

November 2025

QCAM MONTHLY

QCAM Insight ++ Economy and Interest Rates ++ FX Markets ++ FX Analytics ++
QCAM Products and Services ++ QCAM Profile

Page 1 QCAM Insight

A New USD Pivot?

Page 3 Economy and Interest Rates

Page 5 FX Markets

Page 9 FX Analytics

Page 17 QCAM Products and Services

Page 18 QCAM Profile

QCAM Insight

A New USD Pivot?

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The USD rebounded strongly since early October and challenges our bearish USD outlook. Several factors support the USD at the moment including the hawkish tone of Fed Chair Powell and that may push the USD higher amid short-covering by speculators. However, we are not yet convinced the USD supports will be sustainable and we expect that ongoing US policy uncertainty and narrowing interest rate spreads will lift USD hedging by foreign investors next year.

The USD DXY jumped from 97.5 at the end of September to 100 this week. The USD rally was broad based with the JPY and the GBP leading the losers. The USD rebound is too strong to be downplayed as a short-term correction. Indeed, many FX houses are abandoning their bearish USD positions. There is not yet a reversal to a broad-based bullish USD view, but USD bears are now in the minority while the majority of market participants is sitting on the fence.

In our view, there are four factors that triggered the USD rebound. First, signs that the US economy held up well in the third quarter (the Atlanta Fed GDP-Now forecast stands at 3.9%) and expectations that AI-related spending will sustain the momentum. Second, the hawkish tone of Fed Chair Powell after the last FOMC meeting. Third, declining uncertainties led by the truce between the US and China on trade issues and easing concerns around US credit defaults and regional bank problems. Fourth, the dovish outcome of last week's BoJ meeting which further boosted the Takaichi trade (buy Japanese equity and sell the JPY). JPY weakness is not viewed as an isolated event

but as a general challenge for the bearish USD view. These factors have come to bear at a time when speculative positions were oversold USD, triggering a short covering squeeze.

Is USD optimism sustainable?

The key question to us is whether the USD supportive factors are sustainable. Yes, US growth is not as weak as feared earlier in the year but it is still down from last year and will probably come down visible in the fourth quarter thanks to the government shutdown. Outside of IT, we see the US economy slowing thanks to the policy-driven squeeze of supply conditions and we doubt AI-related spending will be able to offset that drag for long, especially given bubble concerns. On the other hand, growth prospects have improved in other key currency areas, most notably in Europe, undermining the US exceptionalism theme. Second, Powell's hawkish tone was a clever tactical move but needs to be validated by firmer labor reports, which Powell himself is not sure about. The decision to halt the balance sheet reduction is a clear sign that the Fed things it needs to become more accommodative. At the same time, other major central banks have essentially finished the rate cutting process and the ECB as well as the BoJ continue to slim down their asset holdings.

Third, uncertainties have eased but they are not gone. The US – China trade agreement is a temporary truce and not a permanent solution as the rivalry between the two countries goes way beyond trade. The US economic policy uncertainty index has come off the highs in April, but remains well above normal and

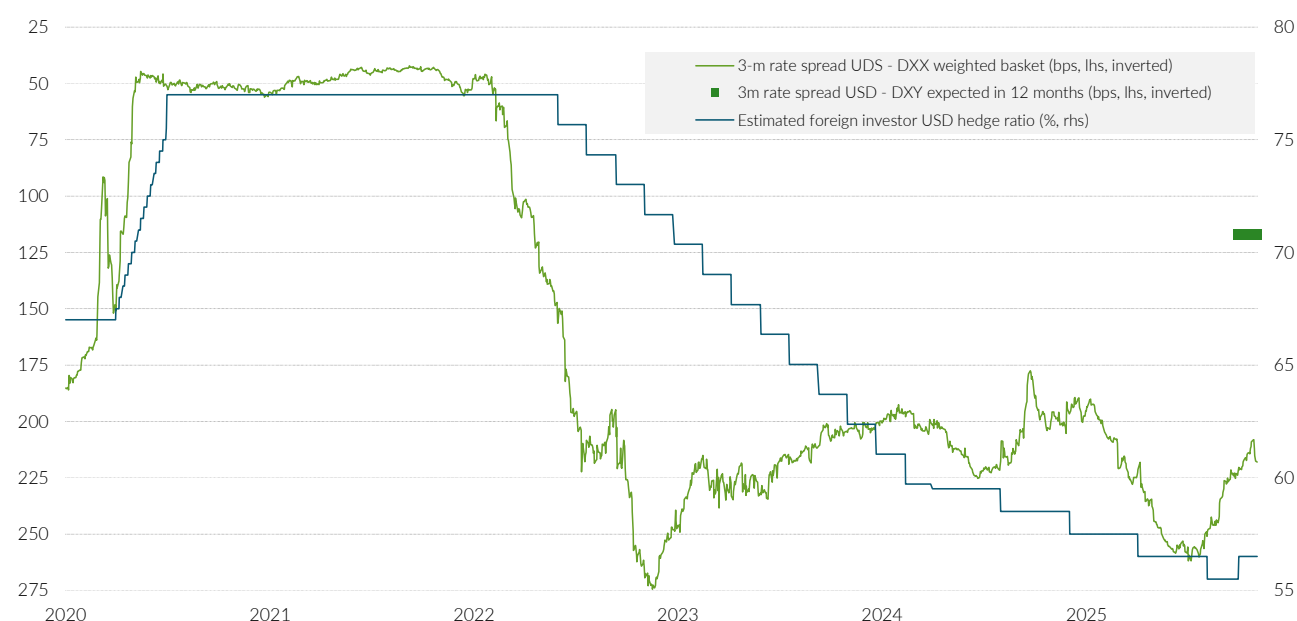
we believe that questions concerning public debt sustainability and Fed independence will resurface. Furthermore, we remain concerned that credit default and regional bank problems in the US will pop up again. These prevailing uncertainties are of particular concern given the stretched valuations of US risk assets. Fourth, the Takaichi trade has probably peaked. Indeed, the JPY recovered some lost ground this week while the USD DXY was still climbing higher. The dovish outcome of the last BoJ meeting was probably an attempt to appease the new government but not yet proof that the BoJ is changing course (there was also no change in the asset sales policy). In our view, public discontent with high inflation is too big for the BoJ to ignore and we think that rate hikes will resume early next year.

Need to hedge, stupid!

Still, the experience in the second half of the year has taught us to be humble. The USD supportive factors may last a while longer and result in more short cov-

ering and that could create its own USD bullish momentum. Some trigger is needed to revive the USD bearish momentum. This may be weak US labor figures, even if their release may get further delayed. However, important for the USD bearish theme are also structural shifts, especially the hedging of USD exposure by foreign investors and corporates. This has so far not happened. In fact, based on our estimates, USD hedge ratios by foreigners are still hovering just above 50%. We believe two things have to happen for foreigners to raise their USD hedge ratios significantly. First, US policy uncertainty has to remain high and grab more headline attention. Second, the cost of hedging has to decline. The spread of US short-term interest rates versus the DXY basket has declined in recent months but remains elevated. Given our interest rate outlook, we think the spread will narrow by another 100bps, which would pave the way for the USD hedge ratio by foreign investors to rise to 70% or higher (see Chart), which we believe is sufficient to feed another USD bear move.

USD-DXY interest rate spreads and USD hedge ratio by foreign investors



Source: Bloomberg and QCAM Currency Asset Management

Economy & Interest Rates

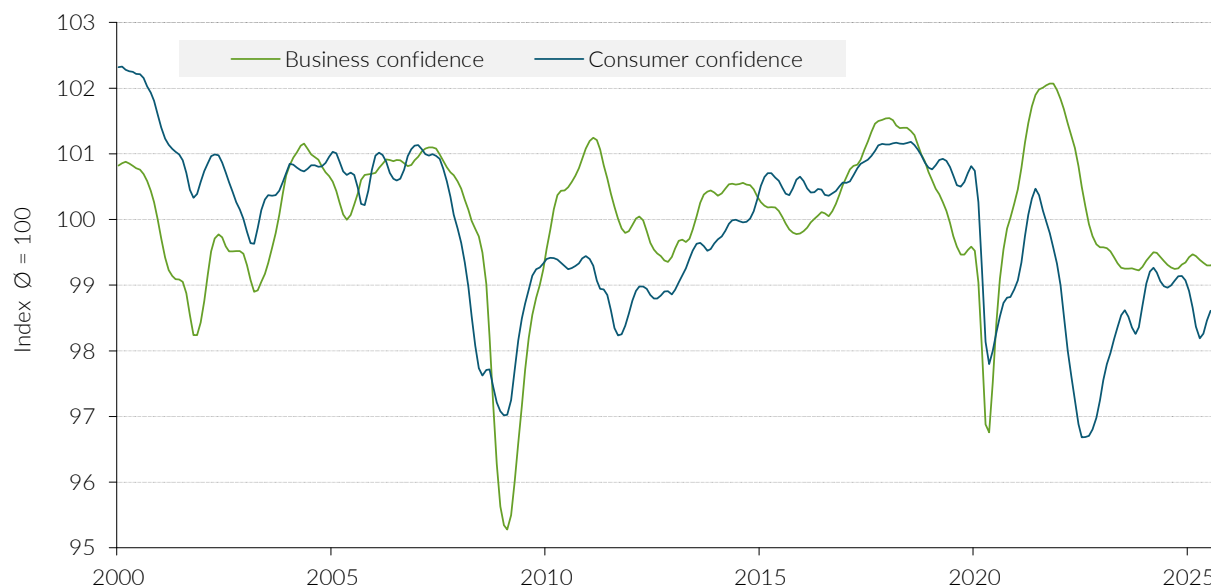
Global growth conditions continued to improve gradually with most country forecasts pointing to slightly better growth prospects in 2026, notably in Europe. Business sentiment improved for the last two months while consumer confidence was stagnant. Actual and expected inflation readings were mostly stable and on target but remain elevated in the US, the UK and Japan. We expect inflation in the US to remain resilient as the impact of increased tariffs materializes. Monetary easing has run its

course in most countries, notably in the Euro area, and we expect only residual rate cuts this year and next. The Fed, on the other hand, continued easing in October and we expect further rate cuts over the next 6 to 12 months if labor market conditions remain soft. The political leadership change in Japan has prompted the BoJ to pause but we expect that the BoJ will remain committed to price stability and raise interest rates further.

| | Real GDP growth ¹ | | Unemployment rate ¹ | | Inflation rate ¹ | | Current account ² | | Fiscal balance ² | | Public debt ² | |
|-------------|------------------------------|------|--------------------------------|------|-----------------------------|------|------------------------------|------|-----------------------------|------|--------------------------|------|
| | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 |
| Global | 2.5 | 2.6 | n.a. | n.a. | 2.6 | 2.6 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Developed | 1.6 | 1.7 | n.a. | n.a. | 2.6 | 2.5 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| USA | 2.0 | 2.0 | 4.3 | 4.2 | 2.9 | 2.8 | -4.0 | -3.7 | -7.4 | -7.5 | 125 | 128 |
| Canada | 1.2 | 1.5 | 6.8 | 6.6 | 2.0 | 2.0 | -0.2 | -0.3 | -2.2 | -2.4 | 114 | 113 |
| Euro-area | 1.3 | 1.5 | 6.4 | 6.3 | 2.1 | 1.9 | 2.5 | 2.3 | -3.2 | -3.4 | 88 | 89 |
| Sweden | 1.5 | 1.7 | 8.5 | 8.2 | 1.2 | 1.5 | 6.0 | 6.0 | -1.5 | -2.0 | 34 | 34 |
| Switzerland | 1.0 | 1.2 | 2.5 | 2.5 | 0.2 | 0.5 | 5.0 | 5.0 | 0.3 | 0.0 | 37 | 36 |
| UK | 1.5 | 1.5 | 4.6 | 4.6 | 3.3 | 3.0 | -3.5 | -3.0 | -4.5 | -3.5 | 103 | 105 |
| Japan | 1.3 | 1.0 | 2.6 | 2.6 | 3.3 | 2.5 | 4.0 | 3.5 | -7.0 | -7.0 | 230 | 227 |
| Australia | 1.7 | 2.0 | 4.2 | 4.2 | 2.6 | 2.8 | -2.0 | -2.0 | -0.5 | 0.0 | 51 | 50 |
| Emerging | 3.8 | 3.7 | n.a. | n.a. | 2.7 | 2.8 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| China | 4.8 | 4.5 | 5.2 | 5.2 | 0.0 | 0.5 | 3.0 | 2.5 | -8.5 | -8.5 | 96 | 100 |
| India | 6.5 | 6.5 | n.a. | n.a. | 2.8 | 4.0 | -1.0 | -1.5 | -7.0 | -7.0 | 80 | 80 |
| Russia | 0.5 | 1.0 | 2.8 | 3.1 | 9.0 | 7.0 | 2.0 | 2.0 | -2.5 | -2.0 | 21 | 22 |
| Brazil | 2.2 | 2.0 | 7.0 | 7.0 | 5.5 | 4.5 | -2.5 | -2.5 | -9.0 | -9.0 | 91 | 94 |

Source: OECD, IMF World Economic Outlook and QCAM estimates ¹ In percent annual average ² In percent of GDP

OECD business and consumer confidence*



Source: OECD and QCAM *The last observations are QCAM estimates based on other surveys

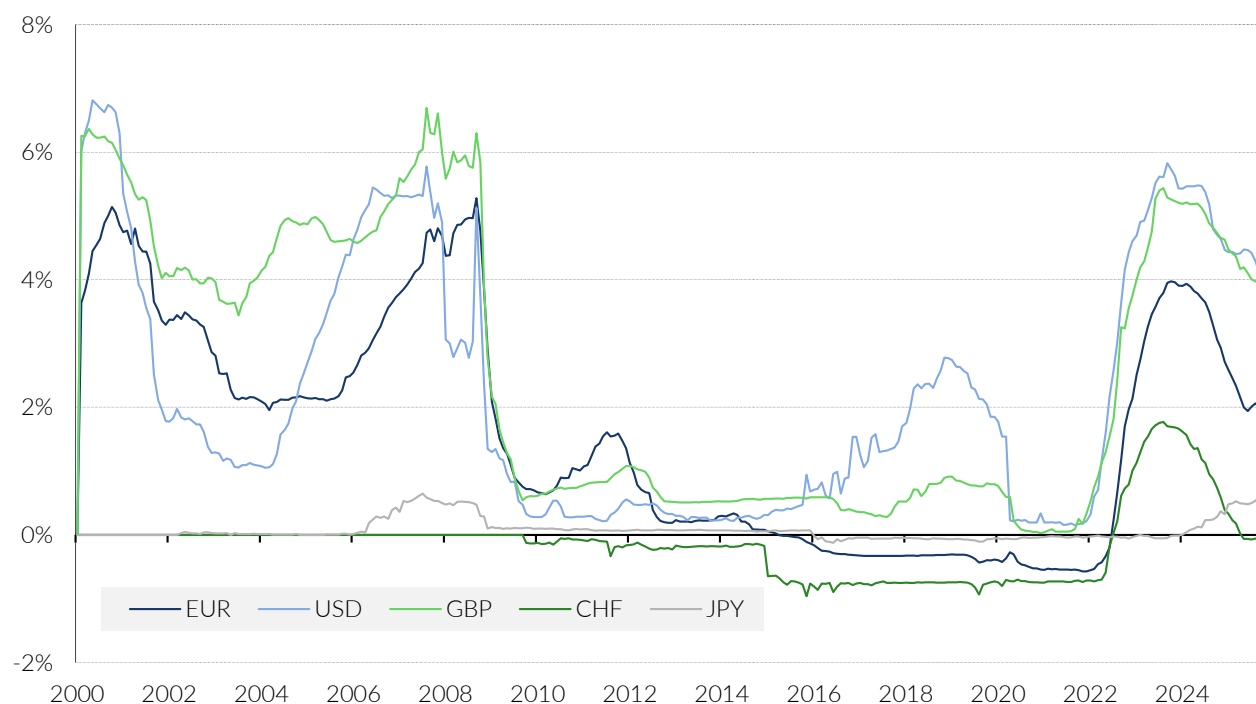
Interest Rates

Interest Rate Level Overview

| | Short Term Interest Rate (3month OIS) | | | | | Long Term Interest Rate (10year Swap) | | | | |
|-----|---------------------------------------|--------|--------|---------|-----------|---------------------------------------|--------|--------|---------|-----------|
| | Current | 1M ago | 3M ago | 12M ago | Ø 3 years | Current | 1M ago | 3M ago | 12M ago | Ø 3 years |
| USD | 3.78% | 3.87% | 4.20% | 4.49% | 4.82% | 3.97% | 3.91% | 3.99% | 4.07% | 3.10% |
| EUR | 2.02% | 2.02% | 1.99% | 3.08% | 3.06% | 2.61% | 2.63% | 2.56% | 2.42% | 2.72% |
| JPY | 0.56% | 0.59% | 0.49% | 0.28% | 0.19% | 1.51% | 1.51% | 1.27% | 0.94% | 0.97% |
| GBP | 3.86% | 3.97% | 3.98% | 4.71% | 4.64% | 3.93% | 4.15% | 4.00% | 4.03% | 3.91% |
| CHF | -0.07% | -0.05% | -0.07% | 0.70% | 0.97% | 0.40% | 0.47% | 0.47% | 0.51% | 1.12% |
| AUD | 3.59% | 3.53% | 3.59% | 4.33% | 3.99% | 4.16% | 4.12% | 3.96% | 4.41% | 4.20% |
| CAD | 2.25% | 2.41% | 2.72% | 3.56% | 4.05% | 3.19% | 3.20% | 3.42% | 3.41% | 3.57% |
| SEK | 1.74% | 1.88% | 1.96% | 2.74% | 3.06% | 2.72% | 2.71% | 2.66% | 2.42% | 2.75% |
| RUB | 16.50% | 15.50% | 17.50% | 21.75% | 14.36% | 11.12% | 13.55% | 11.12% | 16.35% | 9.56% |
| BRL | 13.50% | 13.44% | 13.89% | 9.85% | 11.45% | 13.28% | 13.53% | 13.46% | 13.02% | 12.44% |
| CNY | 1.60% | 1.61% | 1.53% | 1.83% | 1.92% | 1.68% | 1.78% | 1.66% | 1.85% | 2.15% |
| TRY | 40.25% | 40.65% | 42.92% | 50.80% | 38.12% | 29.66% | 28.84% | 27.78% | 28.80% | 25.95% |
| INR | 5.48% | 5.46% | 5.40% | 6.59% | 6.44% | 5.90% | 5.88% | 5.83% | 6.33% | 6.28% |

Source: QCAM Currency Asset Management, as of November 5th, 2025

3-month Rates



Source: QCAM Currency Asset Management, as of end of October 2025

FX Markets

FX Performance vs. PPP

The USD DXY rose 2.2% in October and reached 100 in early November. The main underperformer was the JPY followed by the GBP. EM currencies also weakened but much less with the CNH remaining stable over the last month. Speculative over-sold USD positions declined but remained elevated, notably versus the EUR and the JPY. Short-term interest rates for USD and GBP moved lower while interest rates for all other major currencies stayed stable. The cost of forward hedging versus the USD

declined somewhat but remains elevated with USDCHF and GBPCHF hedging still most expensive. Actual and implied FX volatilities were mixed but on balance remained stable and stayed mostly below their historical averages. PPP estimates continue to grind against the USD as US inflation remains more resilient. USD overvaluation increased across the board with the JPY still most undervalued (47%).

Overview

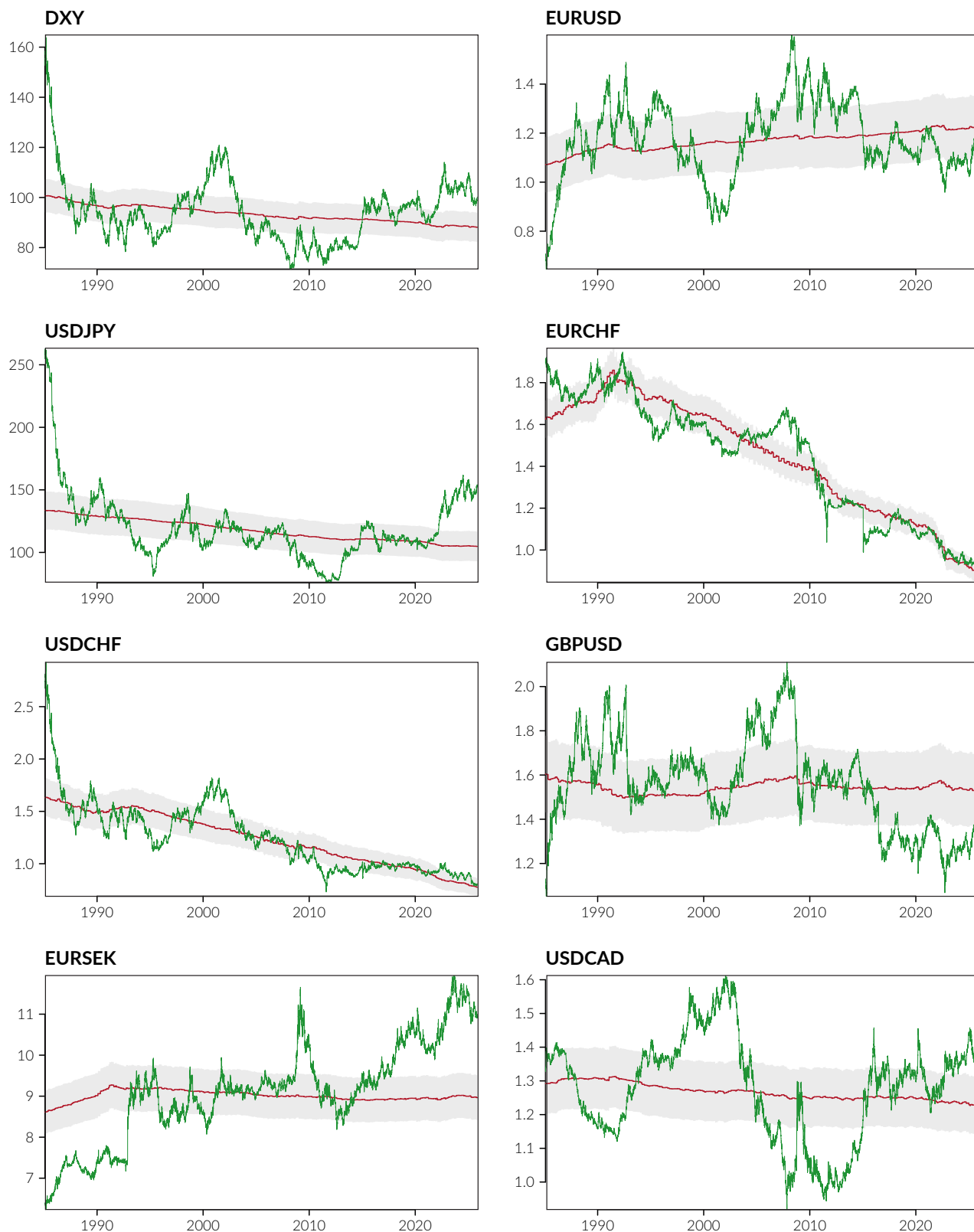
| | Current Exchange Rate | Performance ¹ | | | | Purchasing Power Parity ² | | |
|-----------------|-----------------------|--------------------------|--------|---------|---------|--------------------------------------|----------------|------------------------|
| | | YTD | 1M | 12M | 5 years | PPP | Neutral Range | Deviation ³ |
| EURUSD | 1.148 | 10.97% | -2.18% | 5.46% | -1.97% | 1.23 | 1.10 - 1.36 | -7% |
| USDJPY | 153.590 | -2.40% | 4.13% | 1.04% | 46.88% | 104.82 | 92.61 - 116.73 | 47% |
| GBPUSD | 1.303 | 4.07% | -3.33% | 0.56% | 0.25% | 1.53 | 1.37 - 1.70 | -15% |
| EURCHF | 0.930 | -1.05% | -0.43% | -1.06% | -13.04% | 0.89 | 0.84 - 0.94 | 4% |
| USDCHF | 0.810 | -10.83% | 1.79% | -6.20% | -11.30% | 0.78 | 0.69 - 0.86 | 4% |
| GBPCHF | 1.055 | -7.19% | -1.60% | -5.67% | -11.08% | 0.99 | 0.90 - 1.08 | 7% |
| CHFJPY | 189.728 | 9.43% | 2.29% | 7.71% | 65.58% | 96.63 | 85.65 - 107.61 | 96% |
| AUDUSD | 0.649 | 4.96% | -1.77% | -1.52% | -9.57% | 0.76 | 0.67 - 0.85 | -15% |
| USDCAD | 1.409 | -2.06% | 1.04% | 1.45% | 7.41% | 1.23 | 1.14 - 1.31 | 15% |
| USDSEK | 9.582 | -13.46% | 2.32% | -10.51% | 8.92% | 8.58 | 7.61 - 9.55 | 12% |
| EURSEK | 11.003 | -3.97% | 0.09% | -5.62% | 6.78% | 8.96 | 8.42 - 9.51 | 23% |
| USDRUB | 80.988 | -28.79% | -1.56% | -18.09% | 4.13% | 71.89 | 52.78 - 91.00 | 13% |
| USDBRL | 5.395 | -12.58% | 1.01% | -6.54% | -4.71% | 4.01 | 2.44 - 5.57 | 35% |
| USDCNH | 7.135 | -2.73% | -0.01% | 0.37% | 7.62% | 7.11 | 6.53 - 7.70 | 0% |
| USDTRY | 42.084 | 18.99% | 0.96% | 22.51% | 399.78% | 29.14 | 22.94 - 35.33 | 44% |
| USDINR | 88.711 | 3.66% | -0.04% | 5.43% | 19.53% | 82.99 | 76.37 - 89.61 | 7% |
| US_Dollar_Index | 100.195 | -7.64% | 2.53% | -3.55% | 7.27% | 88.16 | 82.33 - 94.00 | 14% |

¹ Performance over the respective period of time, in percent

² Purchasing power parity (PPP) is estimated based on the relative development of inflation rates in two currency markets; the neutral range is determined by ± 1 standard deviation of the historical variation around the PPP value.

³ Deviation of the current spot rate from PPP, in percent.

Purchasing Power Parity



Source: QCAM Currency Asset Management, as of November 5th, 2025

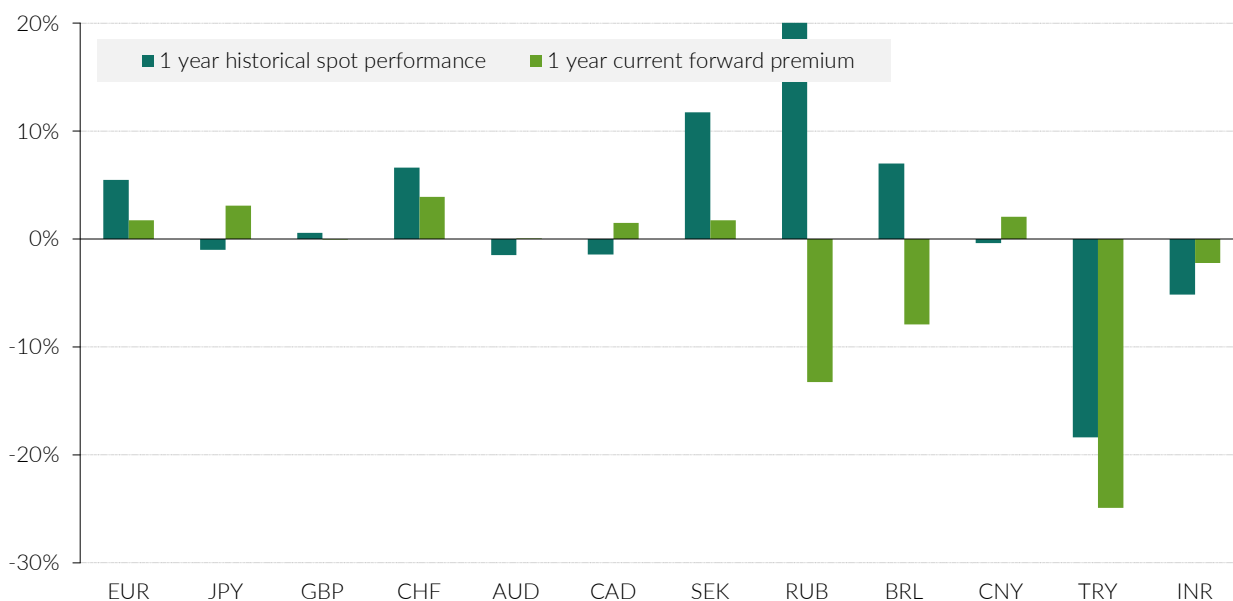
— PPP — Spot — Neutral Range

FX Spot vs Forwards

FX Forwards Level and Premium

| | Current Exchange Rate | Forward Level | | | Premium p.a. | | |
|--------|-----------------------------|---------------|----------|----------|--------------|--------|--------|
| | | 1M | 3M | 12M | 1M | 3M | 12M |
| EURUSD | 1.148 | 1.1505 | 1.1542 | 1.1682 | 2.02% | 1.97% | 1.70% |
| USDJPY | 153.590 | 153.0933 | 152.2045 | 148.9660 | -3.64% | -3.53% | -2.97% |
| GBPUSD | 1.303 | 1.3030 | 1.3029 | 1.3021 | 0.09% | 0.00% | -0.06% |
| EURCHF | 0.930 | 0.9279 | 0.9245 | 0.9101 | -2.16% | -2.17% | -2.08% |
| USDCHF | 0.810 | 0.8065 | 0.8010 | 0.7790 | -4.17% | -4.13% | -3.72% |
| GBPCHF | 1.055 | 1.0509 | 1.0436 | 1.0143 | -4.09% | -4.13% | -3.78% |
| CHFJPY | 189.728 | 189.8189 | 190.0213 | 191.2289 | 0.54% | 0.60% | 0.78% |
| AUDUSD | 0.649 | 0.6495 | 0.6497 | 0.6495 | 0.43% | 0.30% | 0.04% |
| USDCAD | 1.409 | 1.4071 | 1.4029 | 1.3886 | -1.85% | -1.78% | -1.45% |
| USDSEK | 9.582 | 9.5635 | 9.5313 | 9.4201 | -2.12% | -2.05% | -1.66% |
| EURSEK | 11.003 | 11.0023 | 11.0008 | 11.0045 | -0.11% | -0.09% | 0.01% |
| USDRUB | 80.988 | 82.5270 | 85.4189 | 93.3615 | 22.81% | 21.41% | 15.07% |
| USDBRL | 5.395 | 5.4348 | 5.5136 | 5.8586 | 8.38% | 8.63% | 8.48% |
| USDCNH | 7.135 | 7.1190 | 7.0922 | 6.9905 | -2.45% | -2.32% | -1.99% |
| USDTRY | 42.084 | 43.1010 | 45.2964 | 56.0396 | 28.99% | 29.87% | 32.71% |
| USDINR | 88.711 | 88.8666 | 89.1839 | 90.7409 | 2.04% | 2.04% | 2.24% |

Historical Spot Performance and Current Forward Premium vs. the US Dollar



Source: QCAM Currency Asset Management, as of November 5th, 2025

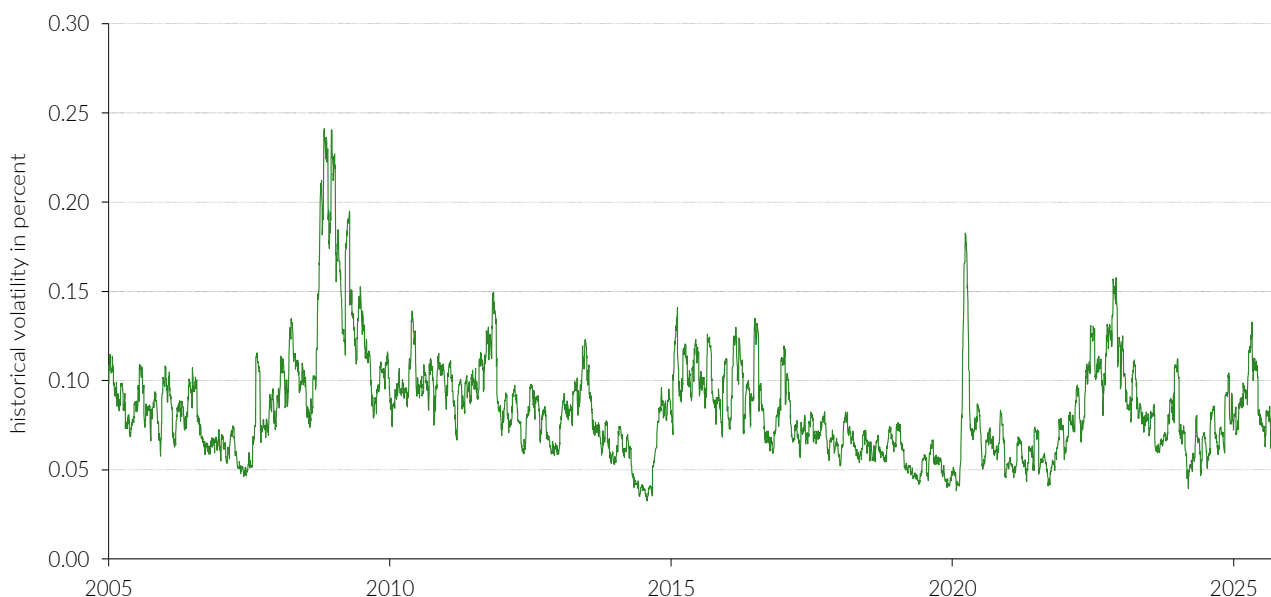
FX Volatility

Historical vs. Implied Volatility

| | Current Exchange Rate | Historical Volatility ¹ | | | | Implied Volatility ² | | | |
|--------|-----------------------------|------------------------------------|--------|--------|-----------|---------------------------------|--------|--------|-----------|
| | | Current | 1M | 12M | Ø 5 years | Current | 1M | 12M | Ø 5 years |
| EURUSD | 1.148 | 6.07% | 6.93% | 5.04% | 7.48% | 6.00% | 6.33% | 6.95% | 7.17% |
| USDJPY | 153.590 | 8.45% | 8.57% | 10.98% | 9.44% | 8.78% | 8.83% | 11.75% | 9.31% |
| GBPUSD | 1.303 | 6.35% | 6.30% | 6.20% | 8.30% | 7.13% | 6.97% | 7.75% | 8.16% |
| EURCHF | 0.930 | 2.88% | 2.98% | 5.62% | 5.18% | 4.25% | 3.95% | 5.75% | 5.55% |
| USDCHF | 0.810 | 6.69% | 6.84% | 6.32% | 7.80% | 6.78% | 6.80% | 7.18% | 7.36% |
| GBPCHF | 1.055 | 4.62% | 5.13% | 7.26% | 7.09% | 6.38% | 6.15% | 7.43% | 7.38% |
| CHFJPY | 189.728 | 6.20% | 6.12% | 7.39% | 7.96% | 7.28% | 7.18% | 9.43% | 8.50% |
| AUDUSD | 0.649 | 7.08% | 6.79% | 8.04% | 10.40% | 8.28% | 8.05% | 10.00% | 10.15% |
| USDCAD | 1.409 | 3.56% | 3.87% | 3.67% | 6.38% | 4.43% | 4.28% | 5.35% | 6.43% |
| USDSEK | 9.582 | 8.36% | 8.94% | 8.20% | 10.92% | 8.65% | 9.08% | 10.38% | 10.63% |
| EURSEK | 11.003 | 4.62% | 4.33% | 5.03% | 6.18% | 5.25% | 5.35% | 5.95% | 6.48% |
| USDRUB | 80.988 | 13.21% | 18.03% | 16.50% | 22.35% | 22.86% | 23.10% | 23.23% | 27.18% |
| USDBRL | 5.395 | 9.11% | 8.48% | 12.07% | 13.75% | 11.55% | 11.28% | 15.65% | 15.76% |
| USDCNH | 7.135 | 2.17% | 2.20% | 4.76% | 4.58% | 3.00% | 3.03% | 6.83% | 5.19% |
| USDTRY | 42.084 | 1.41% | 1.34% | 2.62% | 11.91% | 12.88% | 13.35% | 16.75% | 20.30% |
| USDINR | 88.711 | 3.73% | 3.87% | 1.29% | 3.83% | 3.75% | 3.33% | 2.55% | 4.68% |

¹ Realised 3-month volatility (annualised) ² Market implied 3-month volatility (annualised)

QCAM Volatility Indicator³



³ The QCAM volatility indicator measures general volatility in global FX markets; the indicator is based on historical volatility of the main exchange rates, which are weighted by trading volume.

Source: QCAM Currency Asset Management, as of November 5th, 2025

FX Analytics

QCAM has an analytical framework to take scalable exchange rate positions. The QCAM exchange rate strategy for each currency pair has three principle components:

- **Macro**
- **Business Sentiment**
- **Technical**

The positioning signals from each component are aggregated into an overall positioning score for each currency pair.

The Macro component consists typically of economic growth, balance of payments, fiscal and monetary policy and in some cases commodity fundamentals. The positions are either discretionary or model driven.

The Business Sentiment component is a rule-based framework built on business surveys.

The Technical component consists primarily of the technical analysis of daily exchange rates (trend following and mean reversion).

The summary table below and the following pages show the QCAM strategy framework and the

positioning for the major currency pairs actively covered by QCAM. The tables break each of the three strategies into subcomponents with an indication of the current impact. The charts show the respective exchange rate with past QCAM positions and their scale.

November 2025 – Current positioning

We kept all discretionary Macro positions unchanged with EUR, JPY, CHF and SEK long versus the USD. In Business Sentiment, the long CHF position switched to short versus the USD but the balance of all Business Sentiment positions remains nearly 40% short USD. In Technical, the EUR position went from long to neutral, the JPY and GBP positions moved from long to short and the CHF position went neutral versus the USD. The balance of all Technical positions moved from neutral to long USD. The balance of all strategy positions is slightly short USD resting mainly on the remaining longs in EUR and JPY. The overall EUR position is moderately short versus the CHF and the SEK.

Overview¹

| | Macro | Business Sentiment | Technical | Comment |
|--------|-------|--------------------|-----------|---|
| EURUSD | + | + | 0 | The long EUR Technical position went to neutral, reducing the overall long EUR position to 25%. |
| USDJPY | -/- | -- | ++ | The Technical position shifted from long to short JPY, reducing the overall long JPY position to 25%. |
| EURCHF | 0 | + | -- | All EURCHF positions were unchanged. Business Sentiment went short CHF vs the USD and Technical went neutral, leaving the overall USDCHF position at neutral. |
| USDCHF | - | + | 0 | |
| GBPUSD | 0 | + | - | Technical went from long to short GBP GBP, shifting the overall GBP position to neutral. |
| EURSEK | 0/+ | -- | - | All positions were unchanged with the overall position remaining long SEK. |
| USDCAD | 0 | - | 0 | All positions were unchanged with the overall position close to neutral. |

¹ The signs relate to the first currency of the exchange rate pair ; ++ or -- means 100% long or short; */* means split position.

EURUSD

We kept the Macro position at long EUR (see also main article). Positive growth revisions, ECB on hold and a solid current account surplus remain key supports for the EUR, while we think that US growth will moderate, the Fed will ease further and the US current account deficit will stay high. USD short covering and ongoing French political woes, how-

ever, could lead to a countermovement until year end. EUR upside potential depends on more hedging activity as interest rate spreads narrow and US policy uncertainty continues. Business Sentiment stayed long EUR, Technical went neutral and the balance of all strategy positions is 25% long EUR.

| | FX Factors | EUR Impact | Comment |
|------------------|-----------------------------|------------|--|
| Macro | Current Account Balances | + | The Euro-area's current account surplus remains stable versus the US current account deficit |
| | Fiscal Balances | 0 | Euro-area deficit likely to rise but remain below the US deficit |
| | Interest Rate Differentials | 0/+ | ECB easing has come to an end but Fed likely to cut further |
| Sentiment | Business Sentiment | + | The momentum of Euro-area surveys stayed ahead versus that of US surveys |
| | Risk Sentiment | 0/- | French political woes still weigh on risk sentiment |
| Technical | Price Action | - | Technical went short EUR |
| | Spec Positions | 0/- | Net long EUR position remained elevated |
| | PPP Valuation | 0 | EUR undervaluation rose to 7% |

EURUSD and QCAM Strategic Positioning



Source: QCAM Currency Asset Management

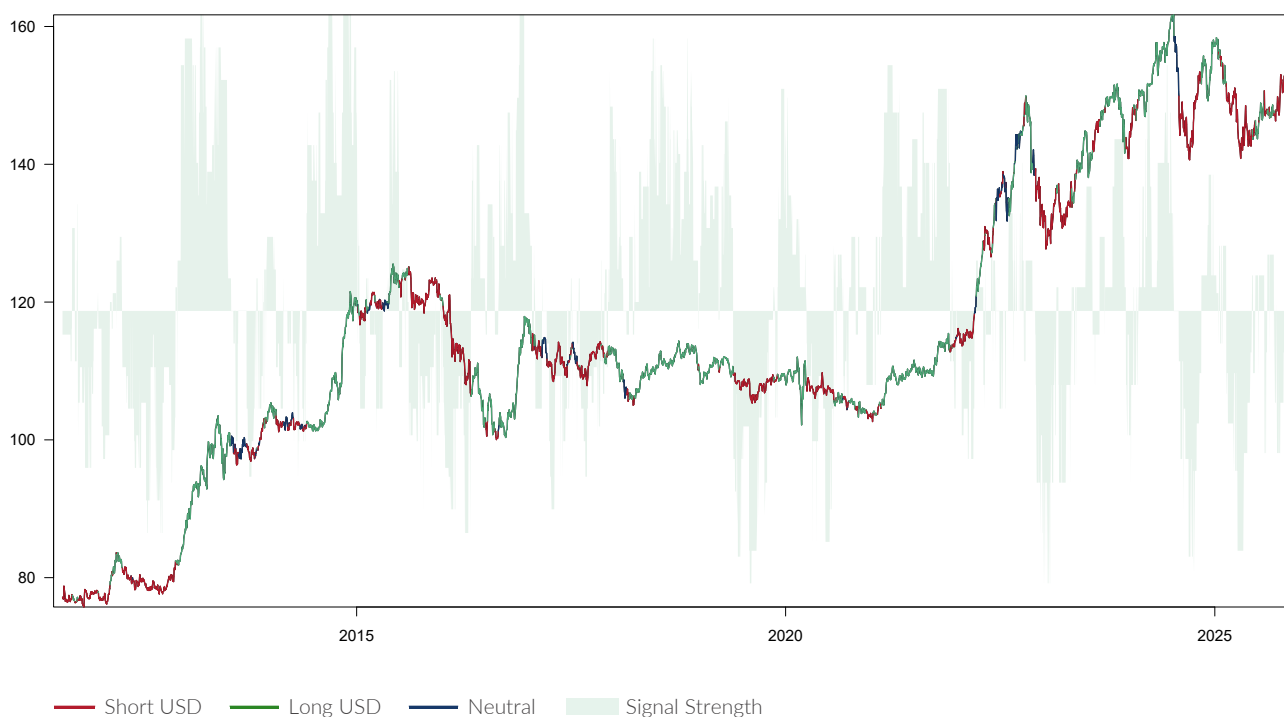
USDJPY

We kept the discretionary Macro position at long JPY (see also main article). The data continues to show economic growth and inflation resilience. The BoJ paused following the change in government but we expect rate hikes will resume in early 2026. We believe the Takaichi-trade (buy Japanese equities and sell the JPY) has largely run its course and we also expect the JPY

to gradually regain its safe-haven status, which helps in times of increased policy uncertainty. As a result, we see the overall risk/reward trade-off as favourable for the JPY. The Macro carry model stayed long JPY, Business Sentiment remained long JPY and Technical moved to short JPY, reducing the overall long JPY position to 25%.

| | FX Factors | JPY Impact | Comment |
|------------------|-----------------------------|------------|--|
| Macro | Current Account Balances | + | The Japanese current account surplus remains solid |
| | FDI Flows | - | Net outflows largely offset current account surplus |
| | Interest Rate Differentials | + | The Macro carry model stayed long JPY on increased volatility |
| Sentiment | Business Sentiment | + | The momentum of Japanese Business Sentiment improved versus that of US surveys |
| | Risk Sentiment | 0 | Safe-haven character not yet restored |
| Technical | Price Action | - | Technical went short JPY |
| | Spec Positions | 0/- | Net long JPY position is elevated but no longer extreme |
| | PPP Valuation | + | The JPY is currently about 47% undervalued |

USDJPY and QCAM Strategic Positioning



Source: QCAM Currency Asset Management

EURCHF

We kept the discretionary Macro position at neutral versus the EUR. EURCHF stayed in the 0.92 to 0.94 range for the last six months. Swiss fundamentals remain solid despite the tariff shock and the CHF is an attractive safe haven and reserve currencies in times of increased uncertainty. The risks to the economy and ongoing low inflation favour more monetary easing,

but we think the SNB will refrain from cutting interest rates below zero and also resist larger FX interventions to avoid escalating the conflict with the US. The Business Sentiment positions remained short CHF versus the EUR and Technical stayed long CHF versus the EUR, leaving the balance of all strategy positions moderately long CHF versus the EUR.

| | FX Factors | CHF Impact | Comment |
|------------------|-----------------------------|------------|--|
| Macro | Current Account Balances | + | Surplus remains steady support for CHF |
| | Interest Rate Differentials | 0 | SNB not expected to go from zero to negative |
| | SNB Policy Intervention | 0 | Limited risk of significant SNB FX interventions |
| Sentiment | Business Sentiment | - | The Swiss economy stayed behind the Euro-area economy in the surveys |
| | Risk Sentiment | 0 | Changes in risk sentiment had limited impact on the CHF lately |
| Technical | Price Action | + | Technical stayed long CHF |
| | PPP Valuation | 0 | CHF is close to fair-value versus the EUR |

EURCHF and QCAM Strategic Positioning



Source: QCAM Currency Asset Management

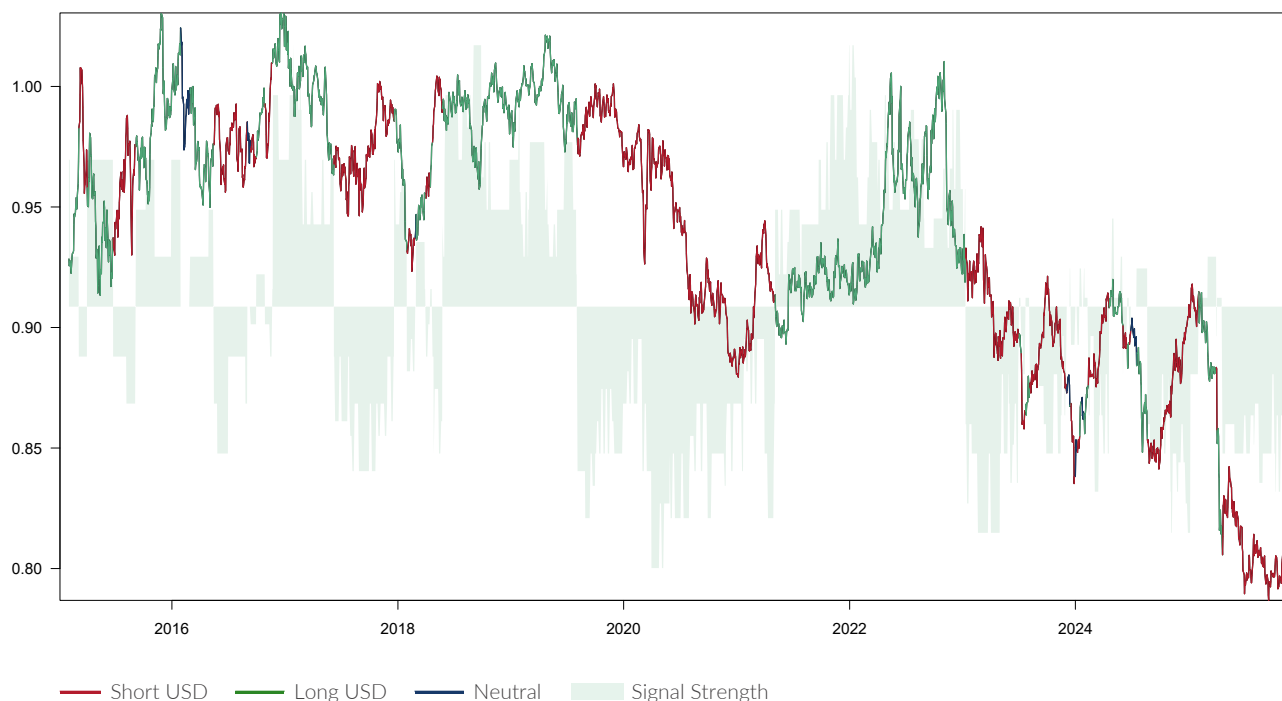
USDCHF

Our Macro positions in EURCHF and EURUSD (neutral and long respectively) imply long CHF versus the USD. The CHF outperformed during the tariff turmoil amid robust Swiss fundamentals as well as persistent political uncertainties globally and the ongoing safe-haven appeal of the CHF but lost some ground lately as the USD recovered broadly. Swiss fundamentals remain solid despite the tariff and ongoing low inflation

favours more monetary easing, but we think the SNB will refrain from cutting interest rates below zero and also resist larger FX interventions to avoid escalating the conflict with the US. The Business Sentiment position went short CHF versus the USD and Technical moved to neutral, leaving the balance of all strategy positions at neutral.

| | FX Factors | CHF Impact | Comment |
|-----------|-----------------------------|------------|--|
| Macro | Current Account Balances | + | Surplus remains steady support for CHF |
| | Interest Rate Differentials | 0/- | SNB not expected to move rates from neutral to negative |
| | SNB Policy Intervention | 0 | Limited risk of sizable SNB FX interventions |
| Sentiment | Business Sentiment | - | Momentum of Swiss surveys fell versus that of US surveys |
| | Risk Sentiment | 0 | Changes in risk sentiment had limited impact on the CHF lately |
| Technical | Price Action | 0 | Technical went neutral CHF |
| | Spec Positions | 0/+ | The CHF remained moderately oversold |
| | PPP Valuation | 0 | CHF is close to fair value |

USDCHF and QCAM Strategic Positioning



Source: QCAM Currency Asset Management

GBPUSD

We keep the discretionary Macro position at neutral despite our overall bearish USD outlook. We believe that UK fundamentals remain challenged thanks to BREXIT while the government struggles to consolidate the fiscal deficit. The twin deficits and a negative net international investment position limit the GBP's opportunity to benefit from

broad USD asset rebalancing and currency hedging. The BoE faces a similar inflation challenge as the Fed and we no longer expect the BoE to cut interest rates more than the Fed. The Business Sentiment position stayed long GBP versus the USD while the Technical position went from long to short. The overall strategy position is now neutral.

| | FX Factors | GBP Impact | Comment |
|------------------|-----------------------------|------------|--|
| Macro | Current Account Balances | 0/- | The UK deficit has returned to pre-Corona levels |
| | Interest Rate Differentials | 0 | UK rates are at par with US rates but BoE no longer expected to cut rates more than the Fed. |
| Sentiment | Business Sentiment | + | Momentum in UK surveys increased versus US surveys |
| | Risk Sentiment | - | Risk sentiment has deteriorated on budget concerns |
| Technical | Price Action | - | Technical went short GBP |
| | Spec Positions | 0 | Net position stayed at neutral |
| | PPP Valuation | 0/+ | The GBP is 15% undervalued |

GBPUSD and QCAM Strategic Positioning



Source: QCAM Currency Asset Management

EURSEK

We keep the discretionary Macro position at neutral. Economic conditions have improved and the drag from the housing sector is fading as the Riksbank lowered interest rates. The Macro interest rate model stayed short SEK and Business Sentiment and Technical remained long SEK, leaving the

overall SEK position long versus the EUR. We are also bullish SEK versus the USD given the long EUR-USD Macro position. The SEK is well positioned for a rebalancing in foreign portfolio positions given its current account surplus and large positive net international investment position.

| | FX Factors | SEK Impact | Comment |
|------------------|-----------------------------|------------|---|
| Macro | Current Account Balances | + | Sweden's surplus has rebounded to levels above those before the Ukraine war |
| | Interest Rate Differentials | - | The Macro interest rate model stayed short SEK |
| Sentiment | Business Sentiment | + | Surveys stayed long SEK |
| | Risk Sentiment | 0 | Risk sentiment has improved but not bullish |
| Technical | Price Action | + | Technical stayed long SEK |
| | PPP Valuation | + | The SEK is roughly 23% undervalued versus the EUR |

EURSEK and QCAM Strategic Positioning



Source: QCAM Currency Asset Management

USDCAD

We kept the discretionary Macro position at neutral despite our general bearish USD outlook. The trade conflict with the US remains an open issue and low oil prices are also a headwind for the Canadian economy. Canadian inflation is below US inflation and the BoC lowered interest rates more than the Fed, given the interest burden in the housing sector. The BoC took a

pause but we expect one more 25bps rate cut. Market sentiment towards the CAD has improved following the clear election outcome and handling of the tensions with the US by the new government. Business Sentiment stayed at a small long position while Technical remained at neutral, leaving the overall position at roughly neutral.

| | FX Factors | CAD Impact | Comment |
|------------------|-----------------------------|------------|--|
| Macro | Current Account Balances | 0 | Canada's current account deficit remains small versus the US deficit and compared to past levels |
| | Interest Rate Differentials | - | CAD interest rates moved lower ahead of USD interest rates |
| Sentiment | Business Sentiment | + | Canada has gained momentum versus the US in the surveys |
| | Risk Sentiment | 0/- | Tensions with the US over tariffs remain elevated |
| Technical | Price Action | 0 | Technical stayed neutral |
| | Spec Positions | 0 | The CAD oversold position persisted but is not extreme |
| | PPP Valuation | 0 | CAD is about 15% undervalued versus the USD |

USDCAD and QCAM Strategic Positioning



Source: QCAM Currency Asset Management

QCAM Products and Services

Our edge derives from a focus on professional currency management, the absolute transparency and the careful examination of risk. It is our mission to offer our clients innovative transparent solutions, in a thoughtful and risk-controlled environment, and to surpass investment goals.



Currency Overlay

Risks under control – opportunities in sight: QCAM Currency Overlay offers customised solutions for individual needs and investment goals. Our Passive Overlay focuses on risk management, reduction of transaction costs and the customer specific management of resulting cash flows.

Our Dynamic Overlay aims to generate returns based on QCAM's proprietary FX Analytics, embedded in a strict risk budgeting framework.

FX Best Execution

With larger foreign currency transactions, even a small difference in pricing leads to a major impact on costs and revenues. While it is unattainable for most players to keep the full overview of the deals available in the market, independence and transparency are essential. We carry out a Transaction Cost Analysis for our clients to evaluate potential cost savings. Also, QCAM assists its clients in the design of an optimal multibank-setup and conducts clients FX transactions transparently, independently and in the client's best interests.



Short Term Fixed Income USD Strategy

QCAM's Short Term Fixed Income USD Strategy (QCAM STFI USD) enhances yield via the use of the FX interbank swap-market. Also, we take advantage from excellent conditions which we receive from our large pool of partner banks and highly rated debtors for money market and currency transactions. Over the years, QCAM STFI USD has consistently outperformed its peers. It is investable either through a Swiss-regulated investment fund or as a managed account.

FX Alpha

Currencies as an attractive portfolio diversification via QCAM FX BIAS. The focus on QCAM's Business Intelligence Alpha Strategy is on business indicators which we have successfully used for many years. The strategy is market-neutral, no specific market environment necessary. Diversification via a pool of ten different currencies and their respective trading signals.



QCAM Profile

About us

QCAM Currency Asset Management AG is an independent financial services provider with focus on currency and money market management. QCAM brings together a team of internationally experienced Currency and Asset Management specialists, who are managing assets of institutional clients of approx. USD 6 billion.

Our core competences are Currency Overlay Services, FX Transaction Execution according to «Best Execution» principles, FX Alpha and Short Term Fixed Income Management.

Long-standing customers of QCAM are pension funds, family offices, investment funds, companies, NGOs and HNWLs.

Headquarters

Zug, Switzerland

Founded

2005

Regulation

FINMA since 2007
SEC since 2014

Independent and Transparent

- ☐ Interests directly aligned with those of our clients
- ☐ Client focused solutions, tailored to each individuals requirements
- ☐ Independent selection of suitable external services providers
- ☐ No principal-agent conflicts
- ☐ Transparent fee model – no hidden costs
- ☐ Transparent reporting

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