QCAM Currency Asset Management

March 2026

QCAM MONTHLY

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QCAM Insight

Temporary Shock or Game Changer?

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The US/Israeli attack on Iran, although not a complete surprise, created negative repercussions in financial markets. So far, this has not turned into a financial crisis, but the outlook for the path of war and the economic and financial fallout remains highly uncertain. On the other hand, we are not losing sight of US centric economic policy and AI uncertainties, which could soon again dominate the headlines. As a result, we have moved our Macro positions of short USD versus EUR, JPY, CHF, SEK and AUD only temporarily to neutral.

The attack on Iran by the US and Israel came not as a complete surprise. As a result, the initial financial fallout was not a disaster. Notably, the price of Brent oil jumped on Monday morning 12% to 82$/barrel but then fell back again. As the attacks and counterattacks went on and Iran effectively closed the Straits of Hormuz, however, the negative repercussions started to spread. The price of Brent oil is back above 83$/barrel, equity markets are down around the globe, although to different degrees (Nikkei225 -6.1%, EuroStoxx600 -3.8%, S&P500 -0.4%), and the USD DXY is up 1.3%. Surprisingly, the gold price, which initially jumped on Monday morning, is down 1.6% since the start of the week.

The positive response of the USD proves that the risk sentiment regime has shifted from uncertainty centered around US economic policy and AI developments to geopolitical uncertainty, in which the USD asserts itself as the ultimate safe-haven currency. The rise in oil & gas prices has further supported the USD, as the US has become a net fossil energy exporter, while most countries in Asia and Europe are net importers. The big uncertainty is what course of action will the Iran war take and how financial markets will respond. In our view, rational arguments for a near end of hostilities are stronger, but we admit that our confidence in that scenario is not very high. As a result, we have temporarily moved all our short USD Macro positions to neutral.

The rationale for ending hostilities

In our view, all parties involved have strong incentives not to escalate and prolong the hostilities. The attacks have not triggered a popular uprising in Iran as the US and Israel were hoping and we do not think that a regime change is likely anytime soon. On the other hand, the war with Iran is not popular in the US, the US Congress may intervene if the war escalates and drags on, the US and Israel have limited resources to continue attacks and fight counterattacks and rising oil prices risk lifting inflation in the run-up to the US mid-term elections.

For the regime in Iran, the primary focus is the maintenance of its domestic powerbase, which is at risk if the hostilities are prolonged. In particular, Iran has lost air control and US and Israeli attacks can inflict maximum damage. Finally, Iran is mostly isolated. It lost its alley in Syria, Hizbollah, Hamas and Huthis are weakened and Russia and China offer no more than moral support. In fact, the closure of the Straits of Hormuz probably hurts China the most. As a result, China could emerge as a powerbroker to end the conflict. The Gulf states, which have much to lose not only in terms of oil & gas exports, are also likely to exert pressure on all sides to end the hostilities.

Not all is rational

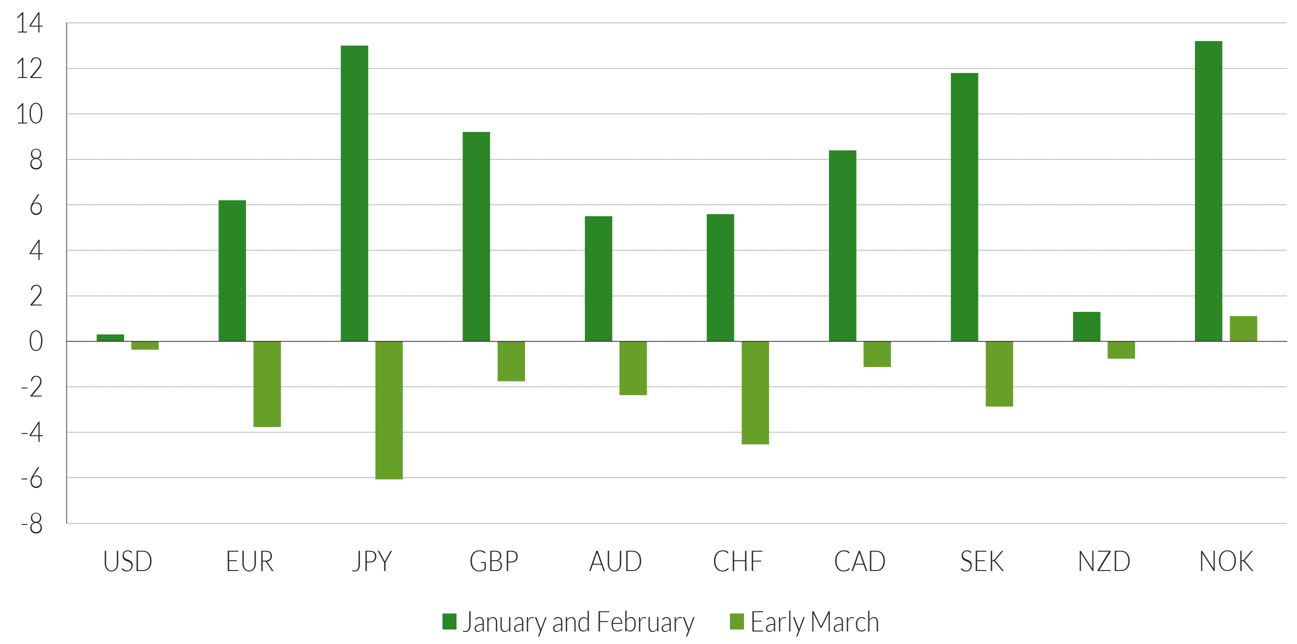
However, what seems rational to us is not a stable path to end the conflict. We may not just misjudge motives, priorities and constraints of the parties involved, but the situation is too fluid and accidents or random events could easily push the dynamic in an unfavorable direction. The potential negative consequences in terms of the outcome of the war and economic and financial repercussions are too big to take a strong position. In terms of FX, an escalation of the conflict and further increases in oil & gas prices could push the USD DXY well above its current trading range, which for example would imply for EURUSD a drop back to 1.13.

Don’t lose sight of the other side

On the other hand, the risk is also that the focus on the Iran war deflects the attention of financial markets on other developments and uncertainties. Prior to the attacks on Iran, the underperformance of US equity markets in January and February was a key theme for FX markets (see chart). In our view, the main drivers of that underperformance were renewed economic policy uncertainty in the US – partly linked to the Supreme Court ruling on tariffs and the administration’s response – and concerns over AI developments, both in terms of bubble fears as well as negative implications for the US labor market. As a result, we have observed an increased willingness by investors and corporates to reduce or hedge USD positions

Since the start of the Iran war, the underperformance gap of US equity markets has narrowed as the US economy is seen less negatively impacted by the war than economies in Asia and Europe but not because US economic policy and AI uncertainties have diminished. Not only events in the Persian Gulf but also economic news from the US in coming days and weeks will probably decide whether we are simply in a period of increased FX volatility or undergoing a fundamental change in FX trends.

Equity market performance (% change in local currency)



Source: investing.com & QCAM

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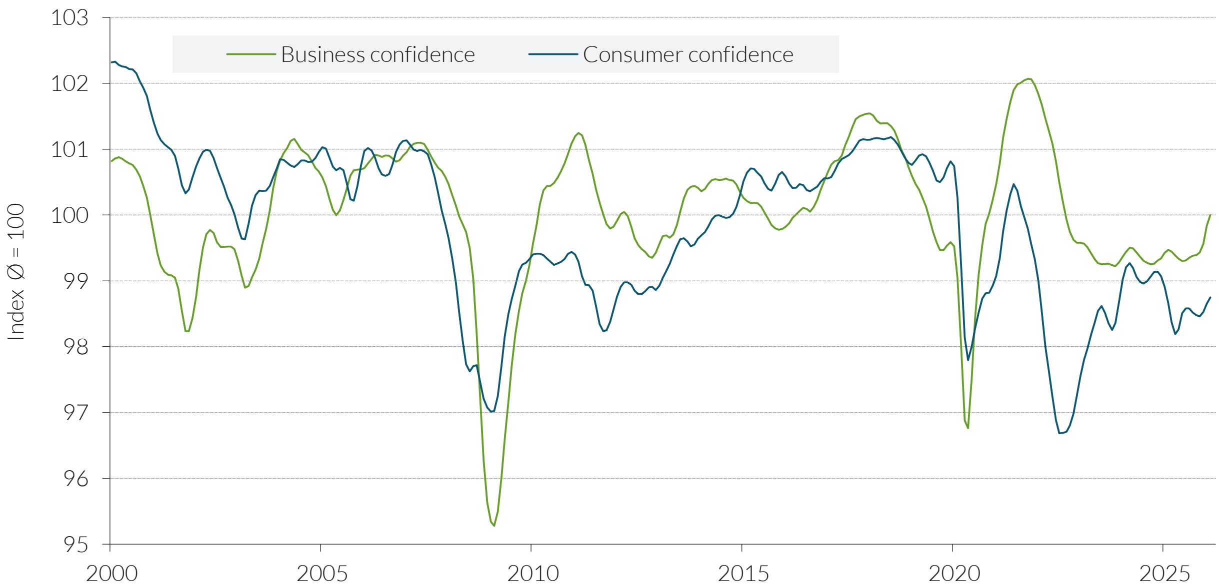
Economy & Interest Rates

Global business sentiment and to a lesser extent global consumer confidence improved prior to the outbreak of the Iran war. As a result, we have not yet fundamentally changed our economic outlook in response to the Iran war but would expect an asymmetric impact should the war drag on longer with the US less negatively impacted than Europe and Asia. Rising energy prices creates upside risks for inflation across the globe. If sustained, rising inflation will impact monetary policy but not uniformly. Central banks like the ECB, which are close to their inflation targets yet also feel more economic downside risks, are less likely to respond. Central banks with inflation still above the target yet less economic downside risks, like the Fed, may change policy more, at least by trimming rate cut expectations.

	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	2.8	2.8	n.a.	n.a.	2.7	2.6	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Developed	1.7	1.8	n.a.	n.a.	2.6	2.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
USA	2.2	2.3	4.3	4.3	2.7	2.8	-4.0	-3.7	-7.4	-7.5	125	128
Canada	1.7	1.5	6.9	6.7	2.0	2.0	-0.2	-0.3	-2.2	-2.4	114	113
Euro-area	1.5	1.5	6.3	6.2	2.1	2.0	2.5	2.3	-3.2	-3.4	88	89
Sweden	1.5	1.7	8.5	8.2	0.9	1.0	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	1.3	1.0	4.8	5.0	3.4	3.0	-3.5	-3.0	-4.5	-3.5	103	105
Japan	1.2	1.0	2.5	2.5	3.2	2.5	4.0	3.5	-7.0	-7.0	230	227
Australia	1.9	2.5	4.2	4.2	2.8	3.0	-2.0	-2.0	0.5	0.0	51	50
Emerging	4.2	4.0	n.a.	n.a.	2.9	2.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
China	5.0	4.8	5.3	5.3	0.0	0.5	3.0	2.5	8.5	8.5	96	100
India	7.5	7.0	n.a.	n.a.	2.1	4.0	-1.0	-1.5	-7.0	-7.0	80	80
Russia	1.0	1.0	2.3	2.7	8.7	6.0	2.0	2.0	-2.5	-2.0	21	22
Brazil	2.3	1.5	5.9	6.0	5.0	4.0	-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

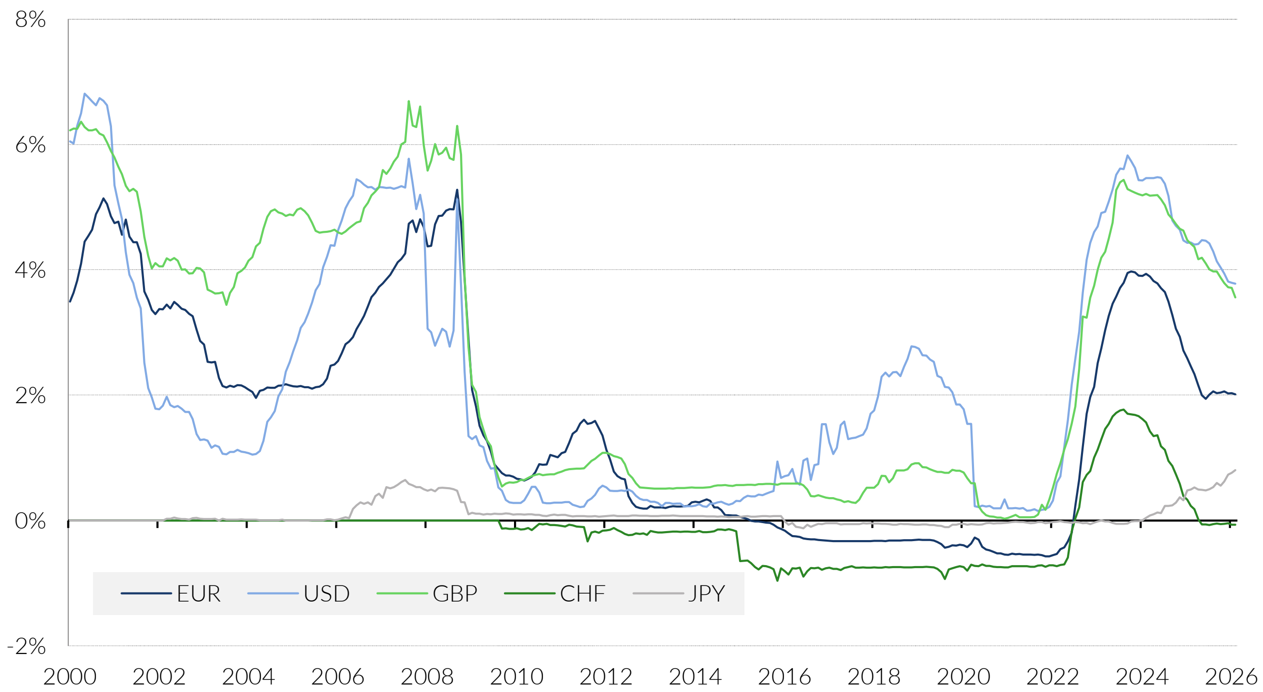
Interest Rates

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	3.64%	3.64%	3.66%	4.31%	4.72%	3.90%	4.18%	3.95%	4.07%	3.12%
EUR	2.03%	2.03%	2.03%	2.46%	3.03%	2.71%	2.83%	2.72%	2.39%	2.71%
JPY	0.80%	0.77%	0.66%	0.50%	0.27%	1.95%	2.03%	1.71%	1.29%	1.09%
GBP	3.66%	3.71%	3.78%	4.42%	4.64%	4.03%	4.12%	3.96%	4.03%	3.97%
CHF	-0.07%	-0.07%	-0.05%	0.24%	0.85%	0.50%	0.58%	0.48%	0.56%	0.99%
AUD	4.01%	3.88%	3.61%	4.06%	4.04%	4.67%	4.72%	4.48%	4.16%	4.25%
CAD	2.26%	2.26%	2.23%	2.75%	3.82%	3.34%	3.54%	3.32%	2.97%	3.56%
SEK	1.74%	1.75%	1.77%	2.21%	2.96%	2.79%	2.93%	2.94%	2.64%	2.75%
RUB	14.90%	14.50%	15.00%	21.60%	15.53%	11.12%	13.55%	9.62%	15.15%	9.85%
BRL	13.33%	13.40%	13.26%	12.95%	11.57%	13.15%	12.90%	12.82%	15.12%	12.45%
CNY	1.54%	1.58%	1.60%	1.96%	1.87%	1.68%	1.77%	1.68%	1.67%	2.02%
TRY	39.48%	37.73%	38.80%	43.25%	41.36%	27.66%	26.47%	28.64%	25.54%	26.66%
INR	5.33%	5.36%	5.41%	6.39%	6.31%	6.33%	6.43%	6.05%	6.07%	6.24%

Source: QCAM Currency Asset Management, as of March 3rd, 2026

3-month Rates



Source: QCAM Currency Asset Management, as of end of February 2026

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FX Markets

FX Performance vs. PPP

The USD DXY rebounded 1.7% over the last month but not uniformly. The SEK and the GBP lost the most, while the AUD managed a small gain. EM FX performance was also negative, but more even with only the CNH standing out as a winner. Speculative positions were significantly net short USD before the attacks on Iran and short-covering was probably a key driver of the USD rally over the last few days. Short-term interest rates were mostly stable over the last months. The cost of forward hedging versus the USD declined slightly but remains elevated with USDCHF and GBPCHF hedging still most expensive. Actual and implied FX volatilities increased mostly further. Actual volatilities are still mostly below their long-term averages, while implied volatilities have broadly returned to their historical averages. PPP estimates continue to grind against the USD as US inflation remains more resilient. The USD remains broadly overvalued (12% for the USD DXY) with JPY the most undervalued and the CHF at fair value.

Overview

	Current Exchange Rate	Performance[1]				Purchasing Power Parity[2]		
		YTD	1M	12M	5 years	PPP	Neutral Range	Deviation[3]
EURUSD	1.159	-1.24%	-1.90%	10.49%	-3.97%	1.23	1.10 - 1.35	-6%
USDJPY	157.840	0.64%	1.36%	5.10%	47.57%	105.54	93.55 - 117.53	50%
GBPUSD	1.332	-0.96%	-2.72%	4.77%	-4.64%	1.52	1.36 - 1.69	-12%
EURCHF	0.907	-2.55%	-0.92%	-3.55%	-18.14%	0.89	0.84 - 0.94	2%
USDCHF	0.783	-1.34%	1.01%	-12.70%	-14.76%	0.77	0.69 - 0.86	2%
GBPCHF	1.043	-2.28%	-1.74%	-8.53%	-18.71%	0.97	0.89 - 1.06	8%
CHFJPY	201.604	2.00%	0.35%	20.39%	73.13%	96.11	85.19 - 107.02	110%
AUDUSD	0.702	5.23%	0.14%	12.37%	-9.99%	0.77	0.68 - 0.85	-9%
USDCAD	1.368	-0.32%	0.21%	-5.11%	8.34%	1.23	1.14 - 1.32	11%
USDSEK	9.296	0.79%	4.32%	-11.72%	10.51%	8.57	7.60 - 9.54	8%
EURSEK	10.774	-0.46%	2.33%	-2.46%	6.12%	8.97	8.43 - 9.52	20%
USDRUB	77.575	-1.97%	0.85%	-13.53%	4.83%	72.84	53.50 - 92.18	7%
USDBRL	5.283	-4.22%	0.97%	-10.25%	-8.32%	4.01	2.45 - 5.57	32%
USDCNH	6.925	-0.77%	-0.16%	-5.09%	6.96%	7.12	6.54 - 7.70	-3%
USDTRY	43.973	2.36%	1.12%	20.71%	490.91%	30.55	24.06 - 37.03	44%
USDINR	91.561	1.82%	1.24%	4.92%	25.49%	83.73	77.06 - 90.41	9%
US_Dollar_Index	99.048	0.74%	1.65%	-7.21%	8.91%	88.33	82.50 - 94.16	12%

[1] Performance over the respective period of time, in percent

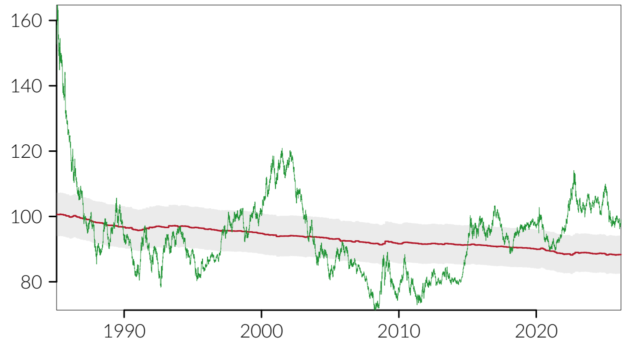
[2] Purchasing power parity (PPP) is estimated based on the relative development of inflation rates in two currency markets; the neutral range is determined by ± 1 standard deviation of the historical variation around the PPP value.

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

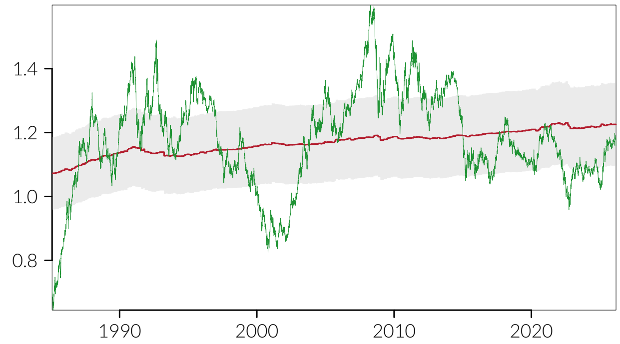
Source: QCAM Currency Asset Management, as of March 3rd, 2026

Purchasing Power Parity

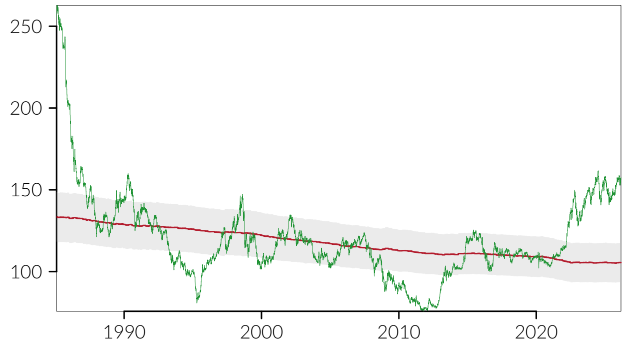
DXY



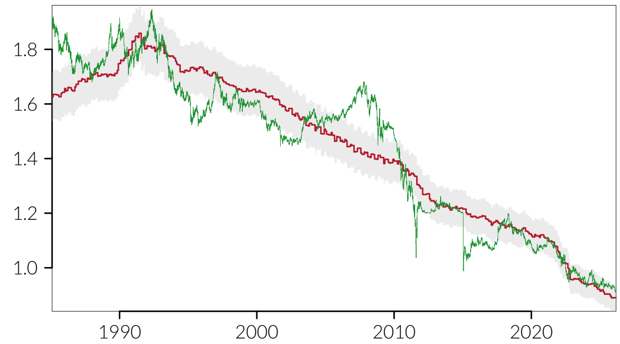
EURUSD



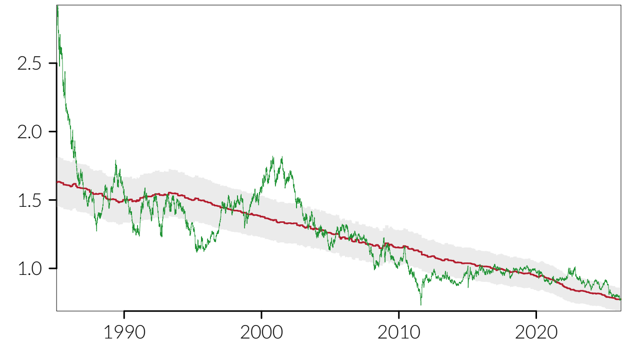
USDJPY



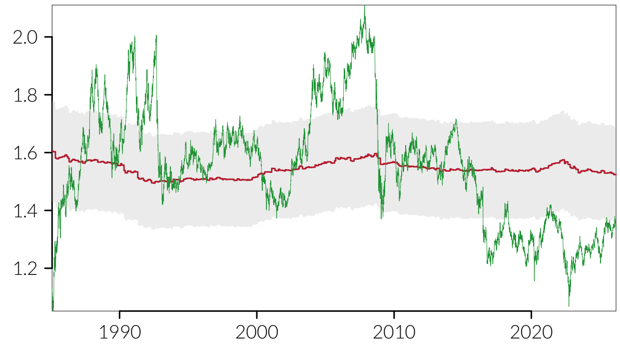
EURCHF



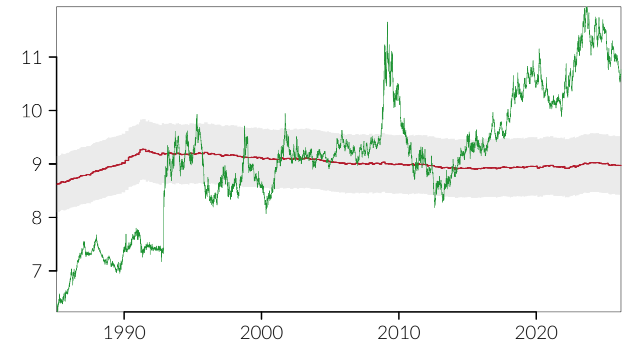
USDCHF



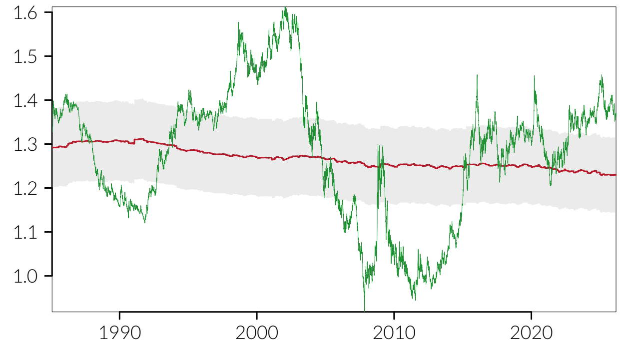
GBPUSD



EURSEK



USDCAD



Source: QCAM Currency Asset Management, as of March 3rd, 2026

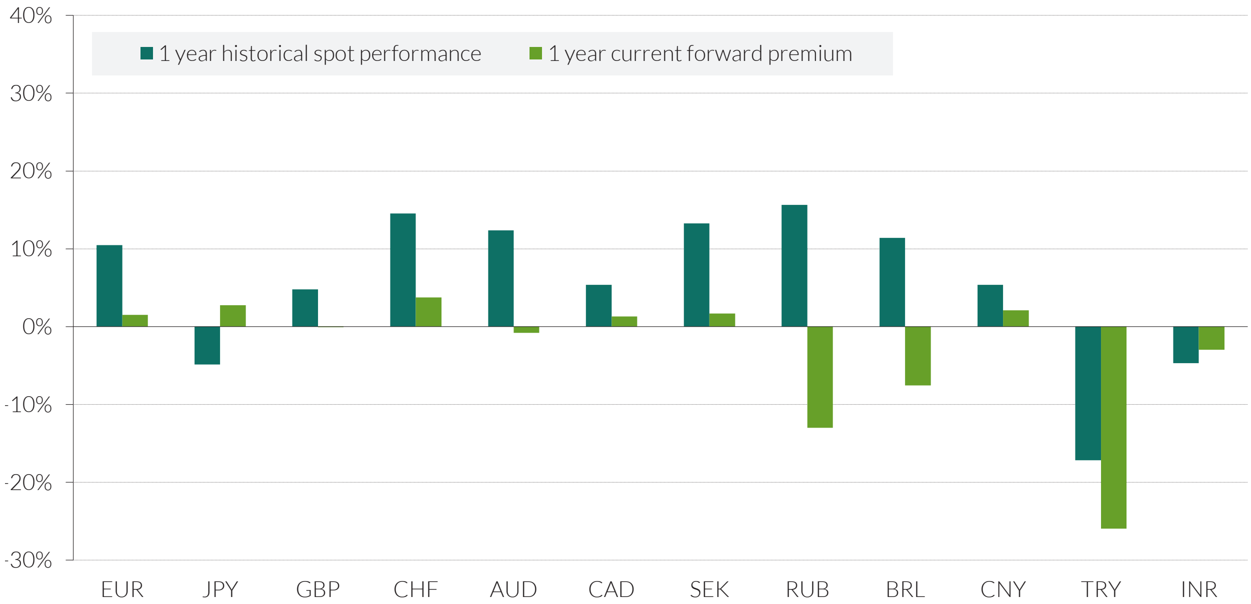
PPP Spot Neutral Range

FX Spot vs Forwards

FX Forwards Level and Premium

	Current Exchange Rate	Forward Level			Premium p.a.		
		1M	3M	12M	1M	3M	12M
EURUSD	1.159	1.1610	1.1642	1.1766	1.76%	1.74%	1.49%
USDJPY	157.840	157.4015	156.6132	153.6283	-3.13%	-3.04%	-2.63%
GBPUSD	1.332	1.3324	1.3325	1.3314	0.04%	0.05%	-0.07%
EURCHF	0.907	0.9056	0.9024	0.8877	-2.17%	-2.16%	-2.14%
USDCHF	0.783	0.7801	0.7751	0.7545	-3.93%	-3.88%	-3.58%
GBPCHF	1.043	1.0394	1.0329	1.0046	-3.88%	-3.83%	-3.64%
CHFJPY	201.604	201.7527	202.0378	203.6111	0.80%	0.84%	0.98%
AUDUSD	0.702	0.7020	0.7016	0.6966	-0.19%	-0.30%	-0.78%
USDCAD	1.368	1.3658	1.3624	1.3500	-1.55%	-1.52%	-1.28%
USDSEK	9.296	9.2795	9.2510	9.1424	-1.92%	-1.89%	-1.63%
EURSEK	10.774	10.7728	10.7700	10.7563	-0.17%	-0.16%	-0.17%
USDRUB	77.575	78.5939	80.4160	89.1710	14.33%	14.33%	14.74%
USDBRL	5.283	5.3231	5.3977	5.7152	8.51%	8.49%	8.07%
USDCNH	6.925	6.9101	6.8856	6.7833	-2.24%	-2.22%	-2.02%
USDTRY	43.973	45.4295	47.7890	59.3873	36.15%	33.96%	34.58%
USDINR	91.561	91.9314	92.3774	94.3514	4.55%	3.49%	3.01%

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



Source: QCAM Currency Asset Management, as of March 3rd, 2026

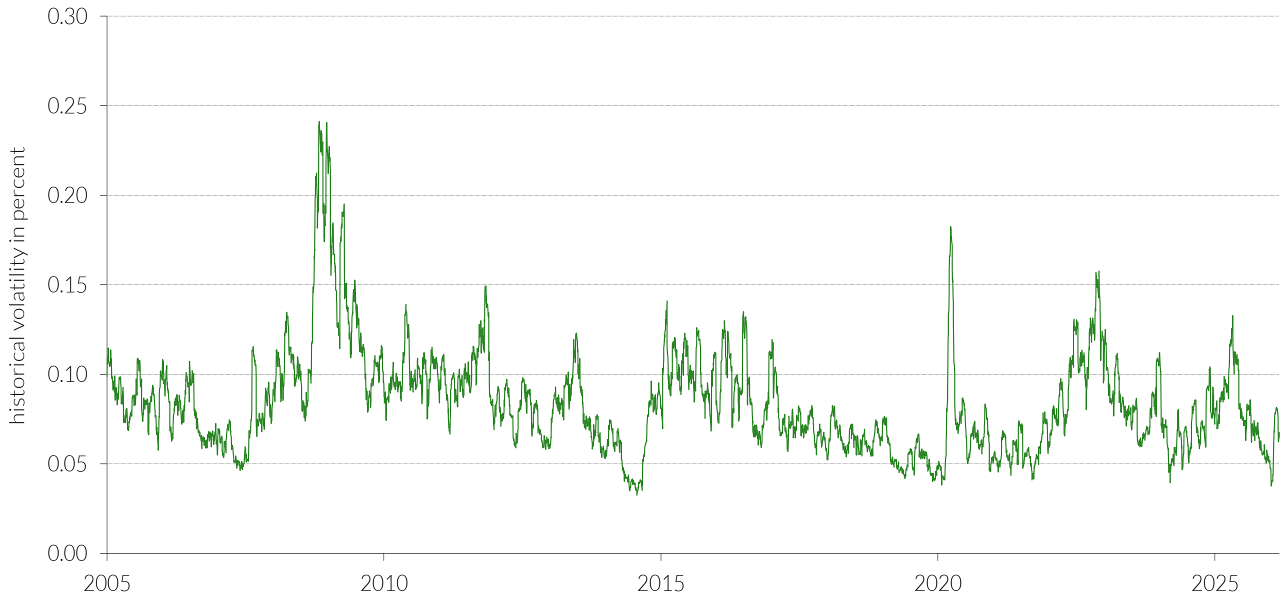
FX Volatility

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	1.159	6.16%	5.47%	7.58%	7.44%	6.73%	6.63%	7.23%	7.15%
USDJPY	157.840	8.98%	8.43%	10.10%	9.57%	9.65%	9.43%	10.35%	9.50%
GBPUSD	1.332	6.25%	6.06%	7.72%	8.13%	7.88%	7.10%	7.23%	8.03%
EURCHF	0.907	3.50%	3.36%	4.58%	5.18%	5.25%	5.10%	5.30%	5.56%
USDCHF	0.783	8.62%	7.87%	6.59%	7.85%	8.18%	8.38%	6.93%	7.42%
GBPCHF	1.043	5.60%	5.06%	5.03%	6.86%	7.03%	6.50%	6.35%	7.26%
CHFJPY	201.604	7.06%	6.40%	8.94%	8.05%	8.73%	8.55%	9.48%	8.62%
AUDUSD	0.702	7.56%	6.49%	8.57%	10.26%	10.25%	9.70%	9.60%	10.08%
USDCAD	1.368	4.79%	4.34%	6.21%	6.25%	5.20%	5.75%	6.53%	6.30%
USDSEK	9.296	9.08%	7.25%	8.58%	10.82%	10.07%	9.50%	9.78%	10.61%
EURSEK	10.774	4.69%	4.00%	4.29%	6.09%	6.25%	5.68%	5.28%	6.46%
USDRUB	77.575	12.96%	13.36%	27.85%	22.38%	23.76%	24.73%	29.50%	27.72%
USDBRL	5.283	11.17%	10.42%	10.05%	13.33%	13.75%	12.13%	14.20%	15.35%
USDCNH	6.925	2.45%	1.91%	4.14%	4.42%	3.88%	3.28%	5.18%	5.02%
USDTRY	43.973	1.18%	1.27%	2.32%	10.86%	13.38%	12.05%	11.60%	19.93%
USDINR	91.561	4.91%	4.66%	3.65%	3.86%	5.43%	4.95%	4.13%	4.57%

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

QCAM Volatility Indicator[3]



[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 March 3rd, 2026

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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.

March 2026 — Current positioning

We shifted all short USD Macro positions to neutral given the uncertainties related to the Iran war. All Business Sentiment positions were unchanged with the balance slightly short USD. In Technical, JPY went from short versus the USD to neutral and SEK moved from neutral to long versus the EUR. On balance, the small short USD Technical position increased slightly. The balance of all strategy positions is 15% short USD resting on small longs in EUR, JPY, CAD and GBP. The overall EUR position is 50% short versus the CHF and 30% long versus the SEK.

Overview[1]

	Macro	Business Sentiment	Technical	Comment
EURUSD	0	+	+	We moved the long EUR macro position to neutral, reducing the overall long EUR position to 20%.
USDJPY	0/–	–	0	The Macro position moved from long JPY to neutral and Technical from short JPY to neutral, leaving the overall modestly long JPY position unchanged
EURCHF	0	–	––	Macro went neutral USDCHF. All other positions were unchanged. The overall position is 50% long CHF versus the EUR and neutral CHF versus the USD.
USDCHF	0	–	+	
GBPUSD	0	+	+	All positions were unchanged, leaving a modest long GBP position.
EURSEK	0/+	++	–	Technical went long SEK with all other, reducing the overall short SEK position.
USDCAD	0	+	––	All positions were unchanged, leaving a small long CAD position.

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

Source: QCAM Currency Asset Management

EURUSD

We remain fundamentally constructive on the EUR but moved the Macro position to neutral given increased uncertainties related to the Iran war. Especially a sustained rise in energy prices will have a direct balance of payments impact given the high reliance on energy imports. We are prepared to move the Macro position back to long EUR if the shock from the Iran war proves temporary and uncertainty around US economic policy and AI related volatility returns into focus. The small long EUR Business Sentiment position remained unchanged and Technical also stayed long EUR and the balance of all strategy positions is now 20% 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 expected to stay on hold, while chances for Fed rate cut decline
Sentiment	Business Sentiment	+	The momentum of Euro-area surveys stayed slightly ahead versus that of US surveys
	Risk Sentiment	0/–	Lasting geopolitical uncertainties risk undermining sentiment
Technical	Price Action	+	Technical stayed long EUR
	Spec Positions	–	Net long EUR position near past highs
	PPP Valuation	0	EUR is 6% undervalued

EURUSD and QCAM Strategic Positioning

Source: QCAM Currency Asset Management

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USDJPY

We remain fundamentally constructive on the JPY (solid growth, elevated inflation, BoJ balancing fiscal stimulus) but moved the Macro position to neutral given increased uncertainties related to the Iran war. Especially a sustained rise in energy prices will have a direct balance of payments impact given the high reliance on energy imports. We are prepared to move the Macro position back to long JPY if the shock from the Iran war proves temporary and uncertainty around US economic policy and AI related volatility returns into focus. The Macro carry model and Business Sentiment stayed long JPY and Technical moved from short JPY to neutral, leaving the overall small long JPY position versus the USD unchanged.

	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 is slightly stronger versus that of US surveys
	Risk Sentiment	0	Safe-haven character not yet restored
Technical	Price Action	0	Technical went short JPY
	Spec Positions	0	The net position stayed near neutral
	PPP Valuation	+	The JPY is currently about 50% undervalued

USDJPY and QCAM Strategic Positioning

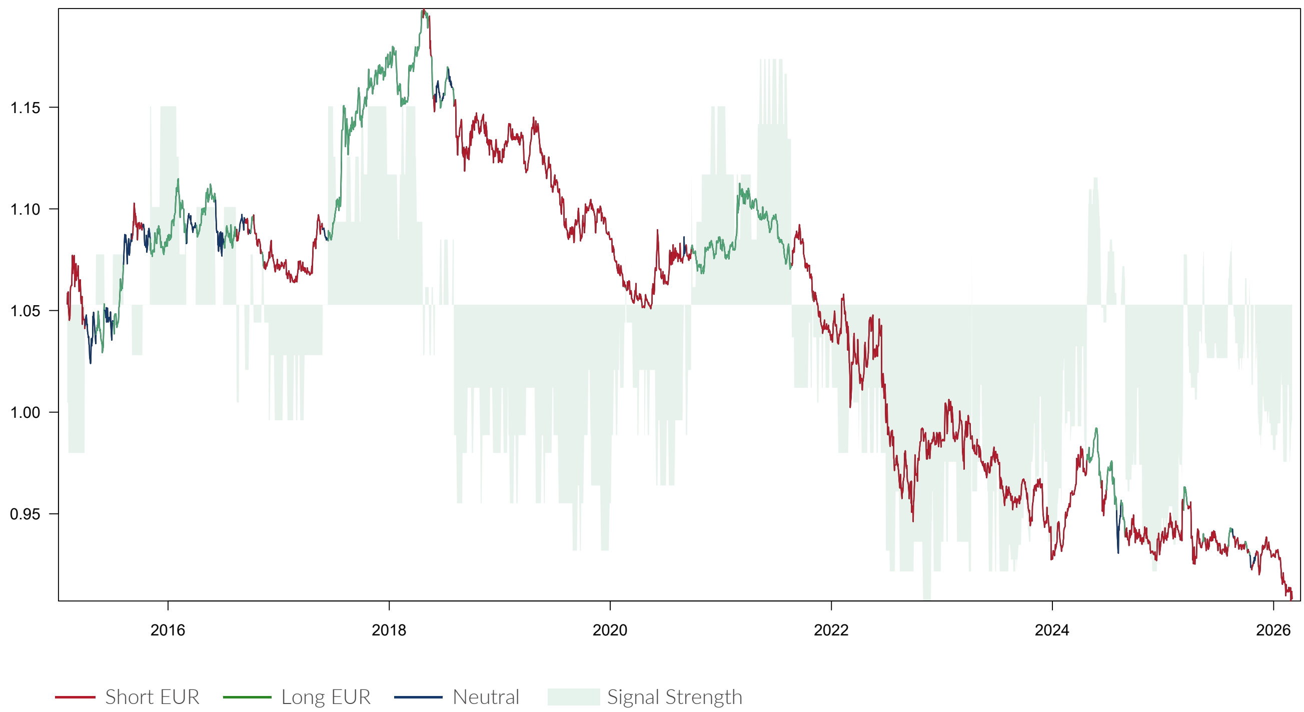
Source: QCAM Currency Asset Management

EURCHF

We kept the discretionary Macro position at neutral versus the EUR. Swiss fundamentals remain solid, especially the support from external and fiscal positions and the CHF proves again attractive as safe haven and reserve currency in times of increased uncertainty. Potential risks to the economy and ongoing low inflation favour more monetary easing. The SNB signalled some discomfort with the strong CHF exchange rate, 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 and Technical positions remained long CHF versus the EUR leaving the balance of all strategy positions at 50% 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 moved ahead of the Euro-area economy in the surveys
	Risk Sentiment	+	The CHF remains a prime safe Haven currency
Technical	Price Action	+	Technical stayed long CHF
	PPP Valuation	0	The CHF is around fair value versus the EUR

EURCHF and QCAM Strategic Positioning



Source: QCAM Currency Asset Management

USDCHF

Our Macro positions in EURCHF and EURUSD, which are both neutral imply neutral CHF versus the USD as well. Potential risks to the economy and ongoing low inflation favour more monetary easing. The SNB signalled some discomfort with the strong CHF exchange rate, 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 main downside risk for the CHF is the attractive funding position for carry trades. The Business Sentiment position is long CHF versus the USD and Technical is short CHF versus the USD, leaving the overall CHF position at neutral versus the USD.

	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 remains ahead of US surveys
	Risk Sentiment	+	The CHF has been a key beneficiary of the rise in risk aversion
Technical	Price Action	–	Technical stayed short CHF
	Spec Positions	0/+	The oversold CHF position rremains at a possible inflection point
	PPP Valuation	0	The CHF is around fair value versus the USD

USDCHF and QCAM Strategic Positioning

Source: QCAM Currency Asset Management

GBPUSD

We keep the discretionary Macro position at neutral given the new geopolitical uncertainties. The economy has been resilient, but we believe that UK fundamentals remain challenged thanks to BREXIT. The twin deficits and a negative net international investment position are structural handicaps for the GBP. Resilient inflation will leave the BoE with limited room to cut interest rates. Political uncertainty around the PM's leadership position remains an additional headwind for the GBP. However, we are reluctant to go short as the GBP is likely to rally quickly if global risk sentiment improves. Business Sentiment and Technical both stayed modestly long GBP, leaving the overall strategy position slightly long GBP.

	FX Factors	GBP Impact	Comment
Macro	Current Account Balances	0/–	The UK deficit has declined somewhat but remains close to the pre-Corona level
	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 remains ahead of US surveys
	Risk Sentiment	–	Political uncertainty around PM leadership position increased
Technical	Price Action	+	Technical went long GBP
	Spec Positions	0/+	The net short GBP position remains very elevated
	PPP Valuation	0/+	The GBP is 12% undervalued

GBPUSD and QCAM Strategic Positioning

Source: QCAM Currency Asset Management

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EURSEK

We keep the discretionary Macro position at neutral. Economic conditions have improved and the drag from the housing sector is fading as the Riks Bank lowered interest rates. However, the SEK is more vulnerable to negative changes in global risk sentiment. The Macro interest rate and Business Sentiment stayed short SEK, while Technical moved to long SEK, reducing the overall short SEK position versus the EUR to 30%. We are also neutral SEK versus the USD given the neutral EURUSD Macro position. However, we think the SEK is well positioned for a rebalancing in foreign portfolio positions given its current account surplus and large positive net international investment position if global risk sentiment improves.

	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 short SEK
	Risk Sentiment	0/–	The SEK is more vulnerable to negative sentiment changes
Technical	Price Action	+	Technical went long SEK
	PPP Valuation	+	The SEK is roughly 20% undervalued versus the EUR

EURSEK and QCAM Strategic Positioning

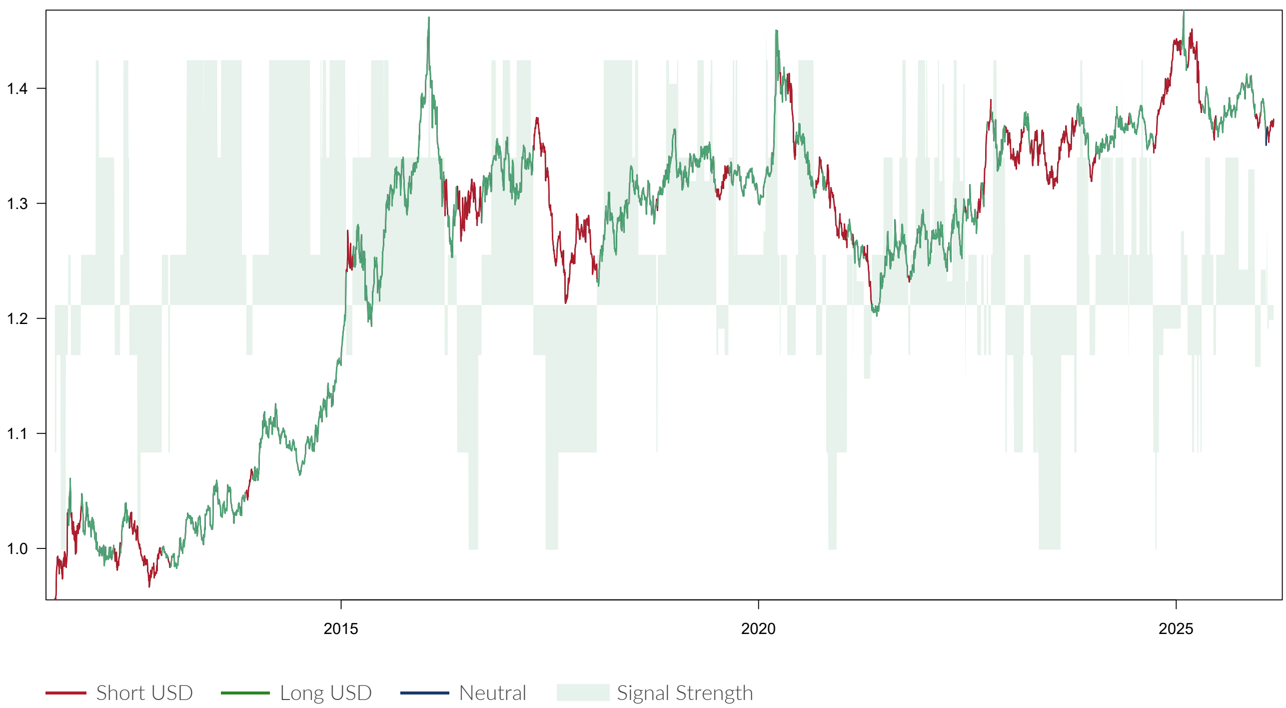
Source: QCAM Currency Asset Management

USDCAD

We kept the discretionary Macro position at neutral. As a net oil&gas exporter, Canada is less vulnerable to the disruptions caused by the Iran war, but the CAD still suffers from the deterioration of global risk sentiment. The trade conflict with the US remains an open issue and handicaps the CAD despite the rise in oil prices. Canadian inflation is below US inflation and the BoC lowered interest rates more than the Fed and further rate cuts are not expected. Market sentiment towards the CAD has improved following the change in leadership and handling of the tensions with the US by the new government. Business Sentiment stayed short CAD versus the USD while Technical remained long CAD, leaving the overall CAD position slightly long versus the USD.

	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 lost momentum versus the US in the surveys
	Risk Sentiment	0/–	Tensions with the US over tariffs remain elevated
Technical	Price Action	–	Technical stayed long CAD
	Spec Positions	0/–	The CAD position moved from neutral to overbought
	PPP Valuation	0	CAD is about 11% undervalued versus the USD

USDCAD and QCAM Strategic Positioning



Source: QCAM Currency Asset Management

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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

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, the strategy has consistently outperformed its peers. It is investable either through a Swiss-regulated investment fund or as a managed account. New EUR, GBP, and CHF share classes are fully currency-hedged and based on the same secure Swiss portfolio, offering identical risk and quality.

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.

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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 HNWIs.

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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