

# GLOBAL ECONOMIC UPDATE

## US DOLLAR TO PHILIPPINE PESO EXCHANGE RATE ON TRACK TO HIT 54

Sentimentally, a possible escalation of a trade war between the US and China will likely keep investors away from emerging market currencies like the peso and into safe havens like the dollar, thus strengthening the USDPHP pair. Recently, it was reported that US President Donald Trump has been preparing to release another list of \$200 billion worth of Chinese products that will be hit with 10% tariff. This will come after the US started to impose tariffs against \$34 billion of Chinese imports in the prior week. This plus a tightening monetary space in the US and a dovish BSP may likely continue to weigh on the peso. Technically, the currency pair may likely continue to move higher and reach its nearest resistance at 54.00.



**JULY 16, 2018**

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