QCAM
Currency
Asset
Management

July 2026

QCAM MONTHLY

QCAM Insight ++ Economy and Interest Rates ++ FX Markets ++ FX Analytics ++
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QCAM® Currency Asset Management

QCAM Insight

Warsh Time

Bernhard Eschweiler, Senior Economist
QCAM Currency Asset Management AG

The USD continued to rally following the US-Iran truce deal and falling oil prices. The AI boom, solid US economic data and a hawkish Fed were stronger than the general improvement in risk appetite. However, we think this is not a good time to go long the USD. The USD has become massively overbought, the AI euphoria is becoming volatile, and Warsh may play for time and not deliver the expected rate hikes.

The MoU between the US and Iran is short on detail and leaves key issues open but it is an important step that reduces economic downside risk. Trump is desperate to find a way out of the conflict before the midterm elections, while Iran is using the opportunity to get a favorable deal without completely forfeiting its nuclear and Hormuz options. Oil supply shortages are likely to persist through 2026-H2 but the risk of a larger and prolonged oil-price shock has been significantly reduced. Brent oil prices dropped about a quarter to just above 70$/barrel.

Against our own and market expectations, however, the USD continued to rally in June with the USD DXY up 2.0% and our own broader FX BIAS USD index up 3.4%. Weakest performers have been commodity currencies thanks to the drop in oil prices, while the GBP held up surprisingly well, which suggests that the market welcomed the resignation of PM Starmer and hopes that Andy Burnham will do a better job.

Stronger USD fundamentals…

As we pointed out in the last two issues of the FX Monthly, USD fundamentals have improved. US business sentiment has held up better than elsewhere, which prompted our FX BIAS model to go long the USD versus all other basket currencies except the JPY. Actual US economic data has been solid as well, which has led us and others to raise the growth forecast. At the same time, inflation has remained stubbornly high, which triggered a hawkish shift in the Fed's inflation and interest rate projections. The AI boom added the icing on the cake, pulling in more foreign investments. We identified the USD bullish factors already two months ago but underestimated their strength and impact while we overestimated the USD negative implications of a truce with Iran. We also underappreciated how much the decline in oil prices would hurt other commodity exporters.

…but not good timing to go long the USD

Nevertheless, we do not think this is a good time to go long the USD even though we have been bullish on USD fundamentals for a while. First, the USD has become massively overbought in a short period of time (see chart). At the moment, the USD speculative net long position is five times larger than two months ago and just 10% below the last high seen in early 2025. At this level of overbought exposure, the risk increases rapidly that unfavorable news lead to large position squaring. On the flip side, net short speculative positions in other currencies have also reached potential turning points, notably in the JPY, the GBP, the CHF, the CAD and the NZD (see chart again).

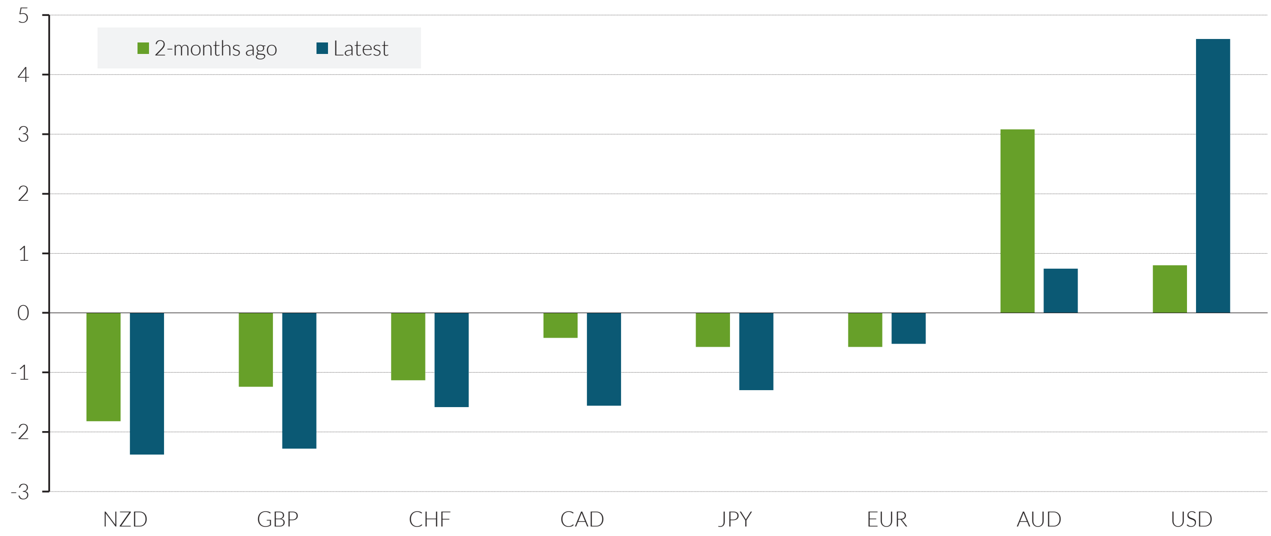
Second, sentiment surrounding the AI boom has become fickler switching forth and back between euphoria and angst. We are no AI skeptics, but the hype creates room for disappointment and increases the risk that single failures trigger large selloffs that spread from asset markets to currencies. The rollercoaster equity performance of leading semiconductors, AI and other tech firms as well as the newly launched SpaceX stocks suggests that investment in this market segment has increasingly become speculative and vulnerable to setbacks.

Warsh tries to buy time

Third, the Fed may not deliver what the market expects. Fed funds pricing has changed significantly this year from 50bps expected rate cuts until year end to 40bps anticipated rate hikes. The Fed has undoubtedly made a hawkish turn over the last two months and Kevin Warsh's emphasis on price stability at his first post-FOMC press conference reinforced the hawkish vibe. However, Warsh provided no guidance on how he plans to achieve price stability. Instead, he announced the setup of five task forces to review how the Fed analysis the data, communicates and chooses the appropriate policy tools including an examination of the balance sheet. This will take some time, and Warsh may be able to persuade more FOMC members to join the "hold" camp. The risk is that inflation news deteriorates and forces Warsh to act if he wants to maintain his credibility.

A key test whether Warsh can hold or has to hike is likely to be the June CPI report on July 14th. We expect the headline number to be soft because of the fall in gasoline prices. Important will be the core CPI. If the monthly increase remains around 0.2%, which we think has at least a 50% chance, Warsh will gain time to wait, and the market will probably have to moderate its rate hike expectations. A higher core CPI figure will increase the pressure on the Fed to hike and could lead to a move as early as July 29th.

Net speculative futures positions (5-year z-score)



Sources: CFTC and QCAM

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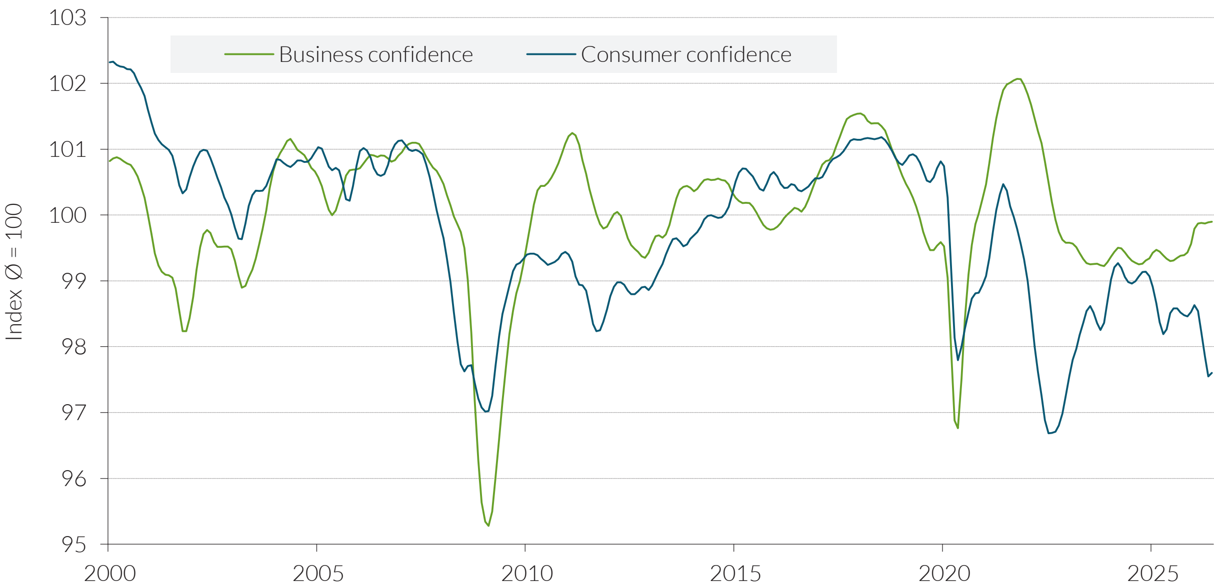
Economy & Interest Rates

The MoU between the US and Iran has reduced economic downside risks significantly. Business confidence has held up, consumer confidence starts to stabilize and there are even some small positive growth revisions. However, the negative impact of the oil supply shock on growth and inflation is not undone and remains uneven. The US continues to do better than Europe and Asia. Some central banks have started to raise interest rates to contain inflation, but we do not expect much more tightening. The inflation pressure is viewed less dramatic as in 2022, growth conditions are softer and monetary policy stances are not super easy. We believe chances are 50/50 that the Fed will hike the funds rate, and we also see good chances that the ECB will leave it at one rate hike, but we expect the BoJ to hike rates at least one more time this year.

	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	2.5	n.a.	n.a.	2.7	3.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Developed	1.8	1.5	n.a.	n.a.	2.6	3.6	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
USA	2.1	2.2	4.3	4.3	2.7	3.6	-3.6	.3.5	-7.4	-7.5	125	128
Canada	1.7	0.5	6.9	6.7	2.1	2.2	-0.9	-0.5	-2.2	-2.4	114	113
Euro-area	1.5	0.5	6.4	6.3	2.1	2.8	1.6	0.5	-3.2	-3.4	88	89
Sweden	1.8	1.0	8.5	8.2	0.9	2.0	6.0	4.0	-1.5	-2.0	34	34
Switzerland	1.0	0,8	2.8	3.0	0.2	0.7	7.0	8.0	0.5	0.2	39	39
UK	1.3	1.0	4.8	5.1	3.4	3.2	-3.1	-3.5	-4.5	-3.5	103	105
Japan	1.2	0.8	2.5	2.5	3.2	2.2	4.8	3.0	-7.0	-7.0	230	227
Australia	2.0	2.2	4.2	4.2	2.8	4.2	-2.6	-2.0	0.5	0.0	51	50
Emerging	4.2	4.0	n.a.	n.a.	2.8	3.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
China	5.0	4.8	5.2	5.3	0.0	1.0	3.7	3.0	8.5	8.5	96	100
India	7.5	6.5	n.a.	n.a.	2.1	4.8	-1.0	-2.0	-7.0	-7.0	80	80
Russia	1.5	1.0	2.2	2.5	8.7	6.0	1.7	2.0	-2.5	-2.0	21	22
Brazil	2.3	1.7	5.9	6.0	5.0	4.5	-3.0	-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

QCAM Currency Asset Management

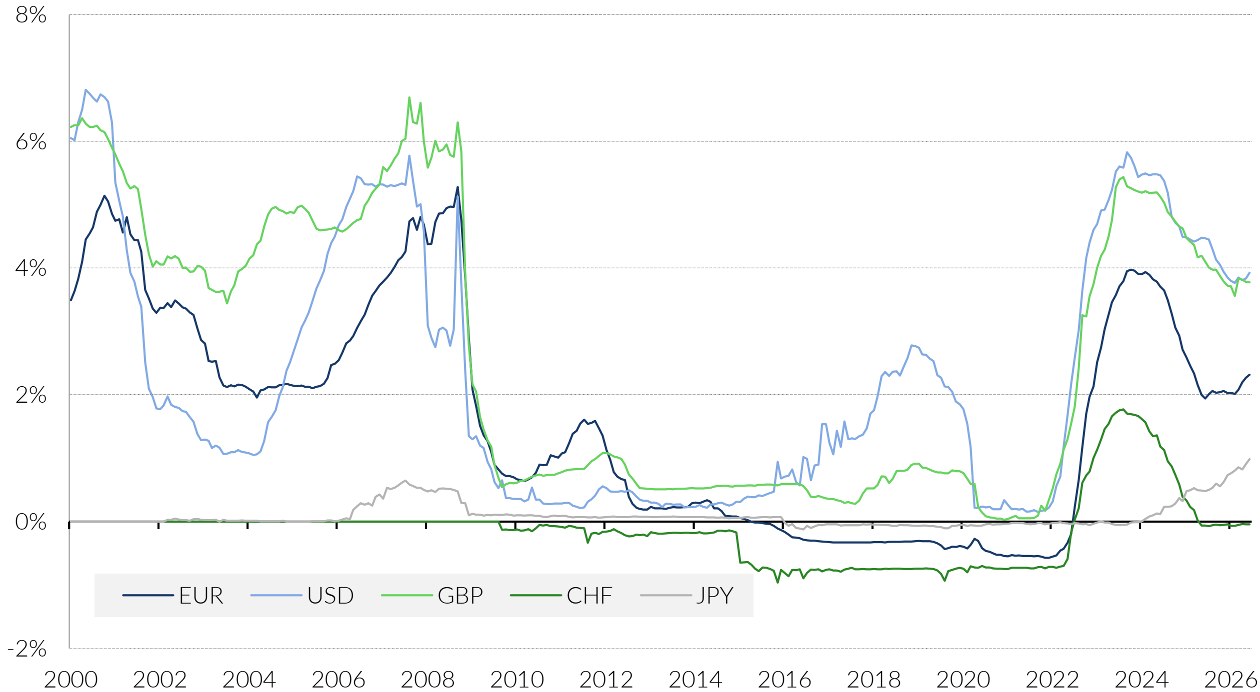
Interest Rates

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	3.73%	3.65%	3.66%	4.28%	4.57%	1.64%	1.64%	1.64%	1.64%	1.19%
EUR	2.32%	2.25%	2.08%	1.96%	2.92%	2.87%	2.97%	2.98%	2.54%	2.71%
JPY	0.99%	0.91%	0.87%	0.49%	0.37%	2.54%	2.50%	2.14%	1.21%	1.27%
GBP	3.77%	3.80%	3.81%	4.10%	4.56%	4.38%	4.46%	4.37%	3.93%	4.04%
CHF	-0.05%	-0.05%	-0.05%	-0.07%	0.68%	0.55%	0.65%	0.55%	0.51%	0.85%
AUD	4.40%	4.40%	4.25%	3.52%	4.09%	4.67%	4.78%	4.82%	3.90%	4.34%
CAD	2.29%	2.28%	2.28%	2.68%	3.56%	3.45%	3.56%	3.54%	3.30%	3.56%
SEK	1.77%	1.78%	1.83%	1.96%	2.77%	2.78%	2.93%	3.06%	2.49%	2.76%
RUB	13.80%	14.00%	14.45%	19.70%	16.33%	12.50%	12.75%	12.39%	12.37%	11.53%
BRL	12.89%	13.11%	13.02%	13.79%	11.64%	14.14%	13.97%	13.74%	13.11%	12.66%
CNY	1.46%	1.41%	1.49%	1.62%	1.79%	1.59%	1.61%	1.75%	1.54%	1.91%
TRY	39.58%	41.75%	42.51%	45.45%	43.86%	29.60%	30.56%	29.83%	27.28%	27.38%
INR	5.37%	5.55%	5.64%	5.45%	6.18%	6.41%	6.85%	6.99%	5.85%	6.29%

Source: QCAM Currency Asset Management, as of June 30th, 2026

3-month Rates



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

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FX Markets

FX Performance vs. PPP

The USD DXY gained 2% over the last month with all major currencies falling versus the USD, especially commodity currencies. The performance of EM currencies was on balance negative as well but more mixed with oil exporters down sharply and oil importers like the INR gaining ground. Speculative positions have turned massively long USD with the biggest oversold positions in JPY, GBP, CHF and CAD. Short-term interest rates were stable or moved slightly higher pricing in potential rate hikes. The cost of forward hedging versus the USD was broadly stable and remains elevated with USDCHF and GBPCHF hedging still most expensive. Actual FX volatilities were either stable or declined somewhat while implied FX volatilities increased somewhat. Actual and implied FX volatilities stayed all below their long-term averages. Higher inflation everywhere has not changed the trend of PPP estimates. So far, the USD remains broadly overvalued (15% for the USD DXY) with JPY the most undervalued and the CHF close to fair value.

Overview

	Current Exchange Rate	Performance[1]				Purchasing Power Parity[2]		
		YTD	1M	12M	5 years	PPP	Neutral Range	Deviation[3]
EURUSD	1.141	-2.74%	-1.86%	-2.98%	-3.67%	1.22	1.10 - 1.35	-6%
USDJPY	162.650	3.71%	1.91%	13.19%	45.78%	105.58	93.62 - 117.55	54%
GBPUSD	1.325	-1.49%	-1.56%	-3.45%	-3.74%	1.53	1.37 - 1.70	-13%
EURCHF	0.923	-0.88%	0.93%	-1.14%	-15.86%	0.84	0.79 - 0.88	10%
USDCHF	0.809	1.92%	2.84%	1.90%	-12.65%	0.76	0.68 - 0.85	6%
GBPCHF	1.072	0.39%	1.24%	-1.61%	-15.91%	0.97	0.89 - 1.06	10%
CHFJPY	201.129	1.76%	-0.90%	11.07%	66.89%	97.10	86.09 - 108.11	107%
AUDUSD	0.691	3.60%	-3.46%	5.25%	-7.45%	0.75	0.67 - 0.84	-8%
USDCAD	1.421	3.55%	2.75%	4.00%	14.34%	1.23	1.14 - 1.31	16%
USDSEK	9.709	5.27%	4.32%	2.08%	13.20%	8.82	7.82 - 9.82	10%
EURSEK	11.082	2.39%	2.39%	-0.96%	9.03%	8.77	8.24 - 9.31	26%
USDRUB	78.613	-0.66%	9.07%	0.18%	7.05%	73.12	53.75 - 92.50	8%
USDBRL	5.168	-6.31%	2.79%	-5.23%	2.71%	4.02	2.46 - 5.58	29%
USDCNH	6.792	-2.67%	0.40%	-5.17%	4.92%	7.08	6.50 - 7.66	-4%
USDTRY	46.649	8.59%	1.63%	17.12%	438.01%	34.22	26.98 - 41.46	36%
USDINR	94.534	5.12%	-0.62%	10.43%	26.79%	82.59	76.01 - 89.16	14%
US_Dollar_Index	101.158	2.88%	1.97%	4.48%	9.25%	88.33	82.51 - 94.16	15%

[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.

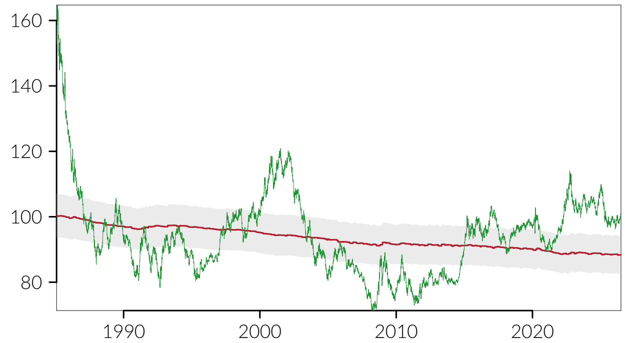
[3] Deviation of the current spot rate from PPP, in percent.

Source: QCAM Currency Asset Management, as of June 30th, 2026

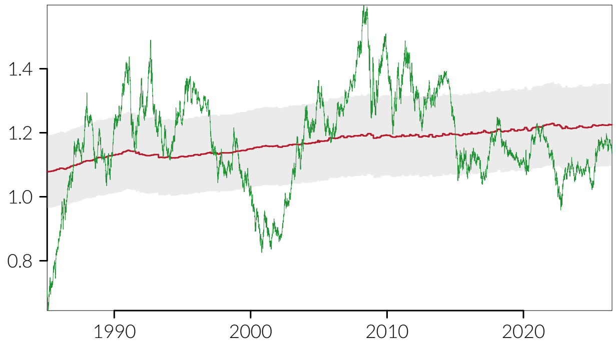
Purchasing Power Parity

Purchasing Power Parity

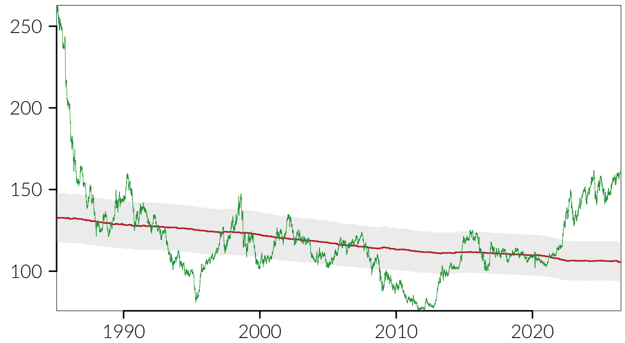
DXY



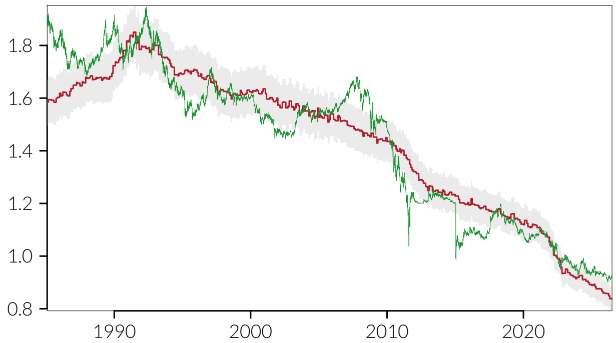
EURUSD



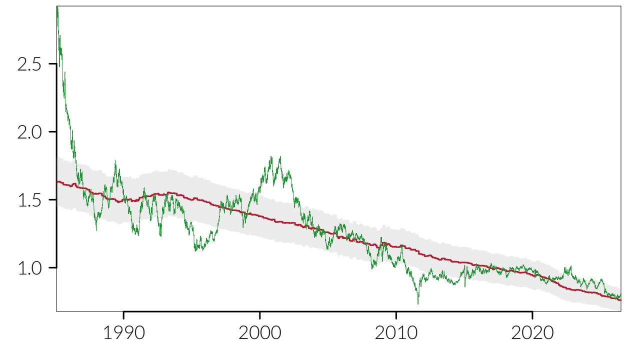
USDJPY



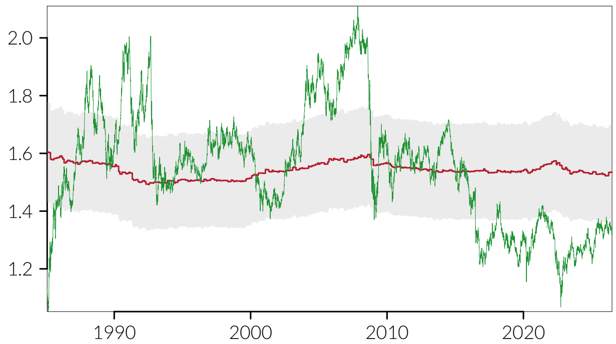
EURCHF



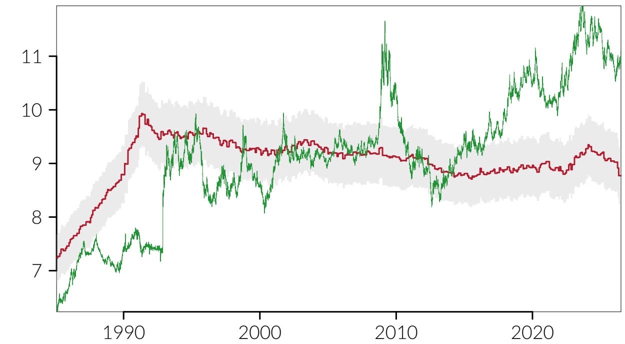
USDCHF



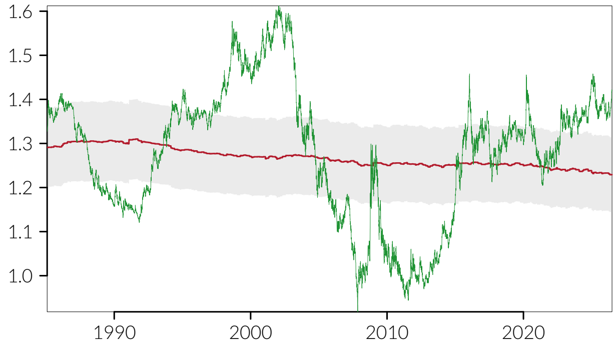
GBPUSD



EURSEK



USDCAD



Source: QCAM Currency Asset Management, as of June 30th, 2026

PPP Spot Neutral Range

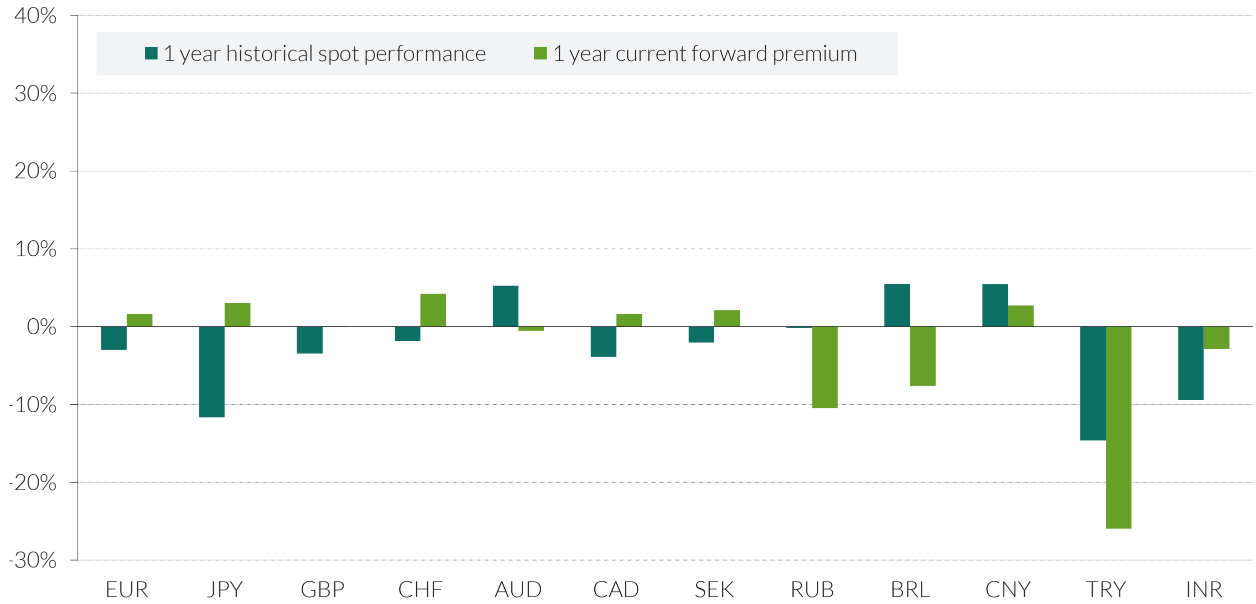
QCAM® Currency Asset Management

FX Spot vs Forwards

FX Forwards Level and Premium

	Current Exchange Rate	Forward Level			Premium p.a.		
		1M	3M	12M	1M	3M	12M
EURUSD	1.141	1.1429	1.1458	1.1598	1.46%	1.50%	1.59%
USDJPY	162.650	162.2414	161.4462	157.8320	-2.83%	-2.90%	-2.92%
GBPUSD	1.325	1.3251	1.3251	1.3257	-0.03%	0.00%	0.04%
EURCHF	0.923	0.9210	0.9173	0.8999	-2.47%	-2.45%	-2.48%
USDCHF	0.809	0.8059	0.8006	0.7759	-3.92%	-3.94%	-4.00%
GBPCHF	1.072	1.0678	1.0608	1.0286	-3.95%	-3.93%	-3.96%
CHFJPY	201.129	201.3261	201.6705	203.4287	1.10%	1.05%	1.13%
AUDUSD	0.691	0.6908	0.6901	0.6877	-0.63%	-0.63%	-0.50%
USDCAD	1.421	1.4188	1.4150	1.3976	-1.55%	-1.60%	-1.61%
USDSEK	9.709	9.6923	9.6595	9.5083	-1.94%	-2.00%	-2.04%
EURSEK	11.082	11.0774	11.0679	11.0277	-0.48%	-0.50%	-0.48%
USDRUB	78.613	79.5105	81.1066	87.8041	12.46%	12.41%	11.53%
USDBRL	5.168	5.2067	5.2814	5.5946	8.49%	8.61%	8.15%
USDCNH	6.792	6.7783	6.7474	6.6124	-2.39%	-2.45%	-2.59%
USDTRY	46.649	47.8524	50.1385	63.0153	28.14%	29.27%	34.60%
USDINR	94.534	94.8242	95.3271	97.3495	3.45%	3.18%	2.94%

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



Source: QCAM Currency Asset Management, as of June 30th, 2026

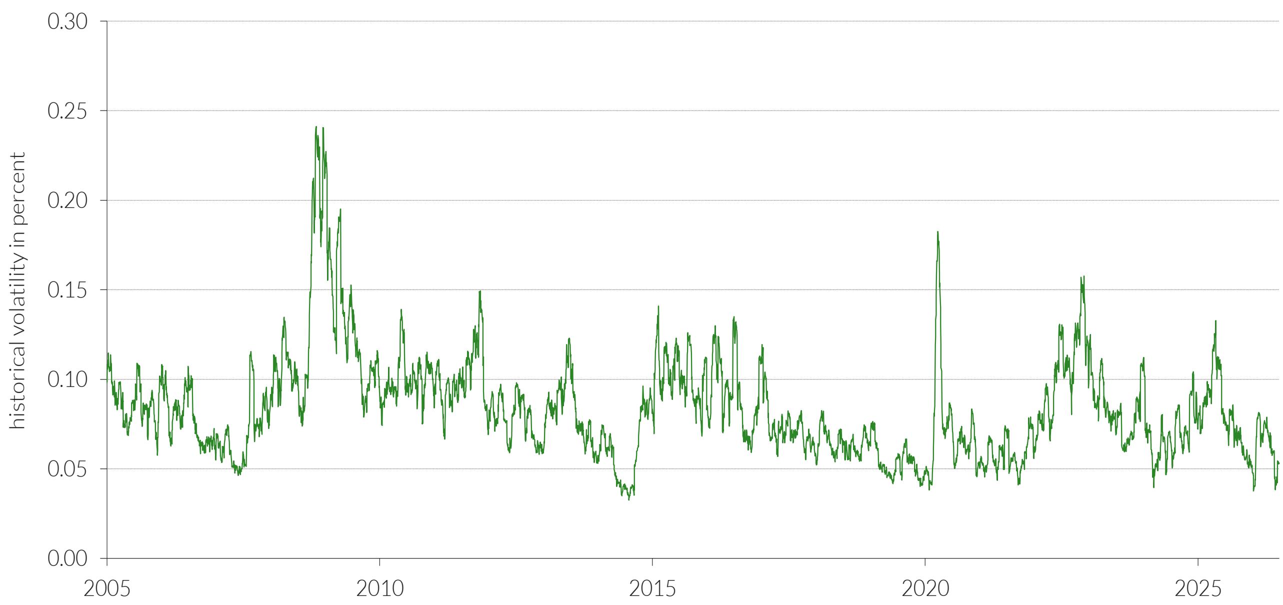
FX Volatility

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	1.141	5.11%	5.58%	9.77%	7.45%	5.53%	5.18%	8.10%	7.17%
USDJPY	162.650	6.54%	7.63%	12.97%	9.80%	7.98%	7.05%	10.33%	9.65%
GBPUSD	1.325	6.48%	6.80%	8.93%	8.13%	6.50%	6.35%	7.73%	8.03%
EURCHF	0.923	3.28%	4.05%	5.70%	5.19%	3.83%	4.13%	5.90%	5.56%
USDCHF	0.809	6.72%	6.47%	12.03%	7.94%	6.88%	6.23%	8.85%	7.48%
GBPCHF	1.072	3.80%	4.12%	9.10%	6.75%	4.95%	5.18%	7.15%	7.18%
CHFJPY	201.129	5.62%	6.57%	7.28%	8.18%	7.38%	6.38%	7.93%	8.72%
AUDUSD	0.691	8.10%	9.59%	15.87%	10.24%	8.03%	7.98%	9.82%	10.07%
USDCAD	1.421	3.82%	4.10%	7.53%	6.15%	4.68%	4.30%	5.88%	6.18%
USDSEK	9.709	10.48%	11.43%	14.00%	10.99%	9.25%	8.63%	10.85%	10.75%
EURSEK	11.082	6.64%	7.25%	8.52%	6.24%	5.80%	5.60%	6.50%	6.51%
USDRUB	78.613	15.78%	14.86%	17.63%	22.64%	23.63%	24.75%	23.71%	28.40%
USDBRL	5.168	11.65%	13.21%	13.28%	13.02%	12.23%	12.85%	12.50%	15.08%
USDCNH	6.792	2.49%	3.18%	4.28%	4.37%	2.77%	2.68%	4.30%	4.97%
USDTRY	46.649	1.70%	1.69%	2.83%	9.59%	10.05%	12.57%	16.45%	19.74%
USDINR	94.534	5.90%	7.03%	5.54%	3.91%	5.05%	6.05%	5.13%	4.55%

[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 June 30th, 2026

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.

July 2026 — Current positioning

There have been few position changes over the last four weeks. We kept the Macro positions at neutral given the growing risk of a USD correction (see Insight, page 1). The JPY Macro carry model turned long JPY. No positions changed in Business Sentiment. The overall Business Sentiment position is now 50% long USD. In Technical, the short EUR position increased, the JPY and GBP positions went short, USDCAD turned neutral, the long CHF position versus the EUR declined and the SEK went long versus the EUR. On balance, the Technical positions are now 20% short USD. The balance of all strategy positions is now 25% long USD resting primarily on the long versus the EUR. The EUR crosses are 30% short versus the CHF and 60% short versus the SEK..

Overview[1]

	Macro	Business Sentiment	Technical	Comment
EURUSD	0	––	––	The Technical EUR short position increased, raising the overall EUR short position to 75%
USDJPY	0/–	–	+	The Macro carry model turned long JPY while Technical turned short JPY, leaving the balance of all positions roughly neutral
EURCHF	0	–	–	The Technical long CHF position versus the EUR declined. All other positions were unchanged. The overall position is 30% long CHF versus the EUR and 10% long CHF versus the USD.
USDCHF	0	0	–	
GBPUSD	0	–	–	The Technical position shifted to short GBP, leaving the overall position 30% short GBP
EURSEK	0/+	––	––	Technical went long SEK, increasing the overall long SEK position to 60%
USDCAD	0	++	0	Technical went to neutral, leaving the overall position 1/3 short CAD

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

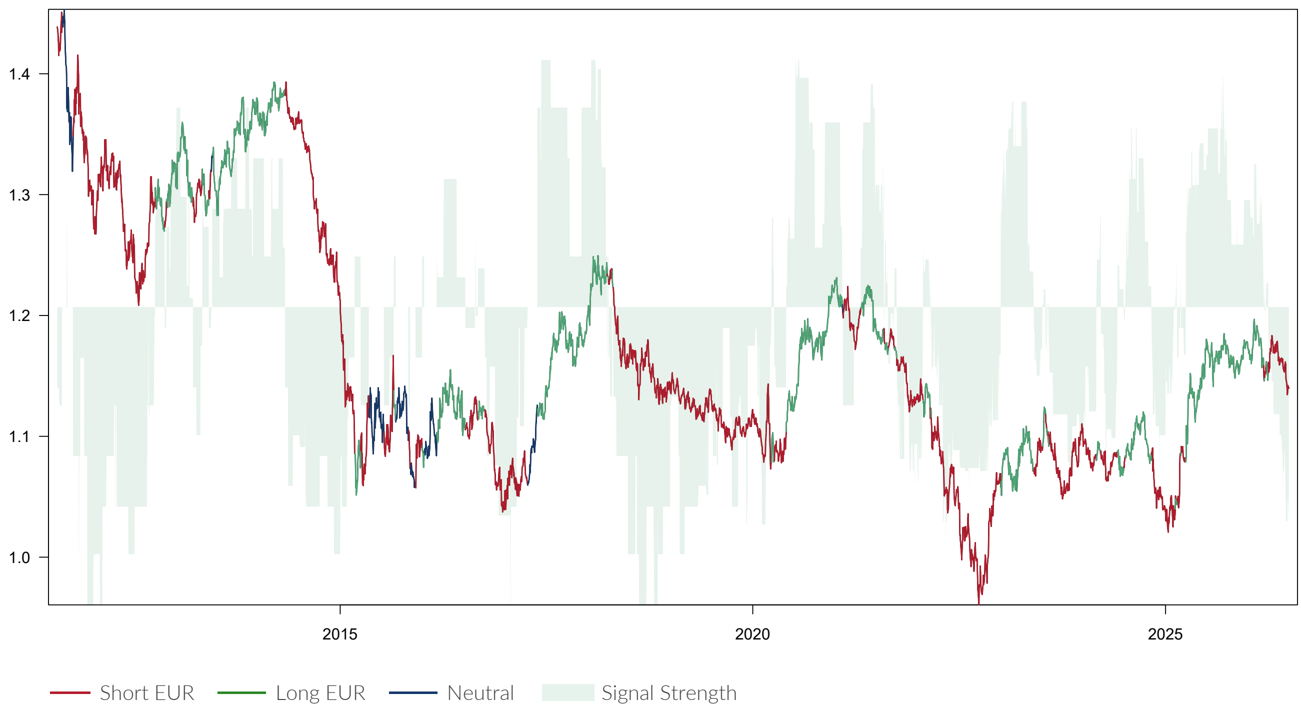
Source: QCAM Currency Asset Management

EURUSD

We view USD fundamentals as stronger than EUR fundamentals, but we kept the Macro position at neutral given the risk of a USD correction after the rally and the buildup of a massive USD overbought position. Falling oil prices and rising risk appetite are a relief for the EUR and hedging activity remains elevated but that is not enough to form a sustainable EUR bull trend. The US economy is significantly more resilient, while ECB and Fed seem similarly likely to stay on hold or hike interest rates. Business Sentiment stayed short EUR and the short EUR Technical position increased, expanding the overall short EUR position to 75%.

	FX Factors	EUR Impact	Comment
Macro	Current Account Balances	0	Rising energy prices raised Euro-area import bill temporarily but surplus to remain sizable versus US deficit
	Fiscal Balances	0	Euro-area deficit likely to rise but remain below the US deficit
	Interest Rate Differentials	0	Similar probabilities of rate hikes by ECB and Fed
Sentiment	Business Sentiment	–	The momentum of Euro-area surveys fell behind versus that of US surveys
	Risk Sentiment	0/–	Global and national political uncertainties
Technical	Price Action	–	Technical stayed short EUR
	Spec Positions	0	Net EUR position close to neutral
	PPP Valuation	0	EUR is slightly (6%) below fair value

EURUSD and QCAM Strategic Positioning



Source: QCAM Currency Asset Management

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USDJPY

We remain fundamentally constructive on the JPY. The economy is growing solidly, the current account surplus is maintained despite the temporary rise in oil prices, inflation remains elevated, while the BoJ continues to normalize its policy stance and is also trying to balance the renewed fiscal stimulus. However, we kept the Macro position at neutral given similarly improved USD fundamentals. Resilience of the US economy and the Fed at least on hold and possibly forced to hike support the neutral Macro position. The Macro carry model went long JPY, Business Sentiment is slightly long JPY and Technical went short JPY, leaving the balance of all strategy positions roughly neutral.

	FX Factors	JPY Impact	Comment
Macro	Current Account Balances	0	Rising energy prices temporarily increased Japan's import bill but surplus to remain sizable versus US deficit
	FDI Flows	–	Net outflows largely offset current account surplus
	Interest Rate Differentials	+	The Macro carry model went long JPY after the BoJ rate hike
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	–	Technical went short JPY
	Spec Positions	+	The net position is underweight JPY and close to reversal point
	PPP Valuation	+	The JPY is currently about 54% undervalued

USDJPY and QCAM Strategic Positioning

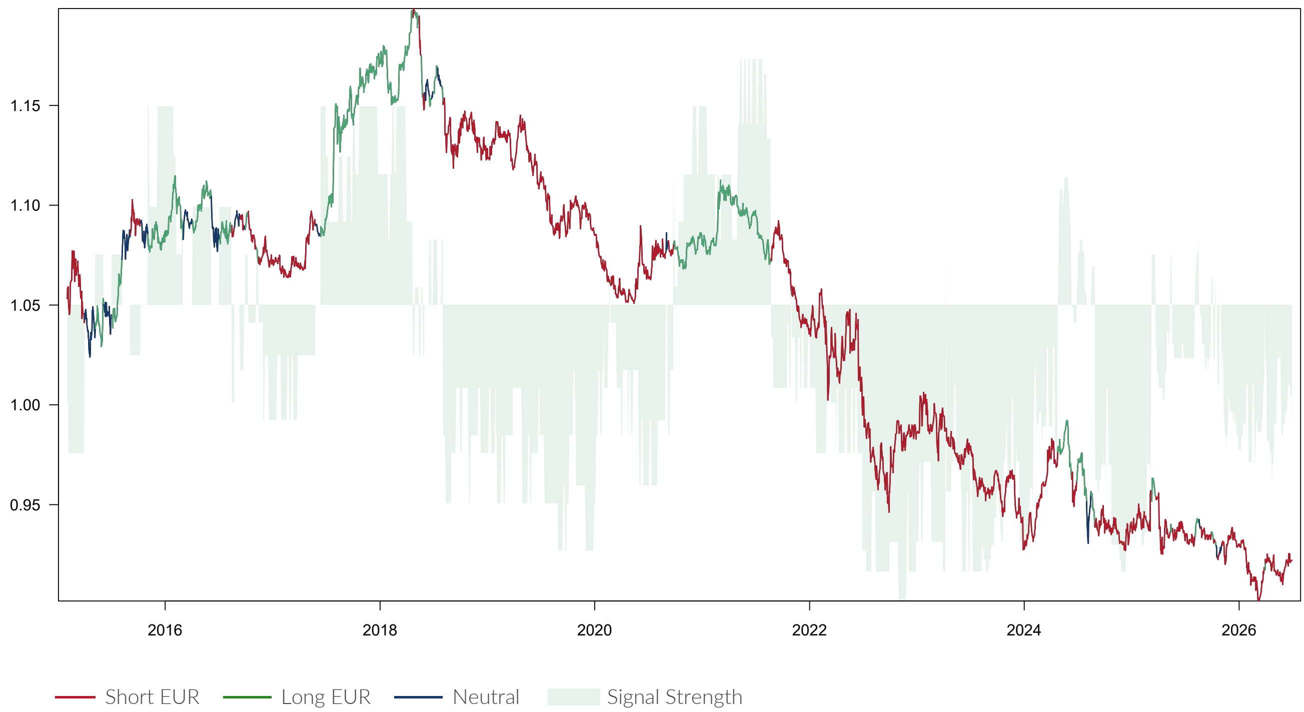
Source: QCAM Currency Asset Management

EURCHF

Swiss fundamentals remain solid, especially the support from external and fiscal positions. However, the CHF failed to benefit from the increased uncertainty created by the Gulf war. As a result, we keep our Macro position at neutral. Potential risks to the economy and still low inflation favor stable interest rates. The SNB's voiced discomfort with the strong CHF exchange rate and minor interventions contributed to the CHF's underperformance. Nevertheless, we think the SNB will resist larger FX interventions to avoid escalating the conflict with the US. Business Sentiment and Technical positions remained long CHF versus the EUR leaving the balance of all strategy positions at 30% long CHF versus the EUR.

	FX Factors	CHF Impact	Comment
Macro	Current Account Balances	+	Surplus remains steady support for CHF despite higher oil prices
	Interest Rate Differentials	0	SNB expected to keep interest rates unchanged
	SNB Policy Intervention	0	Limited risk of significant SNB FX interventions
Sentiment	Business Sentiment	+	The Swiss economy is ahead of the Euro-area economy in the surveys
	Risk Sentiment	0	The CHF remains a prime safe haven currency but failed to benefit from it so far in the Gulf war
Technical	Price Action	+	Technical stayed long CHF
	PPP Valuation	0	The CHF is 10% undervalued 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 still low inflation favor stable interest rates. The SNB's voiced discomfort with the strong CHF exchange rate and minor interventions probably contributed to the CHF's underperformance despite its ongoing safe haven appeal. Nevertheless, we think the SNB will 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, which seems to play a stronger role at the moment than the safe-haven character of the CHF. Business Sentiment stayed neutral and Technical remained long CHF, leaving the overall CHF position slightly long versus the USD.

	FX Factors	CHF Impact	Comment
Macro	Current Account Balances	+	Surplus remains steady support for CHF despite higher oil prices
	Interest Rate Differentials	0/–	SNB expected to keep interest rates unchanged
	SNB Policy Intervention	0	Limited risk of sizable SNB FX interventions
Sentiment	Business Sentiment	0	The Swiss economy is on par with the US economy in the surveys
	Risk Sentiment	0/+	The CHF remains a prime safe haven currency but failed to benefit from it so far in the Gulf war
Technical	Price Action	+	Technical stayed long CHF
	Spec Positions	+	The oversold CHF position has reached past reversal points
	PPP Valuation	0	The CHF is slightly (6%) undervalued versus the USD

USDCHF and QCAM Strategic Positioning

Source: QCAM Currency Asset Management

GBPUSD

We keep the discretionary Macro position at neutral. Sentiment has improved given the resignation of PM Starmer and hopes that Andy Burnham will do a better job. However, we see no quick recovery in GBP fundamentals, especially versus the USD. 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. Inflation remains a challenge, but we do not see the BoE tighten policy more than the Fed, if at all. On the other hand, we are reluctant to go short as the GBP is likely to rally quickly if global risk sentiment improves. Business Sentiment stayed short GBP and Technical went short GBP as well, moving the overall strategy position to 30% short GBP.

	FX Factors	GBP Impact	Comment
Macro	Current Account Balances	0/–	The UK deficit is expected to remain elevated
	Interest Rate Differentials	0	UK rates are slightly higher than US rates but BoE and Fed are similarly likely to stay on hold or hike
Sentiment	Business Sentiment	–	Momentum in UK surveys stayed behind US surveys
	Risk Sentiment	0	Starmer's resignation has reduced political pessimism
Technical	Price Action	–	Technical went short GBP
	Spec Positions	+	The net short GBP position has surpassed past reversal points
	PPP Valuation	0/+	The GBP is 13% undervalued

GBPUSD and QCAM Strategic Positioning

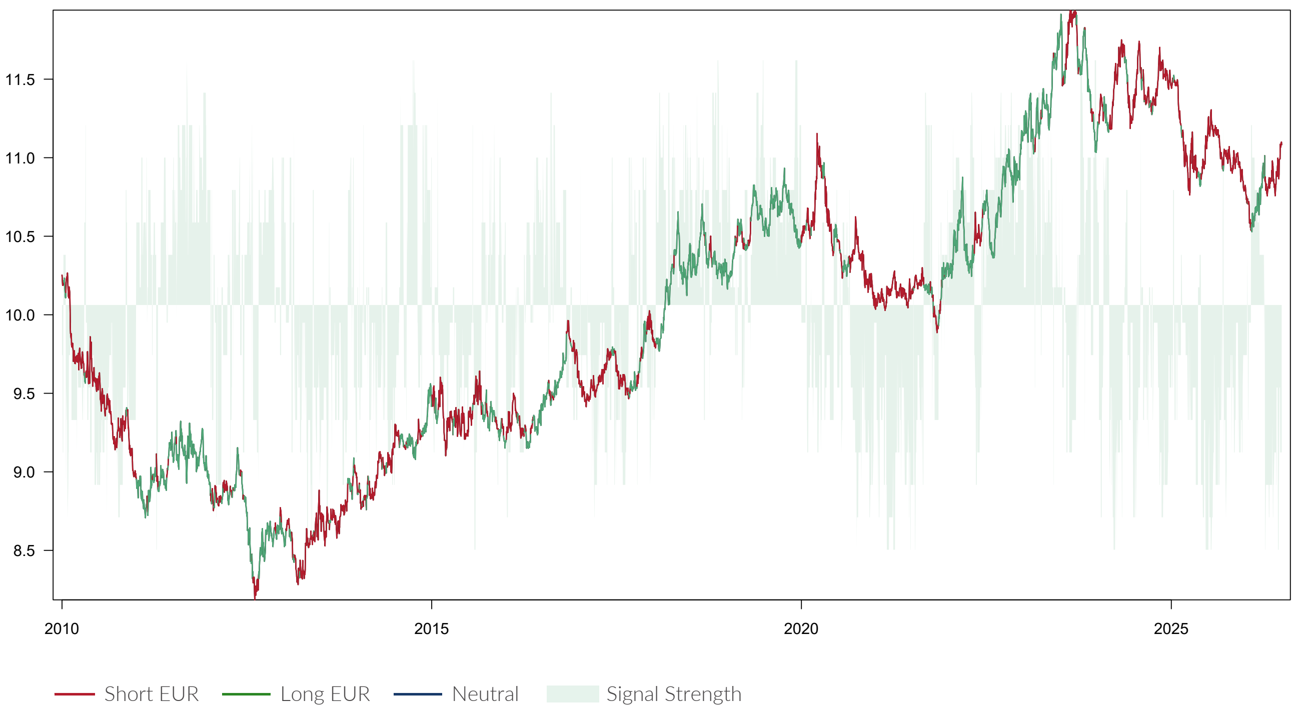
Source: QCAM Currency Asset Management

EURSEK

We keep the discretionary Macro position at neutral. Economic conditions have improved and the drag from the housing sector is fading as the Riks Bank lowered interest rates. However, the SEK is more vulnerable to negative changes in global risk sentiment and, so far, has failed to benefit from the de-escalation of the situation in the Gulf region. The Macro interest rate model stayed short SEK, while Business Sentiment stayed long SEK and Technical went long SEK as well, increasing the overall long SEK position versus the EUR. 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 on a sustained basis with signs of a global growth recovery.

	FX Factors	SEK Impact	Comment
Macro	Current Account Balances	0	Sweden's surplus declined temporarily on rising energy prices but remains large
	Interest Rate Differentials	–	The Macro interest rate model stayed short SEK
Sentiment	Business Sentiment	+	Surveys remain long 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 26% undervalued versus the EUR

EURSEK and QCAM Strategic Positioning



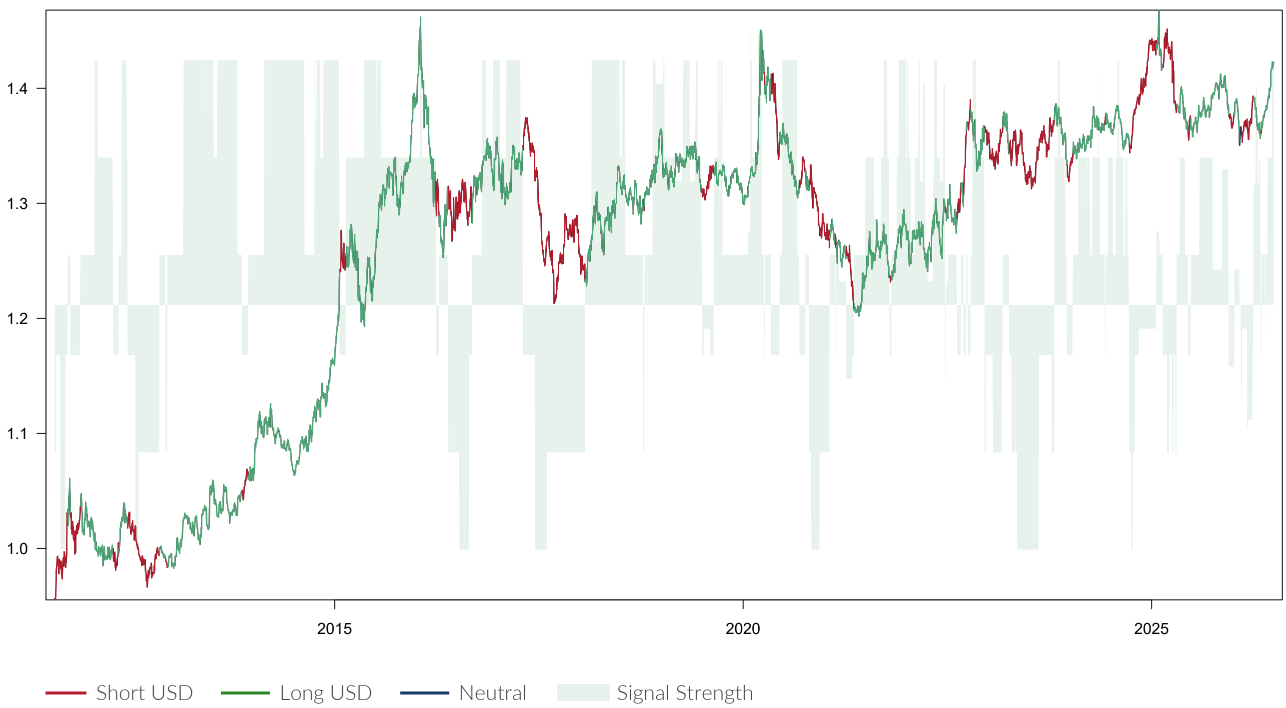
Source: QCAM Currency Asset Management

USDCAD

We kept the discretionary Macro position at neutral. As a net oil&gas exporter, Canada benefitted from the oil supply disruptions caused by the Iran war, but that benefit is eroding rapidly as oil prices decline. The trade conflict with the US remains an unresolved issue and handicaps the CAD. Canadian inflation is below US inflation and the BoC is expected to keep interest rates well below the Fed funds rate. 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, while Technical went neutral, leaving the overall position at 1/3 short CAD.

	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 to remain lower versus 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	0	Technical went neutral
	Spec Positions	0	The CAD position is significantly oversold
	PPP Valuation	0	CAD is about 16% 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 trans-

Short Term Fixed Income USD: Strategy & Fund

Built around top-tier Swiss credit, the strategy offers an attractive alternative to traditional money market funds and time deposits. It combines capital preservation, high liquidity and a long-standing track record of consistent outperformance versus USD money market benchmarks. The Swiss-regulated fund was launched in partnership with UBS Switzerland in April 2025 with USD 1 billion in seed capital. While the base currency is USD, fully currency-hedged CHF, EUR and GBP share classes provide flexible implementation while maintaining the same underlying portfolio and risk profile.

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 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

QCAM MONTHLY Editorial Team

Bernhard Eschweiler, PhD
Senior Economist
bernhard.eschweiler@q-cam.com

Ilenia Tonetti
Investor Relations & Marketing
ilenia.tonetti@q-cam.com

Marc Eigenheer
Currency Overlay
marc.eigenheer@q-cam.com

Jürgen Büscher
Currency Overlay
juergen.buescher@q-cam.com

Carla Mette
Investor Relations & Marketing
carla.mette@q-cam.com

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QCAM®
Currency
Asset
Management

QCAM Currency Asset Management AG
Guthirtstrasse 4
6300 Zug
Switzerland

T +41 55 417 00 50
info@q-cam.com
www.q-cam.com