

FX: What our customers are thinking

During our [FX webinar yesterday](#), we asked customers questions about key FX trends. They're bullish on EUR/USD and feel the Swiss franc is the best safe haven currency in the event of another 'Sell America' event. Elsewhere, customers like the Czech koruna and – somewhat surprisingly – the zloty. In Asia, the yen remains favoured and tariffs are key for Latam



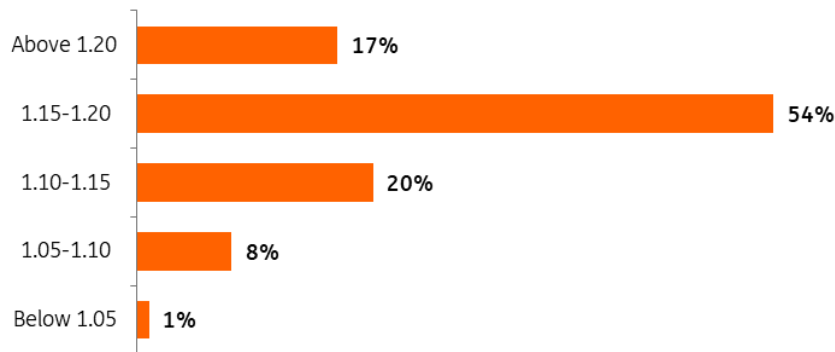
Customers remain bullish on EUR/USD

Customers still bullish on EUR/USD

Yesterday, we held a [webinar](#) to share highlights of our latest FX Talking publication: [Powell plays dollar defence](#). An important part of ING webinars is always audience polls. Certainly, this year our polls have shown a strong directional bias for a lower dollar – rather than the normal distribution that has characterised polls in previous years. In terms of yesterday's poll, 71% of our customers now expect EUR/USD to end the year above 1.15. That compares to 60% who felt the same during our last poll conducted in early June.

We agree with the view that the dollar will end the year on the weaker side based on the ING house view that the Fed cuts by 50bp in December, and speculation about Fed Chair Powell's replacement is at fever pitch. Remember that Fed Governor Adriana Kugler's term ends on 31 January 2026. Her replacement will likely be President Trump's pick to replace Powell in May.

Where is EUR/USD likely to end 2025?



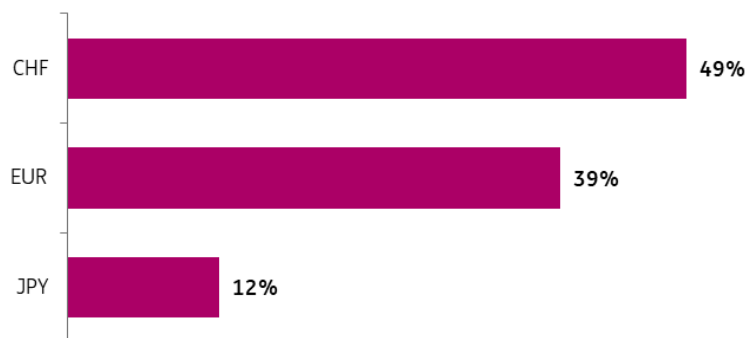
169 votes

Safe havens: Swiss franc still favoured

In the webinar, we made the point that the Swiss National Bank is [struggling to deal](#) with the strong Swiss franc. Even though Swiss interest rates are at zero and the SNB will likely intervene against further franc gains, our customers still felt that the Swiss franc would be the preferred safe-haven currency in the event of another dollar confidence crisis.

Here, the assumption is that Switzerland's huge balance of payments surplus will provide the franc with a lot of protection during bouts of deleveraging or portfolio repatriation.

If investors lose confidence in the dollar again, which one of these safe-haven currencies will benefit the most?



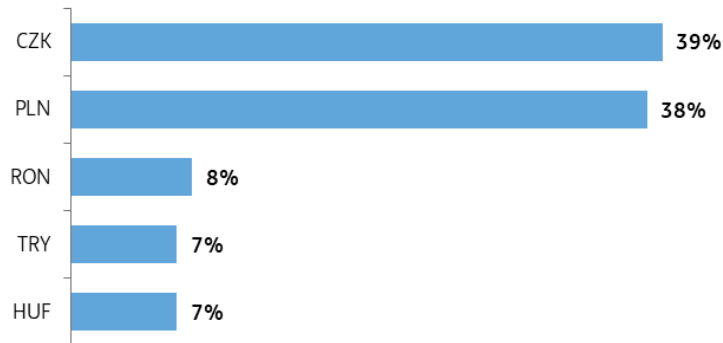
140 votes

EMEA: Koruna favoured, zloty a surprise

In EMEA it's good to see customers backing our call that the Czech koruna will continue to be one of the strongest currencies this year. This has been a [view we put forward](#) even before 'Liberation Day' tariffs came in. And we look for continued CZK strength throughout 2026 as well. We are a little surprised that customers were nearly as bullish on the Polish zloty. We would have thought that the recent dovish turn by the National Bank of Poland might have discouraged votes for the zloty – but no.

Also of note is the very few votes for the Turkish lira and the Hungarian forint – perhaps acknowledging that recent, carry-trade-inspired gains may not be repeated.

Which EMEA currency will see the strongest performance between now and year-end?



99 votes

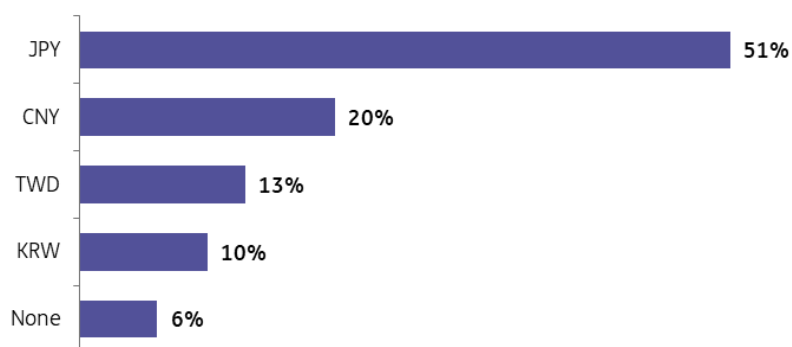
Asia: Yen remains favoured

It's interesting to see that JPY came out on top of a poll asking which Asian currency has the strongest appreciation potential over the next 12 months, with 51% of the votes.

That aligns with some of the valuation models we've been tracking, and our view of almost 8% appreciation from current levels to the end of 2Q26. However, the path is unlikely to be a smooth one as the upper house elections next week and rising JGB yields could be negative for JPY in the near term.

On the other hand, it's notable that the Korean won and Taiwanese dollar received less support, despite seeing strong foreign inflows recently. This might reflect slower FX hedging by lifers and pension funds than before.

Which Asian currency has the strongest appreciation potential over the next 12 months?



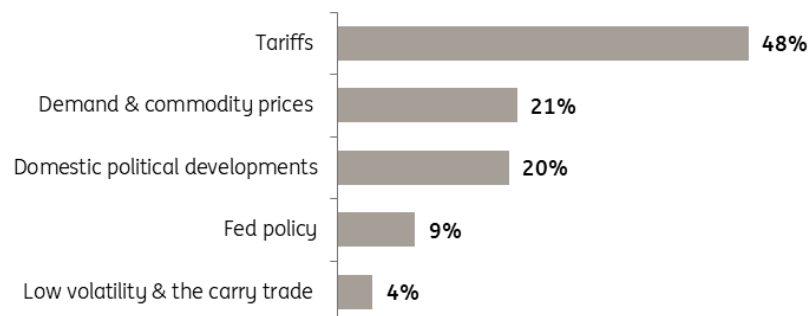
112 votes

Latam: Tariffs to dominate

We structured the Latam questions to find out which factors would have a lasting impact on Latam currencies. As a bloc, they've had a good second quarter as low volatility has favoured the carry trade and the region has been spared the worst of the tariffs.

That may change in the third quarter, however. And customers feel the tariff story will be dominant. Here, Brazil is currently faced with 50% tariffs. The US does not look done with Mexico yet. And authorities in Chile have no idea whether 50% US copper tariffs apply to Chile. As we said in the webinar, we feel that Chile's peso looks the weakest of the three as copper prices dip and relatively low real interest rates in Chile leave the peso with little protection.

Which factor will drive Latam currencies in the second half of 2025?



82 votes

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