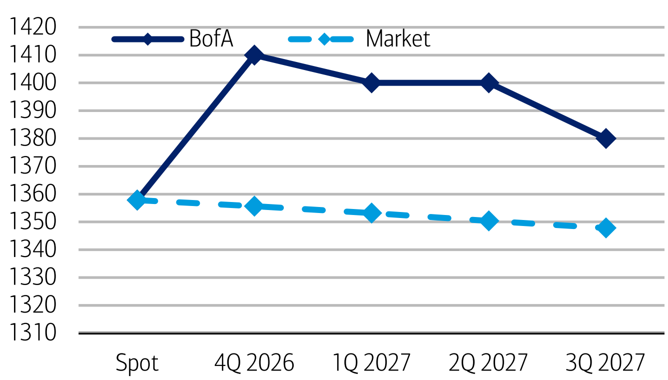
Valuation: Our FX Compass model shows KRW is significantly undervalued, by as much as 32% against the USD, reflecting the 20% CA surplus of GDP expected for 2026.

Risk events: Fed hikes and a resumption of domestic portfolio outflows.

Corporate hedging: We recommend clients to hedge KRW risks given Korea's volatile portfolio outflows and high sensitivity to global risk sentiment.

Rates: The BoK kicked off its rate-hiking cycle on 16 July and delivered an unusual back-to-back hike on August 27. Our economists continue to expect two more rate hikes in October and January, bringing the terminal rate to 3.50%. We see the AI investment impact and the fiscal trajectory as key inputs for the central banks' rate path. Even though swap market priced in significantly more hikes than our house view. We believe it is premature to fade market pricing until there is more clarity on the terminal rate.

Exhibit 55: USD/KRW forecasts
Our forecast path is below the forwards in 2027



Source: BofA Global Research estimates

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Exhibit 56: USD/KRW forecasts
Expect USD/KRW at 1,410 by 4Q 2026

	Q4 26	Q1 27	Q2 27	Q3 27
USD-KRW	1,410	1,400	1,400	1,380

Source: BofA Global Research estimates

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Exhibit 57: We look for improving growth this year
Major macro forecasts

Korea	2025	2026F	2027F
Real GDP (% year-on-year)	1.0	3.6	2.5
CPI (% year-on-year)	2.1	2.6	2.2
Policy Rate (end of period)	2.50	3.25	3.50
Fiscal Bal (%/GDP)	-2.3	-1.0	1.5
CurAct Bal (%/GDP)	6.5	19.5	20.4

Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

Malaysia: terms of trade

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Merrill Lynch (Singapore)

Abhay Gupta
Merrill Lynch (Singapore)

Rahul Bajoria
BofAS India

View: Terms-of-trade moves and political risks

Malaysia has been on a stronger footing versus regional peers during the Middle East conflict, due to stronger growth outturns and higher oil prices. This also led to sharp MYR NEER and REER appreciation and some concerns about over-valuation. Political uncertainty from the risk of early elections may have exacerbated the moves in MYR.

We believe Malaysia's external balances will remain in surplus, while BNM's oversight of USD hoarding and exporter conversion ratios keeps a lid on hidden capital outflows. MYR's positive correlation with CNY is also beneficial in keeping it relatively stable during periods of USD strength.

We see MYR staying range-bound around current levels and mostly following USD beta in the near term. If US rates move higher, interest-rate differentials against MYR may widen further and make carry more negative for long MYR positions. Political developments around possibility of early elections can lead to more volatility in MYR.

Valuation: MYR trades well above the historical NEER or REER ranges, indicating overvaluation on a five-year window. Our long-term FX Compass model shows undervaluation of 1.3%, with a fair value of 4.03/USD.

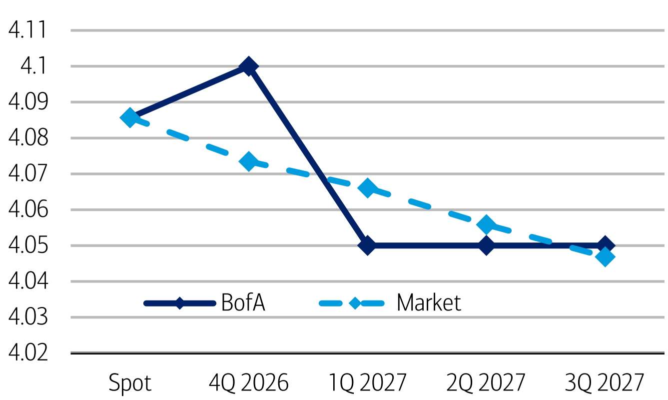
Positioning: We estimate offshore positioning is neutral on USDMYR, with offshore FX-implied yields slightly above onshore yields.

Risk events: Malaysia is exposed to tariff risks directly on semiconductors and indirectly via trading partners due to high trade exposure.

Corporate hedging: We recommend hedging long MYR exposure given negative carry on MYR and near-term political uncertainty.

Rates: Neutral level/neutral curve – Tighter liquidity conditions have resulted in higher rates. We believe that may be linked to quarter-end liquidity requirements and not driven by a policy push to defend FX. Higher reliance on the off-budget government spending could be sources of concern for long-end bonds. However, strong domestic demand for bonds from pension funds is likely to cap any sell-off as BNM appears set to keep the policy rate steady in the near term.

Exhibit 58: USD/MYR forecasts
Our forecast path vs forwards



Source: BofA Global Research, Haver, DOSM

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Exhibit 59: MYR forecasts for next 4 quarters
End-2026 forecast at 4.10/USD

	Q4 26	Q1 27	Q2 27	Q3 27
USD-MYR	4.10	4.05	4.05	4.05

Source: BofA Global Research estimates

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Exhibit 60: Major macro forecasts
Risks tilted to upside for inflation and downside for growth

Malaysia	2025	2026F	2027F
Real GDP (% yoy)	5.2	5.2	4.5
CPI (% yoy)	1.4	1.8	2.0
Policy Rate (end of period)	2.75	3.00	3.00
Fiscal Bal (%/GDP)	-3.7	-3.6	-3.3
CurAct Bal (%/GDP)	1.6	2.2	2.2

Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

Philippines: oil price key

Jojo Gonzales
Philippine Equity Partners

Abhay Gupta
Merrill Lynch (Singapore)

Oil price key for Philippines' external deficit

PHP is mainly driven by oil price moves that has a large impact on external-deficit gap for the Philippines. If oil declines to USD70 level, the CAD may become more manageable; but if oil finds a bottom around USD80, PHP may remain on a depreciation path. The BSP's defense against PHP depreciation around 62/USD has also helped stabilize PHP by shaping expectations around further weakness. The Philippines' wide twin deficits also increase its vulnerability to higher US rates by raising the government's external funding costs and reducing hedging costs for foreign investors. This leaves PHP more sensitive to any USD strength if markets build up Fed-hiking expectations again. We lowered our USDPHP forecast to 63/USD by end-2026 from 64/USD previously, given the moves in oil and market pushback on Fed-hiking expectations. Authorities may attempt to contain FX weakness to limit pass-through to inflation. Smoothing may slow the pace of PHP weakness, but stronger intervention could prove counterproductive by raising concerns about FX-reserve adequacy.

Valuation: PHP screens as slightly undervalued versus its historical NEER range, but less so on a REER basis. Our long-term FX Compass model indicates an approximate 21% overvaluation, with fair value at 79.19/USD, reflecting a wider-than-equilibrium CAD.

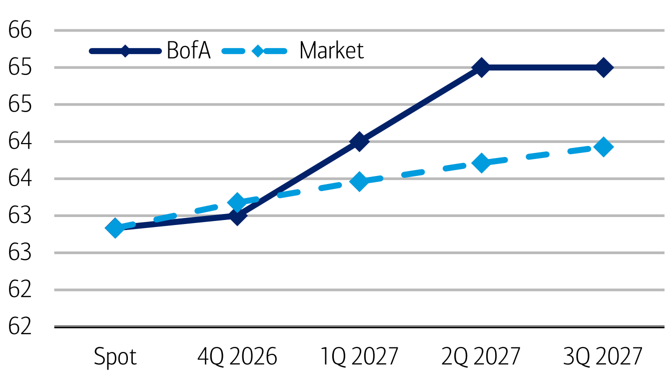
Positioning: Offshore front-end FX-implied yields are only marginally above onshore levels, indicating small long-USDPHP positions offshore.

Risk events: Oil price spike remains the key external risk for the Philippines. Domestically, political uncertainty may weigh on public spending, sentiment, and growth.

Corporate hedging: We recommend hedging PHP exposure amid concerns of wider twin deficits and volatility in oil prices in the near-term.

Rates: Neutral level/steeper curve. The BSP has delivered rate hikes in response to a sharp inflation spike and continued PHP weakness. This raised front-end rates as markets priced a risk premium for potential hikes. With growth weak (expected at 2.5% this year), it was hoped that easing inflation would allow the BSP to dial-back hawkishness. However, the recent spike in oil prices due to Middle East uncertainty is frustrating the awaited rally in yields. A wide fiscal deficit and high issuance requirements is also adding to curve-steepening pressures.

Exhibit 61: USD/PHP forecasts
Our forecast path vs forwards



Source: BofA Global Research

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Exhibit 62: PHP forecasts over 2026
Expect USD/PHP at 63 by 4Q 2026

	Q4 26	Q1 27	Q2 27	Q3 27
USD-PHP	63. 0	64.0	65.0	65.0

Source: BofA Global Research estimates

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Exhibit 63: Major macro forecasts
We expect GDP to be weaker in 2026

Philippines	2025	2026F	2027F
Real GDP (% yoy)	4.4	2.5	3.5
CPI (% yoy, base year 2012)	1.7	6.7	4.9
Policy Rate (end of period)	4.50	5.00	5.00
Fiscal Bal (%/GDP)	-6.0	-6.1	-6.2
CurAct Bal (%/GDP)	-4.0	-4..6	-4.7

Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

Singapore: edging higher

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Merrill Lynch (Singapore)

Rahul Bajoria
BofAS India

Themes: SNEER edging higher

SNEER is edging higher within its policy trading band at above 1.5% of the midpoint of our SGD NEER policy band model. Market expectations for the MAS policy outlook have shifted more hawkish, with a higher possibility of further tightening in the next policy meeting in October. This is primarily backed by strong growth outturn that led to tightening by MAS in the last policy meeting.SNEER movements have correlated more with oil-price fluctuations, USD, and shifts in risk sentiment (inversely with all three factors). This is because still-low SGD rates have kept carry on short SNEER positions elevated. In addition, the possibility of Fed hikes later this year and USD strength could trigger a SNEER correction within the band.

MAS' 'very slight' tightening at the July meeting reduces negative carry on SNEER by 25bps annualized by our estimate. A faster pace of policy-led SNEER band appreciation would make it less prohibitive for markets to maintain long SNEER positions. However, negative carry still remains attractive at around 60bps annualized compared to low volatility in SNEER. On a bilateral basis, USD moves remain the key driver of USD/SGD, driven more by Fed-hike pricing, which may support USD through wider rate differentials versus peers.

Valuation: SGD is overvalued by more than 4.1% on our medium-term FX Compass model, with fair value at 1.33. Both SGD NEER and REER have appreciated considerably under the policy framework and screen as overvalued on a five-year historical basis.

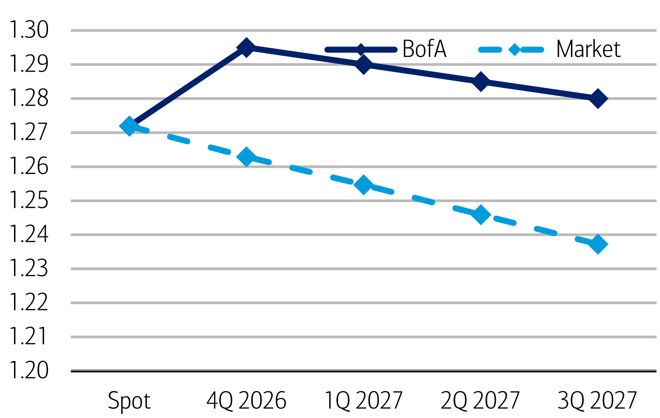
Positioning: We believe SGD NEER positioning is slightly short due to range-bound price-action and carry.

Risk events: Geopolitical tensions, sector-specific tariffs, or a downturn in the electronics cycle remain key risks for Singapore given its high trade dependence.

Corporate hedging: We recommend hedging long SGD exposure given negative carry and range-bound price action.

Rates: Neutral level/flatter curve. SGD rates in the belly have risen in line with global rates, while differentials versus basket yields have widened slightly. Fixing is hovering above 1.2% recently, providing an anchor for front-end rates even as the longer end correlates with global rates. We see scope for SGD rates to flatten, given low fiscal risks in Singapore and global rate moves driven by Fed tightening.

Exhibit 64: USD/SGD forecasts
Our forecast path vs forwards



Source: BofA Global Research

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Exhibit 65: SGD forecasts for next 4 quarters
End-2026 forecast at 1.295/USD

	Q4 26	Q1 27	Q2 27	Q3 27
USD-SGD	1.295	1.290	1.285	1.28

Source: BofA Global Research estimates

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Exhibit 66: Major macro forecasts
We see growth staying above potential pace

Singapore	2025	2026F	2027F
Real GDP (% yoy)	5.0	5.1	2.7
CPI (% yoy)	0.9	2.0	2.2
Policy Rate (end of period)	-	-	-
Fiscal Bal (%/GDP)	1.3	0.5	0.2
CurAct Bal (%/GDP)	16.7	16.1	16.3

Source: BofA Global Research estimates

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Taiwan: maintaining year-end

Claudio Piron
Merrill Lynch (Singapore)

Maintain USDTWD year-end at 31.7

USD/TWD is testing our year-end target of 31.70 bolstered by exporter USD selling in September. Macro data shows robust growth with 2Q GDP printing 12.9% y/y, driven by robust semiconductor demand. Our year-end USD/TWD forecast is 31.7, but we acknowledge TWD appreciation risks due to a strong current account position and potential portfolio inflows. The near-terms risks to TWD appreciation stem from higher oil prices above USD100/bl and oncoming Fed policy rate hikes.

Taiwan policy has been stuck at 2% since mid-24, representing the highest level since 2008. However, Taiwan's macro backdrop of a positive output gap and CPI inflation at 2.0%. This implies flat real policy rates and loose financial conditions, suggesting the CBC will need to tighten policy. Indeed, market pricing implies 48bps of rate hikes over the next 12 months. Finally, Taiwan's current account surplus registered 24% of GDP in 2Q, representing the highest reading in its history. This should result in TWD appreciation pressure, through much of this saving will be recycled overseas as there are limited investment opportunities in Taiwan given the size of domestic asset markets.

Positioning: Overall long TWD, with some profit taking seen below USD/TWD 32.00. RSI and MACD suggest some limited room for longs to run. 1M and 3M NDF points also turning positive in September, suggesting that long TWD positioning is building.

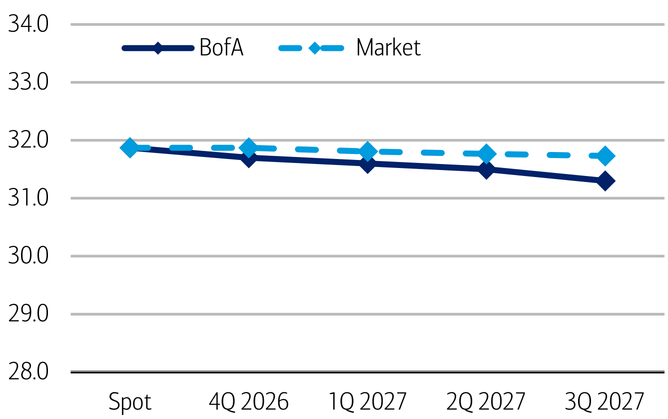
Valuation: According to the CBC's fair value measures based on a 36-month moving average, TWD NEER is currently trading slight below the center of the band, suggesting near-term room for TWD appreciation.

Risks: Additional portfolio outflow triggered by sell-off in global technology stocks.

Corporate hedging: Taiwan corporates should take advantage of positive NDF points and hedge USD receipts to get positive carry.

Rates: The June CBC meeting struck a broadly neutral tone, balancing inflation risks against weakness in non-tech sectors. BofA economists believe this introduces some uncertainty to our base case of two 12.5bp hikes in Sep and Dec. Although easing Middle East tensions could lower oil prices and cap inflation, resilient consumption and year-on-year TWD depreciation may continue to underpin headline inflation.

Exhibit 67: USD/TWD forecasts
Our 2H26 forecasts are above forwards for 1H27



Source: BofA Global Research, DGBAS

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Exhibit 68: USDTWD forecasts into 2027Q2
Expect USD/TWD at 31.7 by 4Q 2026

	Q4 26	Q1 27	Q2 27	Q3 27
USD-TWD	31.7	31.60	31.50	31.30

Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

Exhibit 69: We expect 12.0% GDP growth for 2026
Major macro forecasts for Taiwan, including large current account balance

Taiwan	2025	2026F	2027F
Real GDP (% yoy)	8.8	12.0	7.0
CPI (% yoy)	1.7	2.0	1.7
Policy Rate (end of period)	2.00	2.25	2.375
Fiscal Bal (%/GDP)	0.3	-2.4	-2.0
CurAct Bal (%/GDP)	20.0	23.8	26.6

Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

Thailand: weakness driven by CA flows

Pipat Luengnaruemitchai
Kiatnakin Phatra Securities

Abhay Gupta
Merrill Lynch (Singapore)

Theme: THB weakness driven by CA flows

Thailand's CA is likely to remain weak this quarter due to import surge, even as tourism seasonality and income-repatriation flows improve slightly vs last quarter. Higher imports have narrowed the goods-trade balance this year and pushed the CA deep into deficit territory. Thailand's high dependence on energy imports has added to these headwinds, further increasing THB's sensitivity to oil-price moves and leaving it exposed to USD swings. The possibility of Fed hikes later this year would also widen rate differentials against THB, as the BoT is expected to keep monetary policy accommodative. Re-escalation of the Iran conflict could be a near-term risk to THB, as it would deteriorate Thailand's balance of payments. THB's correlation with gold appears may also lead to more volatility. However, beyond these near-term risks. We see underlying THB flows staying weak this quarter before CA flows turn more favorable towards Dec. We forecast USDTHB at 33/USD by end-2026 and at 32.50/USD by 1Q '27 but with rising risks of weaker CA flows weighing on THB for longer.

Valuation: THB appears overvalued on both NEER and REER metrics relative to its five-year history, likely due to distortions from the COVID-era tourism collapse. Our long-term Compass model indicates even larger overvaluation, with an estimated fair value of 43.52/USD, reflecting a diminishing CA buffer over the next 2 years vs historical norms.

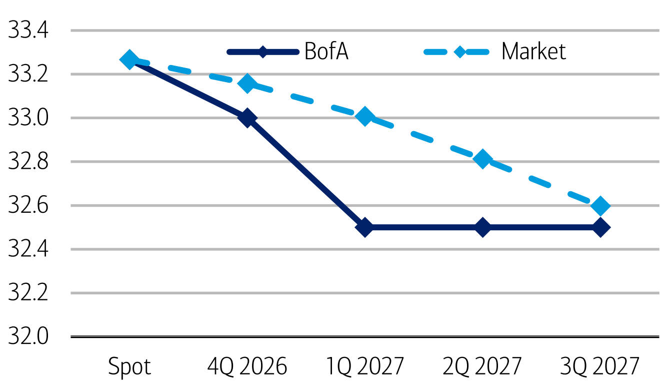
Positioning: Offshore THB FX-implied yields remain higher than onshore yields (1.8 standard deviation above the two -year average), which indicates significant long USDTHB offshore positioning.

Risk events: The oil price shock remains the key near-term risk. Heightened trade tensions could further weigh on THB.

Corporate hedging: We recommend hedging THB exposure given our bearish view on the currency this quarter.

Rates: Neutral level/steeper curve. While we hold a long-term flattening view for Thai rates, near-term bear steepening is possible due to ongoing fiscal-stimulus and global rates. Heading into FY27, we see upside risks to issuance and debt switches announcements due to large maturities beginning from FY27. Front-end may price 1-2 hikes even as BoT provides firm guidance that it will keep the policy on hold.

Exhibit 70: USD/THB forecasts
Our forecast path vs forwards



Source: BofA Global Research, Bloomberg

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Exhibit 71: USD/THB forecasts for 2026-27
Expect USD/THB at 33 by 4Q 2026

	Q4 26	Q1 27	Q2 27	Q3 27
USD-THB	33.0	32.5	32.5	32.5

Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

Exhibit 72: Major macro forecasts
We look for GDP growth of 2.5% in 2026

Thailand	2025F	2026F	2027F
Real GDP (% yoy)	2.4	2.5	2.7
CPI (% yoy)	-0.1	1.8	0.5
Policy Rate (end of period)	1.25	1.00	1.00
Fiscal Bal (%/GDP)	-4.5	-5.4	-4.8
CurAct Bal (%/GDP)	2.8	-1.9	-1.2

Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

EEMEA

South Africa: in line with forwards in Q4

Tatonga Rusike
MLI (UK)

Mikhail Liluashvili
MLI (UK)

View: neutral view for Q4, but bullish medium term
We expect global factors to drive the rand weaker in the next couple of months before it starts to appreciate from December this year. As a result, USDZAR should be at the level implied by forwards at end-24, while it should start appreciating from next year. The ZAR is the most sensitive currency to oil in EEMEA, in our view.

Key macro developments: Three developments shape the South African inflation and monetary policy outlook: slightly lower inflation expectations, higher oil prices and the Federal Reserve's latest rate hike. Although the inflation expectations data are encouraging, the oil and Fed developments strengthen the case for further SARB tightening. We therefore retain our September hike call, add a November hike and delay the start of easing to 2H27 from 2Q27.

The US-Iran conflict has re-escalated and oil prices have risen sharply above US$100/bbl, materially changing the inflation outlook. Current projections imply petrol price increases of around 8% m/m and diesel price increases of approximately 6-7% m/m in October. If these increases are implemented, we would expect a sharp acceleration in fuel inflation and a corresponding spike in headline CPI.

Economic growth is improving, supported by better electricity supply, logistics reforms and resilient consumer spending, but momentum remains modest and the investment recovery is still limited. GDP contracted slightly in 2Q26, by 0.2% q/q, as weakness in industrial sectors and wholesale trade outweighed steady household demand. Reflecting the softer near-term outlook, we lowered our 2026 growth forecast to 1.2% from 1.3% and reduced our 2027 forecast to 1.4% from 1.5%. While the medium-term outlook remains constructive, higher GDP growth will require stronger investment and continued progress on structural reforms.

Valuations: the ZAR is undervalued on our BEER model and slightly overvalued on our current account model

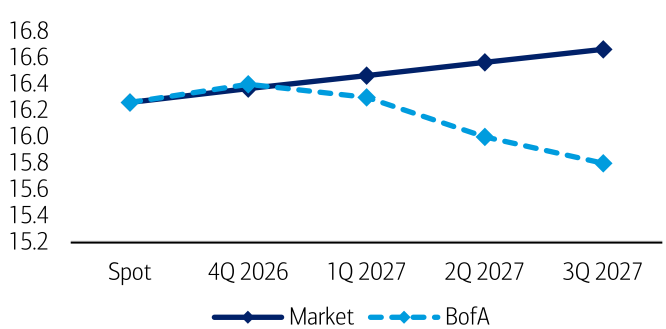
Positioning: investors are long the rand

Risks to our view: rising domestic political risks, lower oil prices

Upcoming risk events: SARB meeting 23 September. Mid-term budget on 21 October

Corporate hedging: hedge rand strength in 2027

Exhibit 73: USD/ZAR forecasts
Our forecast path is below forwards in the long term



Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

Exhibit 74: USD-ZAR
End-2026 forecast at 16.4

	Q4 26	Q1 27	Q2 27	Q3 27
USD-ZAR	16.4	16.3	16.0	15.8

Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

Exhibit 75: Major macro forecasts
We look for 1.2% GDP growth in 2026

South Africa	2025	2026F	2027F
Real GDP (% yoy)	1.1	1.2	1.4
CPI (% yoy)	3.2	4.3	4.4
Policy Rate (end of period)	6.75	7.50	7.00

Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

Türkiye: set to outperform forwards

Hande Kucuk
MLI (UK)

Mikhail Liluashvili
MLI (UK)

Themes: the carry trade is still on

Our forecast remains below forwards as the central bank is committed to real currency appreciation and has sufficient reserves to meet the funding gap in the short term. The carry trade positioning remains crowded. That said, usable reserves coupled with gold reserves comfortably cover foreign FX positioning.

Key macro developments: At its 10 September meeting, the CBRT left rates unchanged, as expected, while acknowledging upside risks to inflation from higher energy prices amid geopolitical tensions. However, the MPC's assessment of moderating underlying inflation and weak domestic demand suggested an outright rate cut could be on the table on 22 October.

Our base case is for a 100bp cut to 36%, provided September inflation does not surprise significantly to the upside and there are no further spikes in global energy prices. Leading indicators for October inflation and the evolution of the CBRT's net FX position will also be important inputs. We currently forecast September inflation at 2.2% mom (30.2% yoy) and October inflation at 2.1% mom (29.7% yoy), implying a modest easing in underlying inflation and a decline of around 150bp from the current headline rate of 31.5%. However, higher Brent oil assumptions from our strategists, with the 4Q26 average revised up to $100/bbl from $81/bbl, suggest headline inflation will remain under pressure. We now forecast year-end inflation at 30.0% yoy, up from 29.5% previously, and continue to see the year-end policy rate at 36%.

After accumulating around $30bn in net FX reserves between June and August, the CBRT has recorded roughly $8bn in cumulative net FX sales so far this month (as of 18 September), largely reflecting market volatility related to fund redemption issues. With the Financial Stability Committee acting swiftly to contain the affected funds and stabilise markets, we do not expect significant pressure on reserves. Gross reserves stood at around $175bn as of 18 September.

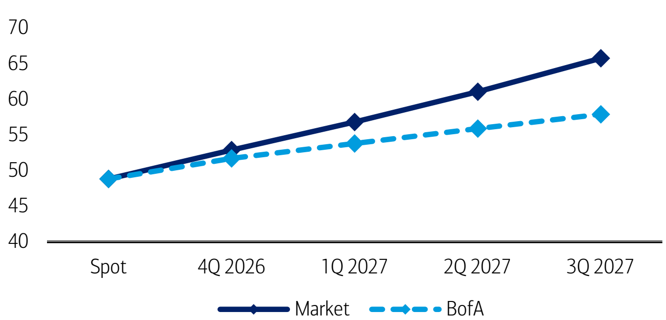
Positioning: positioning is crowded on the long side

Risks to our view: geopolitical risks, significant local dollarization

Upcoming risk events: August CPI (October 5), CBRT meeting (October 22)

Corporate hedging: hedge TRY strength (vs forwards) in 2026 and 2027

Exhibit 76: USD/TRY forecasts
Our forecast path is below forwards



Source: BofA Global Research, Bloomberg

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Exhibit 77: TRY forecasts
We expect TRY at 51.7 at end of 2026

	Q4 26	Q1 27	Q2 27	Q3 27
USD-TRY	51.7	53.8	55.9	57.9

Source: BofA Global Research estimates

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Exhibit 78: Major macro forecasts
Geopolitical shocks increase uncertainty on the macro outlook

Türkiye	2025	2026F	2027F
Real GDP (% yoy)	3.7	2.6	4.1
CPI (% yoy)	34.9	31.2	27.1
Policy Rate (end of period)	38.0	36.0	31.0

Source: BofA Global Research estimates

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Czech Republic: in line with forwards

Mai Doan
MLI (UK)

Mikhail Liluashvili
MLI (UK)

Themes: neutral for Q4 2026
A stronger dollar in the short term means that the koruna is likely to weaken against the euro before it starts to appreciate from December. This means that EURCZK should be broadly in line with forwards in Q4. The market is already pricing in a pretty hawkish path for the policy rate in both Czechia and Eurozone, implying that relative monetary policy should have limited impact on EURCZK.

Key macro developments: Renewed concerns about the energy crisis keep the Czech National Bank (CNB) in a tightening bias, but we expect any further tightening to be moderate. We forecast only one additional 25bp rate hike to take the repo rate to 4.0%, probably at the November meeting, though it is a close call on timing. The Board maintains its assessment that risks are overall "inflationary", but several swing voters have moderated their tightening bias. Vice Governor Jan Frait no longer describes the economy as being in a credit boom, in contrast to his concerns in June. Board member Jakub Seidler continues to see the rationale for the June hike as intact, namely persistent demand-driven domestic inflation pressure and potential second-round effects from higher commodity prices, but argues that the latest data allow the Board to wait.

Domestic developments still warrant caution, suggesting the next move remains more likely to be a hike than a cut, but tightening scope is limited. Wage growth, running at around 7%, is well above levels consistent with the 2% inflation target, especially against weak productivity growth. Headline inflation was low at 1.9% yoy in August, but core CPI remains sticky at 3.0%, its highest level in the past year, driven partly by imputed rents on the back of rising new property prices and higher construction costs. Credit growth is another factor to monitor closely: lending to corporates strengthened to 20% yoy in July, while household lending rose by around 11% yoy.

Valuations: the CZK is undervalued on our current account model, but slightly overvalued on our BEER model

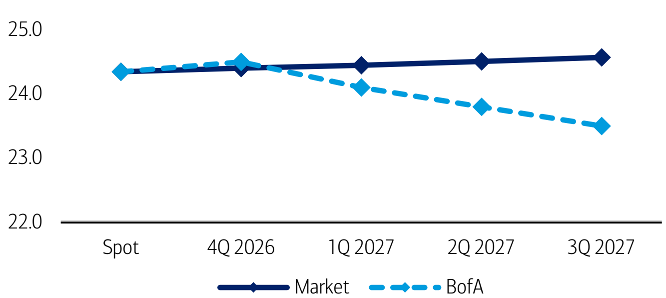
Positioning: positioning should be close to neutral

Main risks to our view: lower oil, a weaker dollar

Upcoming risk events: CNB decisions (5 Nov, 17 Dec)

Corporate hedging: hedge CZK strength from next year

Exhibit 79: EUR/CZK forecasts
Our forecast path is below forwards



Source: BofA Global Research, Bloomberg

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Exhibit 80: CZK forecasts
We expect EUR/CZK at 24.5 at the end of 2026

	Q4 26	Q1 27	Q2 27	Q3 27
EUR-CZK	24.5	24.1	23.8	23.5

Source: BofA Global Research estimates

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Exhibit 81: Major macro forecasts
CNB hikes on CPI persistence and solid GDP growth

Czech Rep	2025	2026F	2027F
Real GDP (% yoy)	2.6	2.0	2.4
CPI (% yoy)	2.5	1.9	2.5
Policy rate (%, end of period)	3.50	4.00	4.00

Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

Hungary: neutral view for now

Mai Doan
MLI (UK)

Mikhail Liluashvili
MLI (UK)

Themes: the forint should outperform the forwards

Dollar strength in the next two months should have a negative impact on EURHUF even though the usual beta has fallen as fundamentals have improved. As the dollar weakens from December, EURHUF should end the year at the level implied by forwards.

Key macro developments: We remain constructive on Hungary's EUR convergence story, but sentiment has been weighed down since the summer by negative budget news and energy vulnerability. The next positive trigger is likely in October when the government official announces the fiscal and EUR roadmap.

In the near term, higher gas and electricity prices complicate the fiscal outlook. Every EUR10/MWh increase in TTF gas prices could add 0.2% of GDP to annual fiscal costs, while electricity price sensitivity is less clear. We see this as temporary, with energy prices likely to normalise later. Higher gas and electricity prices should not feed directly into inflation given price caps, but they could still influence monetary policy through the HUF reaction. As long as EUR/HUF remains broadly stable in the 355-365 range, we think the National Bank of Hungary can maintain its easing bias, likely with a short pause in 4Q and cautious cuts toward 4.50% next year.

In the medium term, EUR convergence remains a credibility anchor, with ERM2 potentially becoming a self-reinforcing fiscal and market story. The new administration intends to enter ERM2 as soon as conditions allow. We think investors would be comfortable with a 2027 deficit with a 5% handle.

The NBH's inflation-target review could provide another convergence signal. An imminent announcement is plausible after the central bank's review in the summer, with any target change probably applying from 2028. This would fit a broader strategy to reduce Hungary's high-beta profile ahead of ERM2, while giving domestic expectations time to adjust gradually without mechanically forcing tighter monetary policy.

Valuations: the HUF looks undervalued on our current account model but significantly overvalued on our BEER model

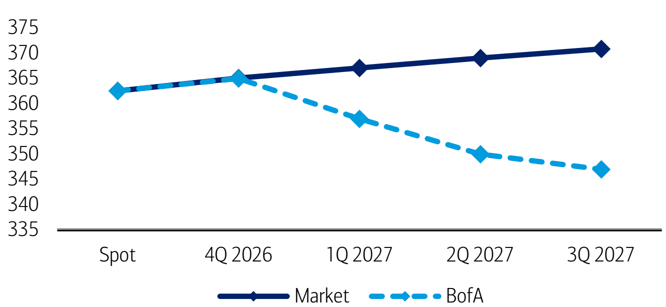
Positioning: investors are marginally long the HUF

Main risks to our view: a weaker USD, lower oil and gas prices

Upcoming risk events: NBH decisions (22 Sep, 20 Oct); Med-term fiscal plan (October)

Corporate hedging: we recommend hedging HUF strength from next year

Exhibit 82: EUR/HUF forecasts
Our forecast path is below forwards



Source: BofA Global Research, Bloomberg

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Exhibit 83: HUF forecasts
We expect EUR/HUF at 365 at the end of 2026

	Q4 26	Q1 27	Q2 27	Q3 27
EUR-HUF	365	357	350	347

Source: BofA Global Research estimates

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Exhibit 84: Major macro forecasts
Macro outlook significantly improves under new government

Hungary	2025	2026F	2027F
Real GDP (% yoy)	0.4	1.9	3.0
CPI (% yoy)	4.4	1.6	2.5
Policy rate (%, eop)	6.50	5.00	4.50

Source: BofA Global Research estimates

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Israel: US equities drive the weakness

Hande Kucuk
MLI (UK)

Mikhail Liluashvili
MLI (UK)

Themes: weaker than forwards imply

Our forecast is above the levels implied by forwards as we expect US equities to weaken by year-end. In addition, a stronger dollar in the next couple of months should be negative for the shekel because shorting it against the dollar is a positive carry trade.

Key macro developments: Israel's macro backdrop remains remarkably resilient despite elevated geopolitical uncertainty. Economic activity rebounded strongly in 2Q26, with GDP expanding by 15.4% saar, supported by recovering private consumption, continued strength in investment and exports, and the ongoing outperformance of the high-tech sector. According to the BoI, real GDP remains only modestly below its pre-war trajectory, underscoring the economy's ability to absorb security shocks. The labour market remains tight, and wage growth continues to run above 5%, but its pass-through to inflation has been relatively subdued.

August CPI came in at 1.5% yoy, below both our forecast (1.7%) and consensus (1.6%), marking the fifth consecutive month that headline inflation has remained below the midpoint of the BoI's 1-3% target range. The details were broadly benign. Tradable goods inflation remains around 0% yoy, reflecting the earlier appreciation of the shekel, while rental inflation continues to moderate. Both we and the BoI expect inflation to move closer to 2% in September and hover around that level thereafter. Overall, inflation dynamics appear considerably more favourable than at the beginning of the year despite higher energy prices and ongoing geopolitical uncertainty.

Against this backdrop, the BoI delivered its third consecutive 25bp cut on 1 September, bringing the policy rate to 3.25%, following five cuts since November 2025. In our view, a still-tight labour market, elevated energy prices and uncertainty around elections argue for rates to remain unchanged at the October meeting. However, continued downside inflation surprises and renewed shekel appreciation could reopen the door to an additional cut in November or 1Q27.

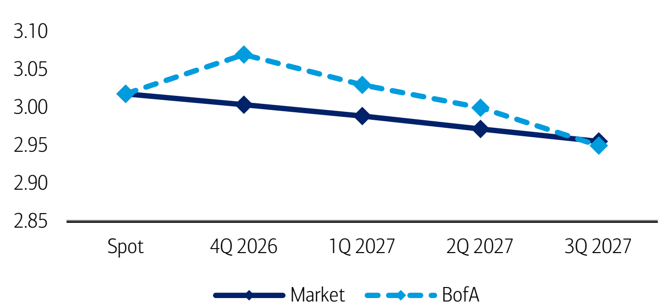
Positioning: positioning seems to be broadly neutral

Risks to our view: stronger US equities, much lower energy prices, rise in risk premia

Upcoming risk events: BOI meeting (October 21)

Corporate hedging: a bias to hedge ILS weakness

Exhibit 85: USD/ILS forecasts
Our forecast path is above forwards



Source: BofA Global Research, Bloomberg

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Exhibit 86: ILS forecasts
We expect USD/ILS at 3.07 at the end of 2026

	Q4 26	Q1 27	Q2 27	Q3 27
USD-ILS	3.07	3.03	3.00	2.95

Source: BofA Global Research estimates

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Exhibit 87: Major macro forecasts
Economy will recover slowly, in our view

Israel	2025F	2026F	2027F
Real GDP (% yoy)	2.9	3.6	4.5
CPI (% yoy, eop)	3.0	2.0	2.1
Policy rate (%, eop)	4.25	3.75	3.25

Source: BofA Global Research estimates

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Poland: neutral view

Mai Doan
MLI (UK)

Mikhail Liluashvili
MLI (UK)

Themes: in line with forwards in Q4

USD strength in the next couple of months should translate into a weaker PLN, but the depreciation is capped by the fear of NBP and BGK interventions, in our view. The market pricing for rates seems to be hawkish in both Poland and Europe, making interest rates a less important driver of EURPLN, in our view.

Key macro developments: Higher energy prices have removed rate cuts prospects at least until mid-2027, but we do not think that rate hikes are likely. The National Bank of Poland (NBP) has room to stay on the sidelines for a few months to assess the impact of energy, as slower wage and GDP dynamics next year suggest waning underlying inflation pressures. We thus expect the base rate to be kept at 3.75% in the months ahead, and for now maintain our call for up to two cuts in 2H 2027.

Under new higher oil and gas assumptions, inflation will likely remain above 3%, peaking at close to 4% in 1Q 2027. A return towards the 2.5% target may come only in 2H 2027. Household gas prices do not track wholesale markets continuously. They adjust in discrete steps when the regulator (URE) approves a new or amended tariff. URE approves both the household commodity tariff and distribution charges, reviewing suppliers' wholesale procurement and operating costs and allowing only costs it considers justified. This process delays and smooths the initial impact. Meanwhile, the government will likely try to bring offsetting measures, given 2027 is an election year.

The moderate underlying price pressures should allow the NBP to wait and see. Wage growth moderated to 5.6% yoy in August, reaffirming the downtrend since last year. The government setting the public sector and minimum wage growth at 3% in 2027 should also contribute to a continued downtrend next year. (The NBP sees overall wage growth below 6% as consistent with the 2.5% CPI target.) Meanwhile, the NBP's trimmed-mean inflation momentum has been hovering in 2-2.5% range in the past year.

Valuations: the PLN is undervalued on our current account (long-term) model, but significantly overvalued on our BEER model

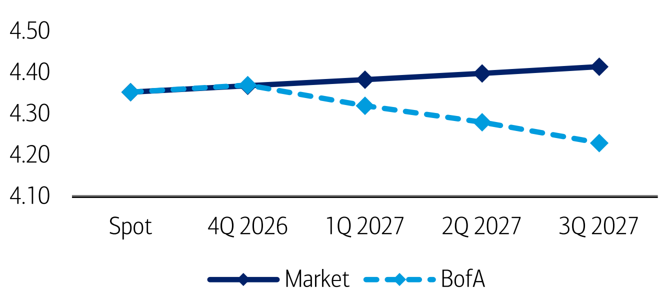
Positioning: people are likely to be neutral PLN

Risks to our view: weak US data, lower oil prices in the short term

Upcoming risk events: NBP decisions (7 Oct, 4 Nov, 2 Dec)

Corporate hedging: we recommend hedging against PLN strength from next year

Exhibit 88: EUR/PLN forecasts vs forwards
EUR/PLN forecasts



Source: Haver, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 89: We expect EUR/PLN at 4.37 by the end of 2026
EUR/PLN forecasts vs forwards

	Q4 26	Q1 27	Q2 27	Q3 27
EUR-PLN	4.37	4.32	4.28	4.23

Source: BofA Global Research estimates

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Exhibit 90: Major macro forecasts
Solid GDP growth, while inflation to stay within target band

Poland	2025	2026F	2027F
Real GDP (% yoy)	3.7	3.2	2.7
CPI (% yoy)	3.6	3.0	2.8
Policy rate (%, eop)	4.00	3.75	3.25

Source: BofA Global Research estimates

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LatAm

Brazil

David Beker
Merrill Lynch (Brazil)

Natacha Perez
Merrill Lynch (Brazil)

Gustavo Mendes
Merrill Lynch (Brazil)

Copom: slow and steady cuts

The BCB delivered a 25bp cut to 13.75% (see report), the fifth in a row and in line with our call and consensus, with very little change to the statement. That near-verbatim repetition signals the board's assessment of the economy is essentially unchanged, and combined with relatively dovish communication between meetings, keeps us firmly more dovish than the market. We continue to expect back-to-back 25bp cuts at every meeting through December 2027, taking the Selic to 13.25% by YE26 and 11.25% by YE27. We do not see caution as a prelude to a pause. With cores improving, activity cooling, rising loan delinquency signaling credit stress, and an ex-ante real rate near 8.7% well above the roughly 5% neutral, there is ample room to ease before policy stops being restrictive..

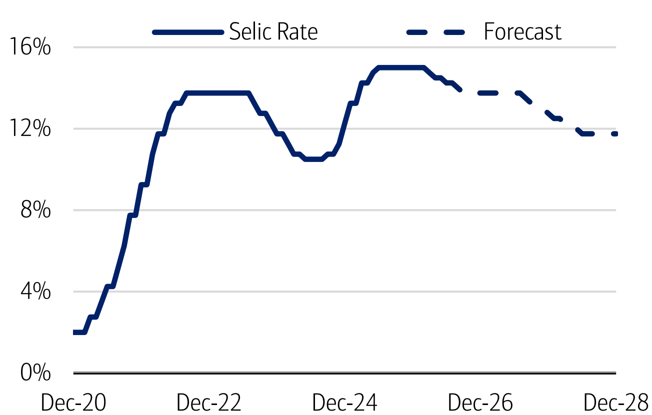
2026 Elections: decoding the candidates' economic agenda

We analyze the economic plans of the six leading candidates, focusing on their views on fiscal, privatization and growth (see report). The election presents a choice between economic models, ranging from state-led continuity to market-oriented reform. Campaign proposals matter, but policies ultimately implemented will depend on fiscal constraints and congressional support.

The Supreme test

Brazil's Supreme Court (STF) is facing one of its deepest institutional crises since the return to democracy (see report). What began with revelations stemming from the Banco Master investigation has evolved into an open dispute among justices over the conduct of investigations, the use of Federal Police intelligence reports and the reassignment of high-profile cases. The September 15 plenary session exposed these divisions publicly but ended without a resolution after Justice Flávio Dino requested additional review. A follow-up session that had been expected later in September was subsequently canceled, leaving the timeline for a final decision uncertain. The controversy has increasingly spilled into the presidential campaign, with growing signs that voter attention is shifting from the allegations themselves to questions surrounding the Court's conduct and internal divisions, a dynamic that may be politically benefiting Flávio Bolsonaro.

Exhibit 91: We expect 25bp sequential cuts until December 2027
Brazil policy rate (per annum)



Source: BofA Global Research, BCB

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Exhibit 92: We see BRL constant in the upcoming quarters
BRL Forecasts

Brazil	**Q4 26**	**Q1 27**	**Q2 27**	**Q3 27**
USD/BRL	5.00	5.00	5.00	5.00

Source: BofA Global Research estimates

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Exhibit 93: Cooler activity makes room for rate cuts
Major macro forecasts

Brazil	**2025**	**2026F**	**2027F**
Real GDP (% yoy)	2.3	1.8	0.9
CPI (% yoy)*	4.3	5.0	4.7
Policy Rate (eop)*	15.00	13.25	11.25
Fiscal Bal (%/GDP)	-8.3	-8.8	-8.4
CurAct Bal (%/GDP)	-2.9	-2.2	-1.9

Source: BCB, IBGE, BofA Global Research estimates

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Mexico

Carlos Capistran
BofAS

Core inflation improves in August, but non-core makes a comeback

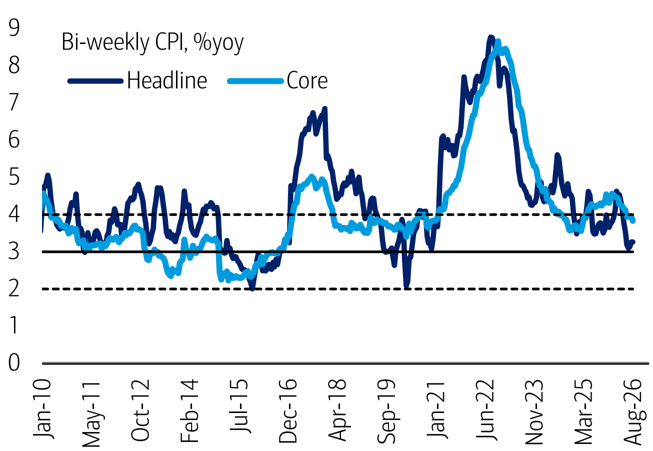
August inflation data showed a continued improvement in underlying price pressures, although a pickup in non-core components pushed headline inflation higher. Headline inflation increased to 3.26% yoy from 3.12% in July, driven primarily by a rise in fruit and vegetable prices, with the category up 1.12% mom, led by onion prices (32.70%). Housing prices also contributed, rising 0.23% mom, while deflation in energy prices (-0.35%) partially offset the increase. Core inflation continued easing, slipping to 3.88% yoy, mainly on lower airfare and merchandise inflation. We expect headline at 3.62% by end-2026 and 3.71% by end-2027, and core at 3.58% by end-2026 and 3.93% by end-2027. We see balanced risks: to the upside, Middle East tensions and a rebound in agricultural prices due to potential impact from El Niño; to the downside, economic slack and a strong peso.

Banxico on hold and in no hurry

Banxico kept the policy rate unchanged at 6.50% at its August meeting in a unanimous vote (see report), leaving its forward guidance intact and continuing to signal a prolonged pause. The Board pointed to the inflation outlook, the level of the peso, weak demand, and the current degree of monetary restriction as the drivers of the decision, and it still flags slack in the economy even after the strong 2Q GDP rebound. Notably, Banxico pushed back its convergence to the 3% target by two quarters, to 4Q27. Recent inflation data, however, have been somewhat more favorable than expected, with both headline and core inflation below 4% in August and core inflation continuing to decelerate.

With inflation below 4%, a still negative output gap, and a relatively strong peso, Banxico has room to let the Fed go - and that appears to be its clear intention, at least for this year. We therefore expect the central bank to stay on hold for several months, in our view at least until Mexico's midterm elections in mid-2027. We see balanced risks to our call. If the peso remains resilient to Fed hikes Banxico could cut, if the peso weakens significantly because of Fed hikes Banxico could hike

Exhibit 94: Both headline and core inflation are below 4%
Bi-weekly headline and core inflation (%yoy) (2010-2026)



Source: BofA Global Research, INEGI

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Exhibit 95: We expect USDMXN at 17.50 by end-2026
MXN forecasts

	Q4 26	Q1 27	Q2 27	Q3 27
USD-MXN	17.50	17.75	18.00	18.25

Source: BofA Global Research estijmates

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Exhibit 96: We expect Mexico to grow 1.4% in 2026
Major macro forecasts

	2025	2026F	2027F
Real GDP (% yoy sa)	0.7	1.4	1.6
CPI (% yoy, eop)	3.69	3.62	3.71
Policy Rate (end of period)	7.00	6.50	6.50
Fiscal Bal (%/GDP)	-3.9	-4.0	-4.5
CurAct Bal (%/GDP)	-0.5	1.0	1.5

Source: BofA Global Research estimates

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Argentina

Sebastian Rondeau
BofAS

Activity recovering slowly after a soft patch

Activity is taking longer to take off, given the impact of very high interest rates during the election and high non-performing consumer loans. GDP grew only 2% yoy year-to-date. Unemployment rate rose to 7.9% in 2Q and tax revenue took a hit. But structural reforms and the export boom should create a virtuous cycle in our view. Deposit interest rates have plummeted, especially in pesos (from 100% to below 30%). We lower GDP growth forecast to 2% this year (from 4.4% last year) and to 3.3% next year. Mining, energy, banking and IT should lead the recovery.

Disinflation continues

Inflation declined to 1.7% mom in August, from a 3.4% peak in March (after relative prices shocks: oil, beef, tariffs) and 2.3% average last year. We forecast inflation at 30% this year, from 31.5% in 2025 and 118% in 2024. We see it down further to 18% in 2027.

Government pushes reforms in Congress

The bill to modify the BCRA charter was approved in one chamber. It establishes price stability as the single objective; it bans monetary financing of the Treasury and grants it more independence. In turn, the government will propose a fiscal lock that triggers a government shutdown of non-essential activity if fiscal deficits perpetuate. Finally, the government continues pushing for other pro-growth reforms, including the defense of private property, the "Super Rigi" investment regime for new activities, and fiscal innocence (tax amnesty) to attract retail USD under the mattress. The government renewed is claims of sovereignty over the Malvinas islands (a.k.a. Falkland).

BCRA USD purchases slow down

BCRA bought USD for over $14bn year-to-date, already beating the net reserves target for the year, but purchases slowed down this month. Authorities expect to buy at least $17bn this year amid good USD supply. Exports are growing by double digits amid higher commodity prices and volumes. As a result, the current account is approaching a small surplus. The real exchange rate has appreciated about 10% this year, consistent with the export boom.

This year, S&P, Fitch and Moody's upgraded Argentina sovereign debt to B- from CCC+ (or to B3), growing the pool of potential investors. The Argentinian government 2026-27 FX debt financial plan for $44bn shows that this year is overfunded by $3.7bn, while 2027 is fully covered. It assumes no global bond issuance as it focuses on cheaper financing options..

Exhibit 97: Major macro forecasts
Large recession in 2024

	2025F	2026F	2027F
Real GDP (% yoy sa)	4.5	2.0	3.3
CPI (% yoy)	31.5	30.0	18.1
Curr Acct Bal (%/GDP)	-1.1	0.4	0.4
Primary Fiscal Bal (%/GDP)	1.5	1.3	1.3
Policy Rate % (end-period)	30.0	na	na

Source: BofA Global Research estimates

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Exhibit 98: Exchange Rate
USDARS, end of quarter.

	Q4 26	Q1 27	Q2 27	Q3 27
Exchange rate (USDARS)	1,600	1,700	1,800	1,900

Source: BofA Global Research estimates

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Chile

Sebastian Rondeau
BofAS

Pension reform implementation. Pro-growth bill approved by the Senate

The regulator announced details of the transition to age-based pension funds from the previous multi-funds (starts in April 2027). The new funds do not imply a substantial change in the aggregate portfolio of the funds in our view. Congress approved the pro-growth Reconstruction plan (see report) in July, including corporate tax cut from 27% to 23% (in 3 years), full reintegration of the tax system (profits taxed once), tax invariability for investment projects, and tax exemptions on new home purchases. Cost will peak at 0.6% of GDP in 4 years.

The government also is pushing to speed up environmental permits (time limit for invalidating sectoral permits down from two years to six months) and eliminating unnecessary regulations. More recently, the government is promoting security reforms to face crime, including a constitutional reform.

High copper prices offset high oil prices

higher metal prices, especially copper and lithium are improving the external balance. The current account deficit could improve further to post close to a balance this year, from a 1.9% of GDP deficit in 2025 (10% peak deficit in 3Q22). This is supporting fiscal revenues and expected investments.

Fiscal deficit declines but some challenges persist

The fiscal deficit declined to 2.1% of GDP from 3% last year helped by mining tax revenue. Kast initially proposed aggressive spending cuts of around $6bn in 18 months to fix the fiscal deficit. The government announced $3bn spending cuts this year. It instructed ministries to lower spending by 3% and another $1bn in cuts. Other new spending partly offset the cuts.

BCCh: Comfortably numb

BCCh has kept rates this year after the cut done in December (when it revised the neutral range up 25bp to 3.75-4.75%). BCCh was cautious on inflation pressures (oil) but dovish on activity/unemployment. The government hiked wholesale fuel prices between 41% and 54% in March. We forecast rates on hold this year. And 50bp rate hikes to 5% rate next year as growth should pick up amid pro-growth policies and high copper prices.

Inflation increased to 4.1% from 3.5% in July (and 3.4% yoy in 2025), amid the oil shock, with ex-volatiles inflation at 3.3%. We expect inflation at 4.5% this year, and to decline to 3.2% next year. We project a soft patch this year due to the oil shock (0.4% growth), down from +2.5% in 2025, and a 3% recovery in 2027.

Exhibit 99: Major macro forecasts
GDP growth potential

	2025	2026F	2027F
GDP growth %	2.5	0.4	3.0
Inflation %	3.4	4.5	3.2
Current Acc. Balance % GDP	-1.9	0.4	-1.1
Fiscal Balance % GDP	-3.0	-2.1	-2.1
Policy rate %	4.5	4.5	5.0

Source: BofA Global Research estimates

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Exhibit 100: CLP forecasts
Volatile CLP

	Q4 26	Q1 27	Q2 27	Q3 27
USD-CLP	940	930	920	910

Source: BofA Global Research estimates

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Colombia

Alexander Müller
BofAS

Pedro Diaz
BofAS

Three economic shocks: earthquake, fiscal hole, and El Niño

The new President, Abelardo de la Espriella, who assumed office on 7 August, has been dealt a bad hand of economic shocks: earthquake, fiscal hole, and El Niño. The costs of the earthquake will be moderate, in our view, especially when compared to Venezuela. Thie fiscal crisis already exploded, and the government has no choice but to tackle it. Meanwhile, El Niño is not yet being felt with full force. For instance, water reservoir levels are hovering around 79% as of mid-September, still far from the 30% critical threshold (which could trigger an electricity crisis). And food inflation hasn't increased.

Fiscal spending associated to earthquakes is a policy choice, not an obligation

Three days after assuming office, a 7.4-magnitude earthquake hit Colombia, causing the death of 331 people, according to the latest news. The government estimates the damage at ~COP 30tn (1.5% of GDP) which pales vis-à-vis the impact estimated for the June 2026 earthquake in Venezuela (US$ 37bn, ~30% of GDP, according to United Nations). The presentation of the 2027 budget mentioned earthquake-related spending around 0.4% of GDP and likely increasing during reconstruction phase (given the creation of "*Fondo Milagro*"). But at the end of the day, we think earthquake-related spending will be austere, within the context of the fiscal limitations.

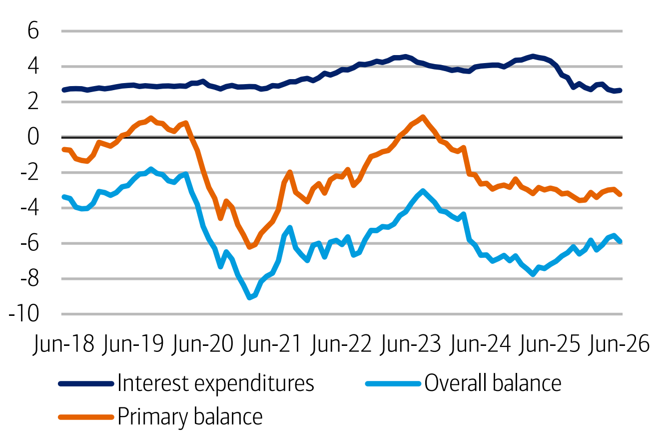
Fiscal imbalance is the elephant in the room

We revised our fiscal deficit forecasts for 2027 (to 7.5% of GDP, from 5.9%) and 2028 (to 6.3%, from 4.7%). In late August, the government did a transparency exercise by disclosing 2.9pp of GDP in expenditures omitted by the previous administration. Because of this, they put out a 2027 budget bill with a 9.4%-of-GDP deficit, which threw off markets. But later announced a "fiscal adjustment bill" that will aim to narrow the deficit by 2.2pp of GDP in 2027. The content of the bill is yet to be revealed and voted in Congress. Our expectation is the bill gets approved, but in a diluted form (~1.5pp).

Central Bank's (BanRep) reaction function sensitive to fiscal developments

BanRep blames expansionary fiscal policy, among other things, for high and sticky inflation. If the government provides convincing signals that fiscal adjustment is coming, we think BanRep will start cutting rates in 2027. However, before that, we foresee 100bp of hikes (Oct and Dec, 50bp each) because of higher inflation from El Niño in Q4.

Exhibit 101: Central govt balances (rolling 12 mths, %/ GDP)
Interest expenditures (because of TRS), but primary deficit remains elevated



Source: BofA Global Research, Ministry of Finance (Hacienda), Statistics Agency (DANE)
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Exhibit 102: COP forecasts
The Colombian Peso is hovering at strong levels

	Q4 26	Q1 27	Q2 27	Q3 27
USD-COP	3,150	3,200	3,250	3,300

Source: BofA Global Research estimates
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Exhibit 103: Major macro forecasts
Fiscal deficit will likely remain elevated in the next two years

	2025	2026F	2027F
Real GDP (% yoy)	2.6	2.5	2.9
CPI (% yoy)	5.1	7.1	4.9
Policy Rate (%, eop)	9.25	13.00	12.00
Fiscal Bal (%/GDP)	-6.4	-7.2	-7.5
CurAct Bal (%/GDP)	-2.4	-2.6	-2.7

Source: BofA Global Research estimates
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Peru

Alexander Müller
BofAS

Pedro Diaz
BofAS

Peru is one of LatAm's most vulnerable countries to El Niño

Meteorological agencies across the world expect "global" (ENSO, central Pacific, zones 3-4) and "coastal" (eastern Pacific, zones 1-2) El Niños to materialize strongly and simultaneously, between 4Q2026 and 1Q2027, for the first time since 1982-1983 and 1997-1998. Though this distinction ("global" vs. "coastal") is irrelevant in most countries, Peruvian policymakers pay close attention to it because of the different economic effects. The Governor of the BCRP, Julio Velarde, recently said the impact of the forthcoming El Niño on the Peruvian economy may be underestimated.

Global El Niño already happening, and coastal El Niño likely in 1Q2027

The "global" El Niño is associated with warmer weather & ocean temperatures, and droughts in the highlands/Andes, lowering fishing and agricultural supply. Whereas the "coastal" El Niño typically comes with severe floodings along the coast, impacting fishing and agriculture, but also transportation, manufacturing, commerce, and mining. Arguably, the coastal El Niño is a worse shock. In January-July, agricultural output contracted -0.7% yoy, fishing -32.7% yoy, negatively impacted by the global El Niño.

We recently lowered our GDP growth forecast for 2027 (to 4%, from 4.4%)

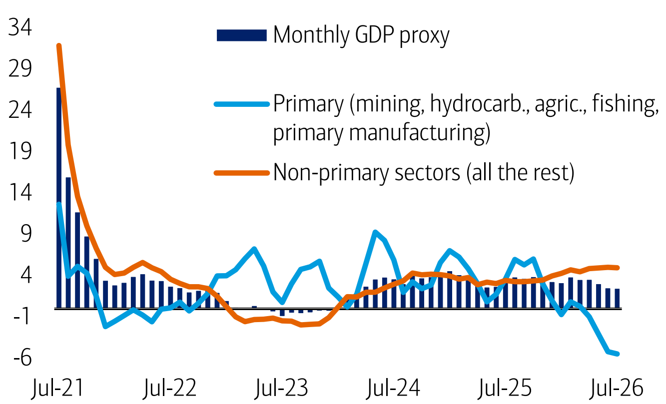
Nevertheless, this number is still significantly above-consensus (3.1%, based on eighteen firms surveyed by Bloomberg) and implies an acceleration compared to 2026 (which we forecast at 3.5%). Excluding the primary sectors (with high sensitivity to El Niño), non-primary GDP (highly correlated to domestic demand) grew 4.8% yoy in the first seven months of 2026 and 5% yoy in Q2. At the margin, the expansion of non-primary sectors remains dynamic (5% 3msaar, as of July). Their weight in GDP is 78%. It's GDP excluding agriculture, fishing, mining, hydrocarbons, and primary manufacturing.

Terms of trade and business confidence more than offset El Niño, in our view

The positive terms of trade shock (driven by metal prices) coupled with the soaring business confidence (to ~10-year highs after the new government assumed office) will more than offset El Niño's temporary drag. Also, we believe the government's agenda of structural reforms (labor, financial & capital market, public investment, and tax evasion) is positive for business confidence and economic growth.

Exhibit 104: Monthly GDP proxy by sectors (3-month mvg., % yoy)

Drop of primary sectors seems driven El Niño, and should only be temporary



Source: BofA Global Research, Central Bank (BCRP)

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Exhibit 105: PEN forecasts

Large current account surplus should be conducive to stronger Sol

	Q4 26	Q1 27	Q2 27	Q3 27
USD-PEN	3.30	3.28	3.25	3.23

Source: BofA Global Research estimates

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Exhibit 106: Major macro forecasts

Peru's macro conditions look robust across the board

	2025	2026F	2027F
Real GDP (% yoy)	3.4	3.5	4.0
CPI (% yoy)	1.5	4.5	3.2
Policy Rate (eop)	4.25	4.50	4.75
Fiscal Bal (%/GDP)	-2.2	-1.7	-1.4
CurAct Bal (%/GDP)	3.1	3.5	3.6

Source: BofA Global Research estimates

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Commodities

Oil: structural shock

Francisco Blanch
MLPF&S

Energy supply disruptions are becoming a structural shock

Global oil markets face a major supply shock as the US-Iran conflict, attacks on energy infrastructure, and disrupted Hormuz and Bab el Mandeb flows reduce crude and product availability. Lower Middle East and Russian exports, refinery outages, and weak Chinese product exports have tightened fuel markets, driving inventory draws and physical crude premiums. Despite some offset from US refiners, low product stocks and high margins indicate little spare capacity.

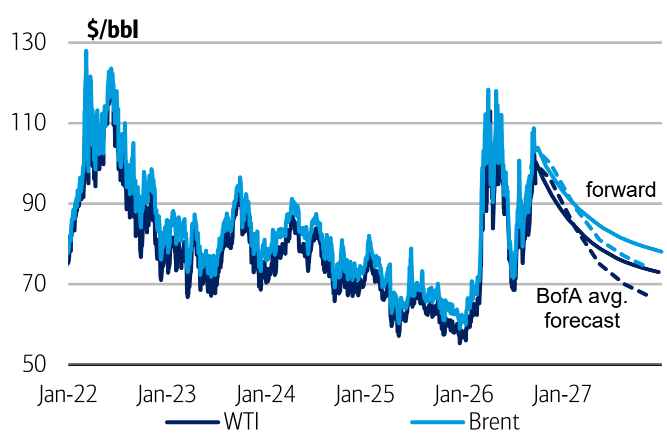
Energy prices feed into inflation & rates, growth holding up

The energy shock is increasingly affecting the broader economy through higher inflation expectations and bond yields. Rising Brent prices have lifted breakeven inflation rates and pushed 10-year sovereign yields roughly 100bp higher across major developed markets, while El Niño risks could extend inflation to agricultural commodities. Despite this, global growth has remained resilient, supported by accommodative policy, strong nominal GDP growth, and solid defence and AI-related activity. Energy costs remain manageable relative to GDP, and robust nominal growth has helped preserve credit-market stability. The US remains particularly well positioned as a major exporter of oil, fuels, petrochemicals, and LNG.

As stocks drop, longer war may create non-linear price risks

We now see ongoing geopolitical tensions through year-end as the most likely outcome and raise our 2H26 Brent forecast to $95/bbl from $83/bbl. Although alternative routes and escorted Hormuz shipments have eased some disruptions, damaged infrastructure and elevated tensions make a quick normalization unlikely. Continued inventory draws support an average 2027 Brent price near $80/bbl, but the key shift is growing tail risk as strategic and commercial inventories thin and crude markets signal scarcity through extreme backwardation. While energy remains affordable relative to income and inflation, prolonged disruptions or further infrastructure damage could force ICE Brent front-month prices above $150/bbl to curb demand.

Exhibit 107: We adjusted our forecast
Crude oil price forecast versus forwards ($/bbl)



Source: Bloomberg, BofA Global Research estimates

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Exhibit 108: Crude oil forecasts
Brent and WTI forecasts ($/bbl)

	4Q26F	1Q27F	2Q27F	3Q27F	4Q27F
WTI	96	84	75	70	67
Brent	100	89	81	77	74

Source: BofA Global Research estimates

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Nat gas: NA and other fuel mitigate loss

Francisco Blanch
BofA Europe (Madrid)

Qatar significantly reduced LNG exports for 6+ months…

In early August, we raised our winter TTF forecast with the assumption that Qatar would resume normal operations this fall (see report: Summer heat leaves winter TTF in the cold). Yet here we are more than a month later and Qatar does not seem any closer to resuming consistent LNG exports.

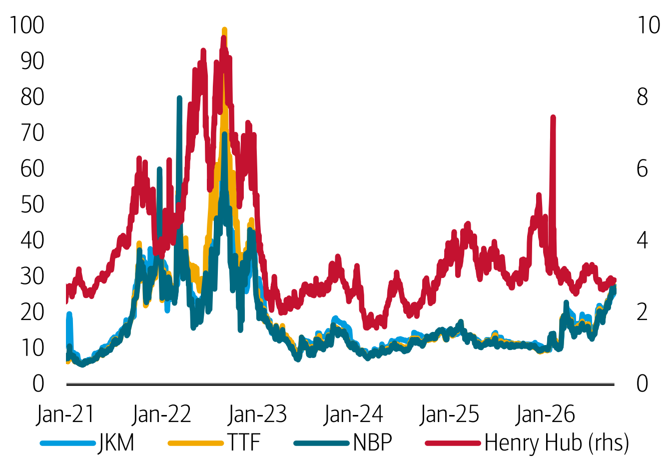
…leading Asia to compete for alternative supply sources

Asia reduced LNG imports in the spring, yet liquid gas purchases have picked up recently. July LNG imports were near the seasonal highs and August imports were near the 5-year average. The US along with other countries have realized LNG export growth this year but it has not been enough to completely offset lost Qatar output. Meanwhile, Europe has struggled to replenish gas stocks with a backwardated front TTF gas curve. Plus, TTF has spent most of the summer trading at a discount to JKM. We estimate the summer US LNG export growth to Asia alone would have put European storage on pace to fill this fall, had Middle East LNG not been disrupted.

We raised our winter TTF forecast on low Euro gas stocks

Since the start of the Iran war, the TTF market has seemed overly optimistic that a Qatar restart was imminent, but winter is nearly here, Qatar LNG exports have been significantly reduced for over 6 months, and European gas inventories are on pace to enter winter at a record seasonal low. If the strong El Niño leads to mild European winter weather, then we estimate winter TTF prices could drop below 50 €/MWh. However, a cold winter could drive TTF to the 2022 highs as physical consumers and governments scramble for LNG supplies. Higher TTF prices would likely be needed to spur additional European demand destruction. As such, we raise our 4Q26 TTF forecast to 100 €/MWh yet expect prices to fall to ~40 €/MWh by 2H27. There could be further upside risk to 2027 prices if Qatar has not resumed normal LNG exports by year end.

Exhibit 109: We adjusted our TTF forecast
Global natural gas prices ($/MMBtu)



Source: Bloomberg

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Exhibit 110: We lowered US forecast on storage surplus
Nat gas forecasts

	Q4 26	Q1 27	Q2 27	Q3 27	Q4 27
US nat gas ($/MMBtu)	3.35	4.35	3.25	3.30	3.70
TTF (€/MWh)	100	90	50	40	40

Source: BofA Global Research estimates

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Gold: subdued demand

Michael Widmer
MLI (UK)

Themes: Central bank interest in gold

Central banks have continued to increase their exposure to gold. Touching on some of the underlying dynamics, Fatih Karahan, the governor of the Turkish central bank, which sold and swapped gold earlier this year, said that "Globally, central banks are rediscovering gold, but it shouldn't be interpreted as a replacement for the dollar system", adding that "For reserve management, gold's growing role reflects greater emphasis on diversification, contingency planning and access." That said, he also noted that "Efforts to increase accessibility by repatriating gold reserves can reduce liquidity. Domestic markets may not be deep enough to tap gold reserves in times of stress." He further stressed that "Gold valuation gains do not translate one-for-one into freely usable FX liquidity", although the CBT was "able to utilize our gold reserves during the financial turbulence earlier this year".

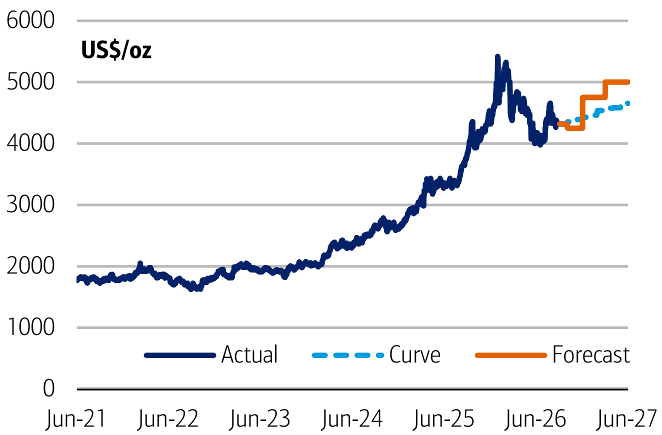
Forecasts: Subdued demand

With gold off recent highs, as oil pushed higher and the Fed turned hawkish, questions remain over who could help stabilize markets. China's gold imports remain elevated, although they have fallen back within longer-term ranges. Similarly, central banks were net buyers through July, although recent purchases have not been particularly strong. All of this suggests that gold demand is somewhat anemic at present and, until that changes, upside is limited. These headwinds are also reflected in regional gold prices. Indeed, India's gold prices are trading at a discount, while China's continue to hover within year-to-date ranges. Still, it is worth noting that domestic gold prices in both countries have strengthened relative to global prices during the recent pullback, suggesting that price-sensitive buyers have returned to market. Ultimately through, concerns over inflation and higher rates need to subside for the yellow metalto push higher.

Risks: US fiscal consolidation

There is uncertainty on how the second half of the Trump presidency might shape up after the mid-term elections and whether the administration will be able to implement policies as easily going forward. Considering that the unorthodox policy mix has been so bullish, this could be an additional headwind

Exhibit 111: Forecast vs Forwards
Futures price in higher gold quotations



Source: BofA Global Research estimates

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Exhibit 112: Gold and silver forecasts ($/oz)
Gold and silver

	Q4 26	Q1 27	Q2 27	Q3 27
Gold	4,250	4,750	5,000	5,000
Silver	55	63	75	75

Source: BofA Global Research estimates

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Copper: electrification blackhole

Michael Widmer
MLI (UK)

Themes: US keeps attracting copper units

The US has become the global sink for refined copper, with tariff expectations and attractive warehouse-financing returns pulling the metal away from other markets. Elevated imports have left the US holding more than 1.2Mt of copper, while inventories in China and on the LME have tightened. With CME contangos continuing to reward storage, we believe copper will remain in the US unless stronger nearby demand flattens the curve or higher LME prices provide sufficient compensation for re-exports.

We also believe that while tariff expectations were important at the outset to move copper to the US, storage economics are now sufficient to keep the metal tied up. As such, any tariff decision by President Trump may lead to some downward pressure near-term but may in the end not have a sustained impact. Indeed, we believe that a reacceleration of Chinese demand, our base case, is more important.

Forecasts: The grid should remain essential for copper

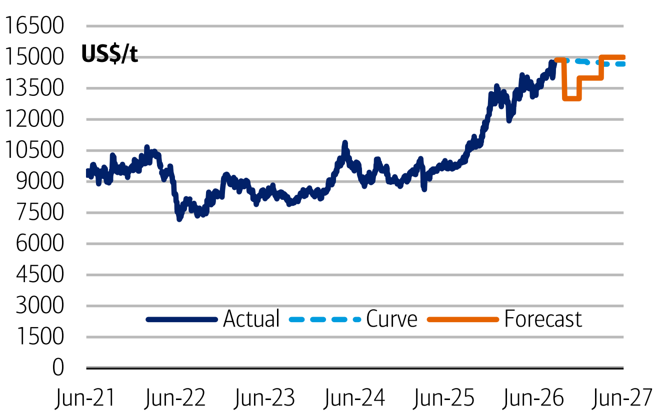
China's copper demand growth slowed steadily in 2Q26, with apparent demand expanding by only 2.4% YoY YTD as persistent property weakness was compounded by a slowdown in electricity investment; our real-time demand indicator even factors in outright demand declines YoY. China is facing a "Zeitenwende" or watershed moment.

Hence, we believe the setback in grid spending is temporary: State Grid's investment plans and the broader RMB25tn "Six Networks" programme point to a shift from property-led construction towards modern technology, electrification and digital infrastructure. An acceleration in fixed-asset investment would be essential to push copper prices higher, and we believe grid upgrades will ultimately continue to offset the drag from housing, which now accounts for less than 10% of Chinese copper consumption. Hence, we reiterate our $15,500/t or $7/lb LME copper forecast for 2027.

Risks: global recession

An escalation of the energy crises would be bearish, if it pushed the global economy into recession.

Exhibit 113: Forecast vs Forwards
We see further upside to copper in 2027



Source: Bloomberg, BofA Global Research

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Exhibit 114: Copper forecasts
We are cautious near-term, but see further upside into 2027

	Q4 26	Q1 27	Q2 27	Q3 27
US$/t	13,000	14,000	15,000	16,000
USc/lb	590	635	680	726

Source: Bloomberg, BofA Global Research estimates

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Aluminum: consumers holding back

Michael Widmer
MLI (UK)

Themes: LME inventories are depleted

European demand has been weak, but sectoral activity in the US suggests aluminium usage has held up. While President Trump had floated the idea of a 25% tariff on Canadian aluminium, a layered tariff did not work during the first term and consumers ended up paying the full 10% mark-up then. Uncertainty over tariffs has once again meant that consumers have been holding back, resulting in pent-up demand. Should that demand materialise, we don't think LME is well set up to absorb it. Inventories are low and virtually all of the material still in warehouses is from Rusal, making it less attractive for consumers in the US and Europe. While a rebound in consumer hedging demand may help ease some of the backwardation tentatively, we are concerned that the lack of physical liquidity could ultimately lead to a squeeze.

Forecasts: deficit in 2026, small surplus in 2027

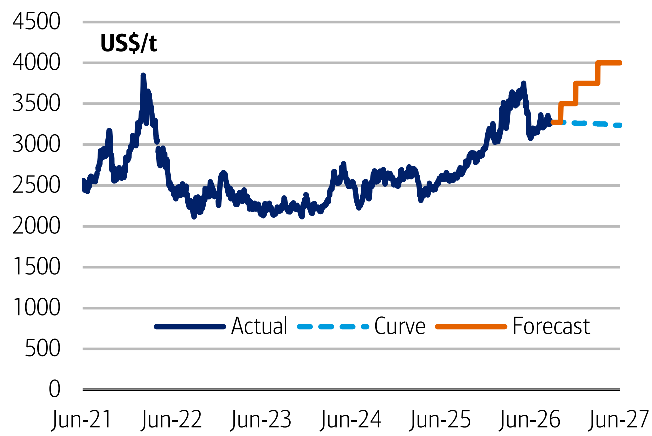
The aluminium rally came to an abrupt halt in 2Q26 as 1) China's smelters raised production to an annualised rate of 48.3mt; 2) output in Indonesia increased; and 3) market participants anticipated that an MOU between the US and Iran would release trapped aluminium, while facilitating a rebound in Middle Eastern production. However, all of these supply increases have fallen short of what was originally priced in by the market.

We therefore still expect a deficit for 2026, followed by a small surplus next year, which should develop as more Indonesian supply hits the market in the second half. While renewed escalation of the US-Iran war and higher energy prices are near-term risks, we think aluminium could rebound in the coming weeks before facing downward pressure next year.

Risks: economy does not re-accelerate

Continued subdued demand growth is the key risk to our constructive outlook. An escalation of the Iran war would put pressure on prices.

Exhibit 115: Forecast vs Forwards
Aluminium should remain supported, despite near-term headwinds



Source: BofA Global Research

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Exhibit 116: Aluminum forecasts
Risk of a squeeze into autumn

	Q4 26	Q1 27	Q2 27	Q3 27
US$/t	3,500	3,750	4,000	4,000
USc/lb	159	170	181	181

Source: BofA Global Research estimates

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Appendix

Global FX forecasts

Exhibit 117: G10 FX Forecasts

End-2027 EUR-USD forecast is 1.20

	Spot	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28
G3										
EUR-USD	1.15	1.15	1.17	1.19	1.20	1.20	1.21	1.21	1.22	1.22
USD-JPY	157	149	149	148	146	145	145	145	145	145
EUR-JPY	180	171	174	176	175	174	175	175	177	177
Dollar Bloc										
USD-CAD	1.41	1.40	1.40	1.40	1.38	1.38	1.37	1.37	1.36	1.36
AUD-USD	0.71	0.74	0.73	0.73	0.73	0.72	0.72	0.72	0.72	0.72
NZD-USD	0.57	0.61	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Europe										
EUR-GBP	0.86	0.84	0.84	0.84	0.83	0.83	0.83	0.83	0.83	0.83
GBP-USD	1.34	1.37	1.39	1.42	1.45	1.45	1.46	1.46	1.47	1.47
EUR-CHF	0.94	0.93	0.94	0.94	0.95	0.95	0.95	0.95	0.95	0.95
USD-CHF	0.82	0.81	0.80	0.79	0.79	0.79	0.79	0.79	0.78	0.78
EUR-SEK	11.25	11.00	10.80	10.60	10.50	10.50	10.50	10.50	10.50	10.50
USD-SEK	9.83	9.57	9.23	8.91	8.75	8.75	8.68	8.68	8.61	8.61
EUR-NOK	10.81	11.00	11.10	11.10	11.10	11.10	11.10	11.10	11.10	11.10
USD-NOK	9.44	9.57	9.49	9.33	9.25	9.25	9.17	9.17	9.10	9.10

Forecast as of Sep-22-2026. Spot exchange rate as of Sep-22-2026. The left of the currency pair is the denominator of the exchange rate. **Source:** BofA Global Research

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Exhibit 118: EM FX Forecasts

End-2027 USD-CNY forecast is 6.50

	Spot	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28
Latin America										
USD-BRL	5.13	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
USD-MXN	17.25	17.50	17.75	18.00	18.25	18.50	18.60	18.75	18.85	19.00
USD-CLP	944	940	930	920	910	900	890	880	870	860
USD-COP	3,206	3,150	3,200	3,250	3,300	3,350	3,400	3,500	3,600	3,700
USD-ARS	1515	1,600	1,700	1,800	1,900	1,900	1,950	2,000	2,050	2,100
USD-PEN	3.36	3.30	3.28	3.25	3.23	3.20	3.19	3.18	3.16	3.15
Emerging Europe										
EUR-PLN	4.35	4.37	4.32	4.28	4.23	4.20	4.15	4.12	4.11	4.10
EUR-HUF	360	365	357	350	347	345	344	342	342	340
EUR-CZK	24.33	24.50	24.10	23.80	23.50	23.30	23.20	23.10	23.00	23.00
USD-ZAR	16.21	16.40	16.30	16.00	15.80	15.60	15.40	15.40	15.30	15.30
USD-TRY	48.82	51.70	53.80	55.90	57.90	60.00	63.30	66.60	69.90	73.20
EUR-RON	5.28	5.25	5.29	5.33	5.36	5.40	5.44	5.48	5.50	5.52
USD-EGP	51.61	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00
USD-ILS	3.02	3.07	3.03	3.00	2.95	2.93	2.90	2.90	2.90	2.90
USD-AED	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67
USD-KWD	0.31	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
USD-SAR	3.76	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
USD-QAR	3.65	3.64	3.64	3.64	3.64	3.64	3.64	3.64	3.64	3.64
Asian Bloc										
USD-KRW	1,360	1,410	1,400	1,400	1,380	1,380	1,380	1,380	1,380	1,380
USD-TWD	31.72	31.70	31.60	31.50	31.30	31.10	31.10	31.10	31.10	31.10
USD-SGD	1.28	1.295	1.290	1.285	1.280	1.28	1.28	1.28	1.28	1.28
USD-THB	33.14	33.00	32.50	32.50	32.50	32.00	32.00	32.00	32.00	32.00
USD-HKD	7.84	7.85	7.83	7.82	7.80	7.80	7.80	7.80	7.80	7.80
USD-CNY	6.70	6.60	6.60	6.50	6.50	6.50	6.50	6.50	6.50	6.50
USD-IDR	17884	18,000	18,100	18,200	18,200	18,200	18,200	18,200	18,200	18,200
USD-PHP	62.72	63.00	64.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00
USD-MYR	4.08	4.10	4.05	4.05	4.05	4.05	4.05	4.05	4.05	4.05
USD-INR	95.59	98.00	98.50	99.00	99.00	99.00	99.00	99.00	99.00	99.00

Forecast as of Sep-22-2026. Spot exchange rate as of Sep-22-2026. The left of the currency pair is the denominator of the exchange rate. **Source:** BofA Global Research

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Yield forecasts

Exhibit 119: Government bond and swap rate forecasts

% yields, end of period

		Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Dec-28
Bond yields							
US	O/N SOFR	4.41	4.41	4.41	4.41	4.41	4.41
	2y	5.00	4.95	4.90	4.85	4.75	4.50
	5y	5.00	4.95	4.90	4.85	4.75	4.60
	10y	5.00	4.95	4.90	4.85	4.75	4.75
	30y	5.25	5.20	5.20	5.15	5.10	5.15
Japan	TONA	1.48	1.73	1.73	1.98	1.98	1.98
	2yr	1.95	2.20	2.20	2.35	2.30	2.20
	5yr	2.40	2.65	2.65	2.75	2.65	2.55
	10yr	3.00	3.10	3.10	3.15	3.05	2.95
	30yr	4.10	4.15	4.15	4.15	4.05	3.95
UK	2yr	4.80	4.95	5.00	4.75	4.50	3.75
	5yr	4.85	4.90	4.90	4.75	4.75	4.75
	10yr	5.20	5.25	5.25	5.25	5.25	5.25
	30yr	5.70	5.70	5.70	5.70	5.70	5.70
Canada	2yr	3.05	3.10	3.15	3.20	3.25	3.25
	5yr	3.40	3.45	3.50	3.55	3.60	3.75
	10yr	3.75	3.80	3.85	3.90	3.95	4.00
Australia	3m BBSW	4.60	4.60	4.60	4.35	4.10	3.60
	2y	4.80	4.75	4.65	4.55	4.45	4.25
	5y	4.80	4.75	4.70	4.65	4.60	4.45
	10y	5.15	5.10	5.05	5.00	4.95	4.80
Swap rates		**Dec-26**	**Mar-27**	**Jun-27**	**Sep-27**	**Dec-27**	**Dec-28**
US	2y	4.85	4.82	4.77	4.72	4.62	4.37
	5y	4.67	4.60	4.55	4.50	4.40	4.25
	10y	4.43	4.40	4.35	4.30	4.20	4.20
Japan	2y	2.03	2.28	2.28	2.40	2.35	2.25
	5y	2.48	2.70	2.70	2.78	2.68	2.58
	10y	2.85	3.00	3.00	3.10	3.00	2.93
UK	2y	4.65	4.75	4.75	4.50	4.25	3.50
	5y	4.65	4.65	4.65	4.50	4.50	4.50
	10y	4.75	4.75	4.75	4.75	4.75	4.75
Canada	2y	2.95	3.00	3.05	3.10	3.15	3.15
	5y	3.25	3.30	3.35	3.40	3.45	3.60
	10y	3.50	3.55	3.60	3.65	3.70	3.75
Australia	3y	4.90	4.85	4.75	4.65	4.55	4.35
	10y	5.25	5.20	5.15	5.10	5.05	4.90

Source: BofA Global Research

BofA GLOBAL RESEARCH

Commodities forecasts

Exhibit 120: BofA Global Research Commodity Price Forecasts
BofA Global Research estimates

	units	2024	1Q25	2Q25	3Q25	4Q25F	2025	1Q26F	2Q26F	3Q26F	4Q26F	2026	1Q27F	2Q27F	3Q27F	4Q27F	2027
WTI Crude Oil	($/bbl)	76	72	64	65	59	65	72	93	87	96	87	84	75	70	67	74
Brent Crude Oil	($/bbl)	80	75	67	68	63	68	78	97	91	100	91	89	81	77	74	80
US NY Harbor ULSD (HO) Cracks to Brent Crude Oil	($/bbl)	23	23	23	30	34	28	39	55	70	80	61	71	58	51	50	57
US RBOB Cracks to Brent Crude Oil	($/bbl)	17	17	21	16	15	17	19	36	34	29	29	26	33	28	18	26
NWE Low Sulphur Gasoil Cracks to Brent Crude Oil	($/bbl)	20	28	28	35	35	32	33	51	67	62	53	53	43	37	35	42
NWE Eurobob Cracks to Brent Crude Oil	($/bbl)	13	11	15	15	13	14	14	27	26	18	21	17	19	13	7	14
NWE 1% Residual Cracks to Brent Crude Oil	($/bbl)	-6	3	-1	-2	-4	-1	-7	-9	-16	-7	-10	-5	-7	-10	-10	-8
NWE 0.5% Residual Cracks to Brent Crude Oil	($/bbl)	5	4	5	3	-3	2	-1	4	-1	5	2	7	4	2	2	4
NWE 3.5% Residual Cracks to Brent Crude Oil	($/bbl)	-10	-11	-8	-11	-12	-11	-8	-7	-19	-11	-11	-8	-9	-12	-11	-10
US Natural Gas	($/MMBtu)	2.41	3.65	3.44	3.07	3	3.29	5.04	2.95	3	3.35	3.58	4.35	3.25	3.3	3.7	3.65
EU TTF Natural Gas	(€/MWh)	35	47	36	33	30	36	40	46	65	100	63	90	50	40	40	55
Thermal coal, Newcastle FOB	($/t)	136	107	101	109	108	106	120	137	140	130	132	125	120	130	125	125
Aluminium	($/t)	2,420	2,626	2,450	2,620	2,828	2,631	3,198	3,568	2,900	3,500	3,292	3,750	4,000	4,000	3,500	3,813
Copper	($/t)	9,150	9,347	9,519	9,815	11,105	9,947	12,824	13,228	12,500	13,000	12,888	14,000	15,000	16,000	16,000	15,250
Lead	($/t)	2,071	1,969	1,946	1,966	1,968	1,962	1,929	1,974	2,000	2,050	1,988	2,250	2,217	2,217	2,217	2,225
Nickel	($/t)	16,829	15,578	15,153	15,031	14,892	15,164	17,338	18,258	17,500	19,000	18,024	19,000	19,000	19,000	19,000	19,000
Zinc	($/t)	2,778	2,835	2,639	2,830	3,165	2,867	3,237	3,511	3,500	3,250	3,375	3,000	2,750	2,750	2,500	2,750
Gold	($/oz)	2,387	2,862	3,289	3,458	4,152	3,440	4,873	4,416	3,900	4,250	4,360	4,750	5,000	5,000	4,500	4,813
Silver	($/oz)	28	32	34	40	55	40	84	72	60	55	68	63	75	75	65	70
Platinum	($/oz)	956	970	1,076	1,390	1,694	1,282	2,204	1,869	1,500	1,600	1,793	1,800	1,700	1,600	1,600	1,675
Palladium	($/oz)	984	962	991	1,173	1,478	1,151	1,706	1,353	1,100	1,200	1,340	1,300	1,300	1,200	1,200	1,250
Wheat	($/bu)	5.7	5.6	5.3	5.2	5.1	5.3	5.5	6.7	7.2	7.5	6.7	7.6	7.7	7.6	7.8	7.7
Corn	($/bu)	4.2	4.7	4.5	4	4.3	4.4	4.4	5.5	6	6.5	5.6	6.6	6.7	6.7	6.9	6.7
Soybean	($/bu)	11	10.2	10.4	10.1	11.1	10.5	11.3	12.4	12.3	12.3	12.1	12.1	11.9	11.7	11.5	11.8
Soybean oil	($c/lb)	44.4	44	49	53	51	49.3	59	70	66	64	64.8	66	68	64	64	65.5
Soybean meal	($/t)	290.1	298	290	276.9	295	290.1	310	320	315	310	313.8	290	285	280	275	282.5
Sugar ICE NY	($c/lb)	20.8	19.4	17.3	16.2	15	17	14.5	15	15.5	15.5	15.1	15.5	16	15	15	15.4

Source: Bloomberg, BofA Global Research estimates

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