QCAM®
Currency
Asset
Management

August 2026

QCAM MONTHLY

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QCAM Insight

An Art and Not a Science

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The USD fell back amid concerns over Fed credibility and concerted JPY interventions. We still view USD fundamentals as favorable but acknowledge that setback risks have increased. Estimating currency fair-values based on PPP is more of an art than a science but provides valuable insights for understanding relative currency positions.

Despite renewed tensions between Iran and the US, FX markets were mostly rangebound in July until last week. The main exception was the JPY, which continued to slide. Fed Chair Warsh's performance at the FOMC press conference last week, however, raised concerns over his commitment to stabilize inflation and pushed the USD lower across the board. The concerted interventions by Japan and the US at the end of last week to prop up the JPY further added to the USD's slide.

How the situation in the Persian Gulf will evolve and what this will mean for FX markets remains highly uncertain. We expect that Iran will try to keep its control over the Strait of Hormuz (SoH) as long as possible. That probably means that oil future markets underestimate the potential impact on supply. Longer term, however, we believe that pipelines around the SoH, across Saudi Arabia and potentially from Iran to Turkey will undermine Iran's ability to hold global oil markets hostage. Most likely, the conflict in the Persian Gulf will play a declining role in FX markets unless tensions seriously re-escalate, for which we believe neither side has much appetite and resources.

USD support and vulnerabilities

From a fundamental perspective, we believe the USD has still the advantage. The economy is resilient and the primary engine of global growth. With inflation resilient as well, interest rates are bound to remain high and may even rise further, which supports the USD's attractive carry position. AI is a key driver behind the growth performance and a magnet for equity capital inflows. However, the USD's dominant position is not without vulnerabilities. As a result, we expect the USD to move sideways in a volatile range. Against that background, we prefer to keep our discretionary macro positions in neutral stance.

First, as we already pointed out in the previous FX Monthly, the USD is overbought and speculative net long USD future positions have increased further over the last month, reaching a new high. Second, we believe Fed Chair Warsh will try to repair his damaged credibility even if that means hiking interest rates earlier, but there is room for mistakes. Third, AI euphoria is becoming more volatile with the arrival of Chinese competition and the risk of overinvestment. Fourth, more concerted action to prop up the JPY may be in the pipeline, which could go beyond interventions and involve more BoJ tightening. Fifth, while the US retains the global growth leadership, there are signs that economic activity in the rest of the world is accelerating, which is also reflected in our FX BIAS position shifting from a long USD to a modest short USD.

What to make of PPP valuations

Looking beyond short-to-medium term dynamics, an important question in FX is a currency's position versus its fair-value estimate. A popular measure of fair-value is purchasing power parity (PPP). The most popular and publicly available PPP estimates are the Big-Mac Index from The Economist as well as estimates provided by the IMF and the OECD, which are used to convert GDP and other figures across countries in real terms. In addition, there are several estimates by banks and other private financial institutions such as QCAM. The table shows that PPP estimates vary substantially, based on different price data, scope and estimation methodologies.

Based on The Economist, the USD DXY is currently slightly undervalued, but with huge discrepancies, which we find difficult to rationalize. The valuations of the JPY and the CHF, for example, are the most opposite although both currencies share important FX characteristics such as current account surplus and safe-haven status. Based on the estimates by the IMF, OECD and QCAM, the USD DXY is overvalued, but still with some differences, especially in terms of individual currencies. Which comes closest is impossible to say. We prefer the QCAM PPP figures given their mean reverting character and standard deviation ranges (see pages 5 and 6).

We view the overvaluation of the USD DXY primarily as a result of the US economy's outperformance and strong equity capital inflows post COVID. The drastic policy shifts since 2025, especially in trade and immigration, dampened US exceptionalism but did not derail it. The Euro-area's economic and currency performance is the mirror image to the US, although asset repatriation and currency hedging have reduced some of the valuation gap since 2025. In the case of the JPY, deliberate soft fiscal and monetary policies have compounded the JPY's undervaluation. In the case of the GBP, the undervaluation can be traced back to the BREXIT vote in 2016 (see page 6). The CAD's undervaluation reflects again economic underperformance and lower interest rates versus the US. In the case of the SEK, the valuation is similar to the EUR and simply the result of the tight link of the SEK to the EUR. Finally, our PPP estimate for the CHF suggests that the SNB tries to keep the CHF close to fair value to avoid economic disruptions and external policy conflicts (see page 6).

Currency valuations versus various PPP estimates (in %)

Currency	Over/undervaluation*				USDDXY
	Economist	IMF	OECD	QCAM	shares
EUR	13.8	-17.0	-21.0	-5.5	57.6
JPY	-50.5	-40.7	-39.0	-48.5	13.6
GBP	19.0	-12.4	-8.0	-11.9	11.9
CAD	-6.6	-16.5	-13.0	-14.4	9.1
SEK	16.7	-13.4	-14.0	-9.0	4.2
CHF	45.3	13.9	31.0	-6.6	3.6
USDDXY	-5.1	18.4	19.0	13.0	100.0

* Over/undervaluation versus the USD except for USD DXY, which is versus the USD DXY basket.

Sources: The Economist, IMF, OECD and QCAM

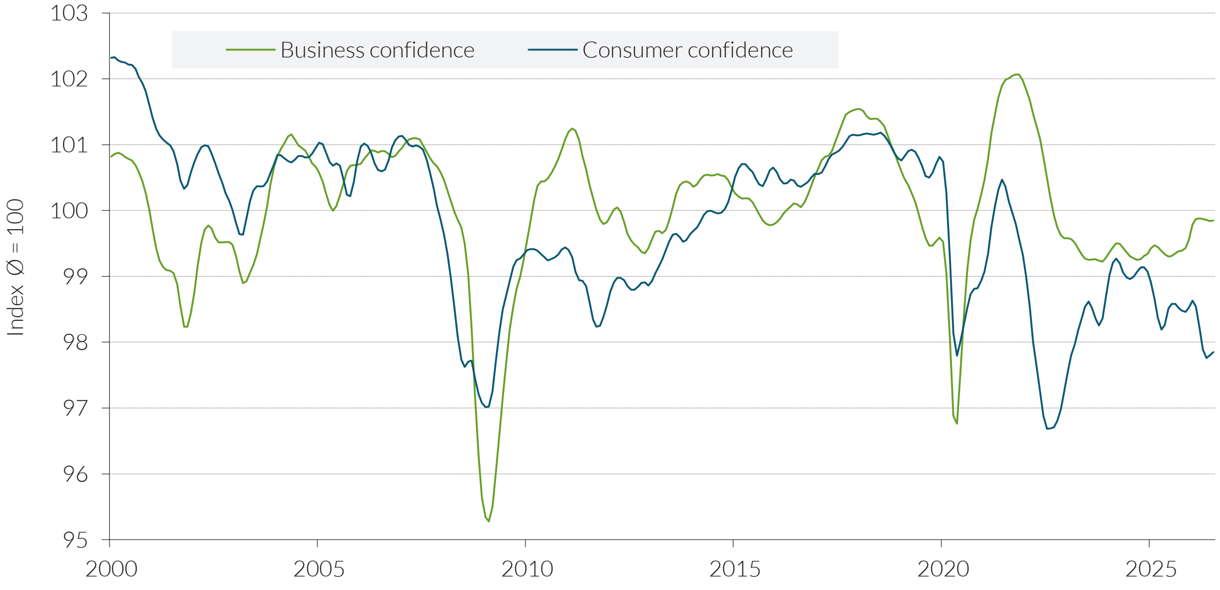
Economy & Interest Rates

Global economic conditions have improved a bit despite the ongoing conflict in the Persian Gulf and resulting oil supply shortages as well as growing AI anxieties. Business confidence has held up, and consumer confidence has stabilized. The US remains the global engine of growth, but the lead is narrowing a bit. Importantly, there are positive growth revisions, notably in the Euro-area. However, the negative impact of the oil supply shock on growth and inflation is not undone and remains uneven. 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 as less dramatic as in 2022, growth conditions are softer and monetary policy stances are not super easy. We believe that Fed, ECB and BoJ will each hike interest rates by 25bps until the end of the 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	3.0	2.6	n.a.	n.a.	2.7	3.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Developed	1.9	1.6	n.a.	n.a.	2.6	3.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
USA	2.1	2.1	4.3	4.2	2.7	3.5	-3.8	-3.2	-7.4	-7.5	125	128
Canada	1.9	1.0	6.9	6.7	2.1	2.3	-0.9	-0.5	-2.4	-2.0	114	113
Euro-area	1.4	0.9	6.4	6.3	2.1	2.7	1.7	0.4	-2.8	-3.1	88	89
Sweden	1.8	1.0	8.5	8.7	0.9	1.0	6.0	4.0	-1.5	-2.0	34	34
Switzerland	1.0	0,8	2.8	3.0	0.2	0.5	7.0	8.0	0.5	0.2	39	39
UK	1.4	1.0	4.8	5.1	3.4	3.0	-2.5	-3.8	-4.3	-3.5	103	105
Japan	1.1	0.8	2.5	2.5	3.2	2.0	4.8	4.0	-7.0	-7.0	230	227
Australia	2.0	2.2	4.2	4.2	2.8	4.0	-2.6	-3.0	0.5	0.0	51	50
Emerging	4.5	3.8	n.a.	n.a.	2.8	3.3	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	3.8	3.5	8.5	8.5	96	100
India	7.7	6.5	n.a.	n.a.	2.1	4.9	-0.6	-1.5	-7.0	-7.0	80	80
Russia	1.0	0.7	2.2	2.3	8.7	6.0	1.7	1.5	-2.1	-3.0	21	22
Brazil	2.3	2.0	5.9	6.0	5.0	4.5	-3.0	-2.5	-8.3	-8.5	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

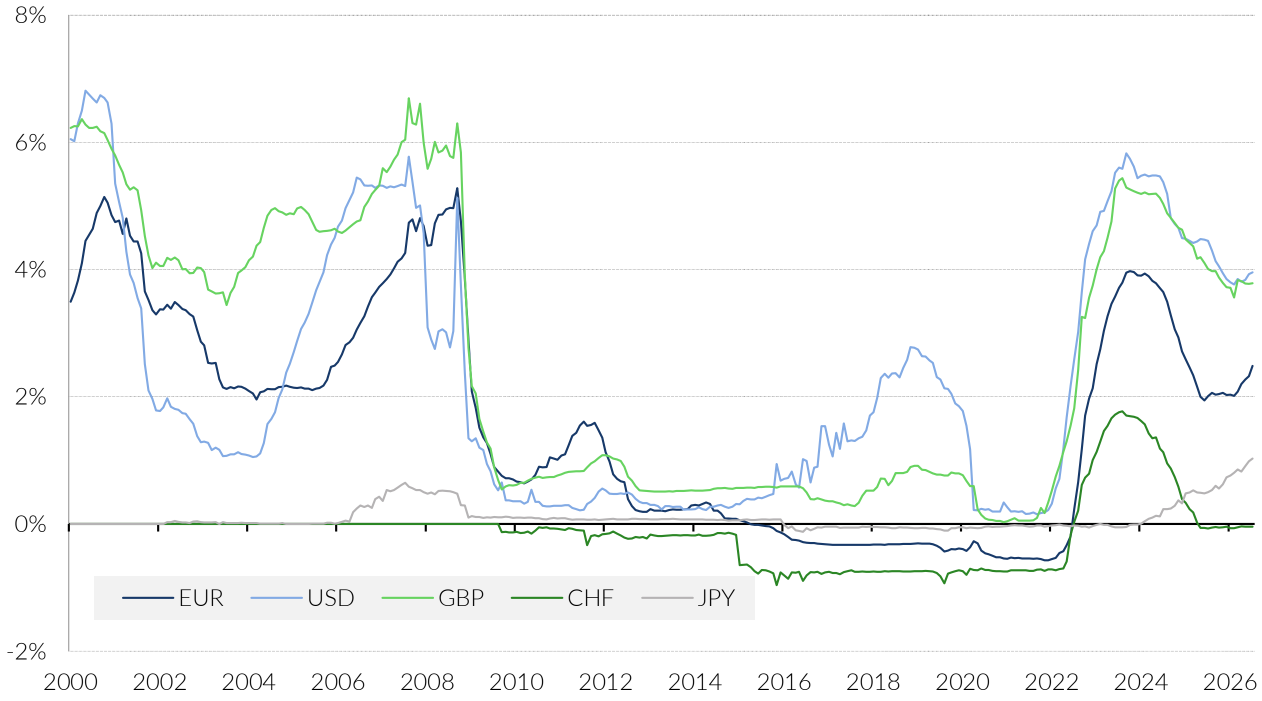
Interest Rates

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	3.73%	3.70%	3.65%	4.20%	4.52%	4.51%	4.34%	4.29%	3.59%	3.16%
EUR	2.46%	2.32%	2.20%	1.99%	2.88%	3.06%	2.92%	3.06%	2.56%	2.71%
JPY	1.05%	0.99%	0.83%	0.49%	0.40%	2.70%	2.64%	2.29%	1.27%	1.33%
GBP	3.77%	3.76%	3.82%	3.98%	4.51%	4.50%	4.37%	4.51%	4.00%	4.04%
CHF	-0.05%	-0.05%	-0.03%	-0.07%	0.62%	0.64%	0.57%	0.63%	0.47%	0.81%
AUD	4.39%	4.40%	4.35%	3.59%	4.10%	4.79%	4.67%	4.91%	3.96%	4.35%
CAD	2.30%	2.29%	2.32%	2.72%	3.48%	3.65%	3.52%	3.60%	3.42%	3.55%
SEK	1.81%	1.77%	1.82%	1.96%	2.71%	3.05%	2.84%	3.06%	2.66%	2.75%
RUB	13.30%	13.80%	14.00%	17.50%	16.43%	12.90%	12.90%	12.16%	12.85%	11.71%
BRL	12.71%	12.88%	13.24%	13.89%	11.66%	14.17%	14.38%	13.88%	13.46%	12.78%
CNY	1.43%	1.45%	1.44%	1.53%	1.77%	1.58%	1.58%	1.68%	1.66%	1.88%
TRY	39.55%	39.58%	41.59%	42.92%	44.48%	30.61%	29.64%	30.10%	27.78%	27.67%
INR	5.42%	5.37%	5.44%	5.40%	6.15%	6.59%	6.40%	6.90%	5.83%	6.29%

Source: QCAM Currency Asset Management, as of August 4th, 2026

3-month Rates



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

FX Markets

FX Performance vs. PPP

The USD DXY fell 1% over the last month with all major currencies gaining versus the USD except for the CHF. The performance of EM currencies was on balance positive as well but more mixed with the RUB falling by nearly 5%. Long USD speculative positions continued to rise reaching a new high with the biggest oversold positions in EUR, JPY, GBP, CHF and CAD. Short-term interest rates were broadly stable or moved slightly higher pricing in potential rate hikes. The cost of forward hedging versus the USD was mostly stable as well and remains elevated with USDCHF and GBPCHF hedging still most expensive. Actual and implied FX volatilities were broadly stable except for USDJPY volatility, which increased. Actual and implied FX volatilities remain all below their long-term averages. Higher inflation everywhere has not changed the trend of PPP estimates. So far, the USD remains broadly overvalued (13% for the USD DXY) with JPY the most undervalued and the CHF and EUR 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	1.152	-1.85%	0.71%	-0.46%	-2.69%	1.23	1.10 - 1.35	-6%
USDJPY	157.580	0.48%	-2.34%	7.17%	43.88%	106.09	94.08 - 118.10	49%
GBPUSD	1.345	-0.04%	0.68%	1.21%	-3.25%	1.53	1.37 - 1.70	-12%
EURCHF	0.933	0.22%	1.54%	-0.18%	-13.02%	0.84	0.80 - 0.89	11%
USDCHF	0.810	2.10%	0.82%	0.28%	-10.60%	0.76	0.68 - 0.84	7%
GBPCHF	1.089	2.06%	1.52%	1.50%	-13.51%	0.97	0.89 - 1.06	12%
CHFJPY	194.499	-1.60%	-3.13%	6.86%	60.94%	97.12	86.12 - 108.11	100%
AUDUSD	0.704	5.49%	1.44%	8.88%	-4.62%	0.76	0.67 - 0.84	-7%
USDCAD	1.408	2.59%	-0.89%	2.19%	12.18%	1.23	1.15 - 1.32	14%
USDSEK	9.533	3.37%	-1.14%	-1.34%	10.73%	8.75	7.76 - 9.73	9%
EURSEK	10.981	1.45%	-0.44%	-1.80%	7.74%	8.90	8.36 - 9.44	23%
USDRUB	80.722	2.01%	4.82%	1.27%	10.30%	73.12	54.13 - 93.10	10%
USDBRL	5.110	-7.36%	-1.13%	-7.43%	-2.30%	4.02	2.46 - 5.58	27%
USDCNH	6.747	-3.31%	-0.55%	-6.09%	4.40%	7.07	6.49 - 7.65	-5%
USDTRY	47.545	10.68%	1.58%	16.94%	461.02%	35.13	27.70 - 42.55	35%
USDINR	95.069	5.72%	-0.13%	8.11%	28.14%	83.53	76.89 - 90.17	14%
US_Dollar_Index	99.872	1.58%	-0.98%	1.10%	8.24%	88.36	82.54 - 94.18	13%

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

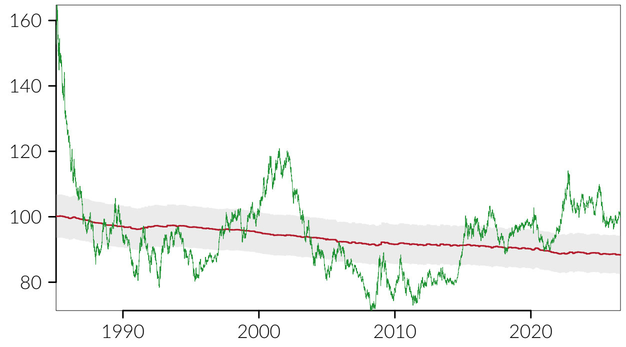
[2] Purchasing power parity (PPP) is estimated based on the relative development of inflation rates in two currency markets; the neutral range is determined by ± 1 standard deviation of the historical variation around the PPP value.

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

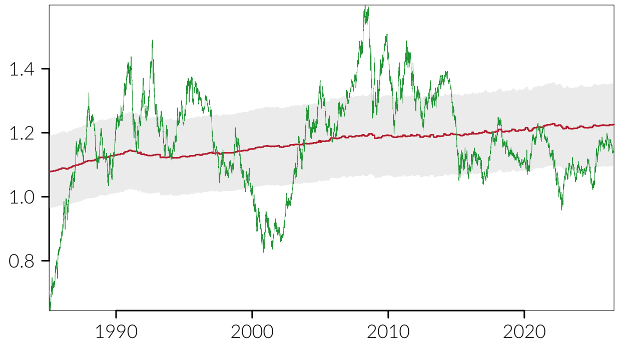
Source: QCAM Currency Asset Management, as of August 4th, 2026

Purchasing Power Parity

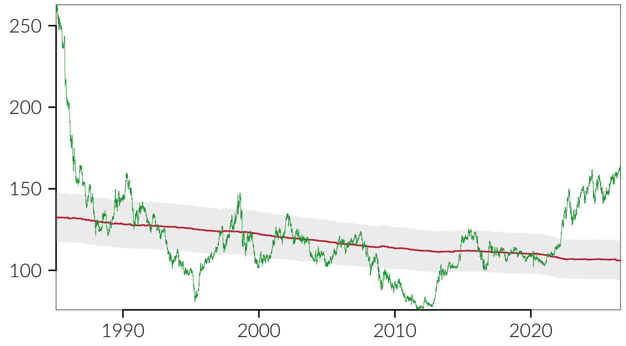
DXY



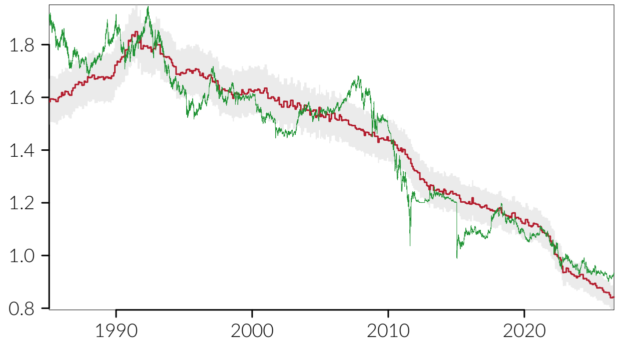
EURUSD



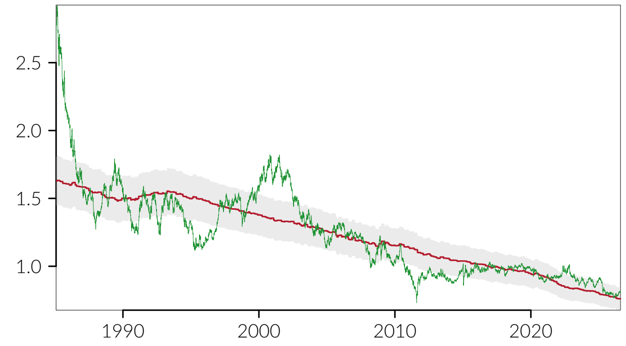
USDJPY



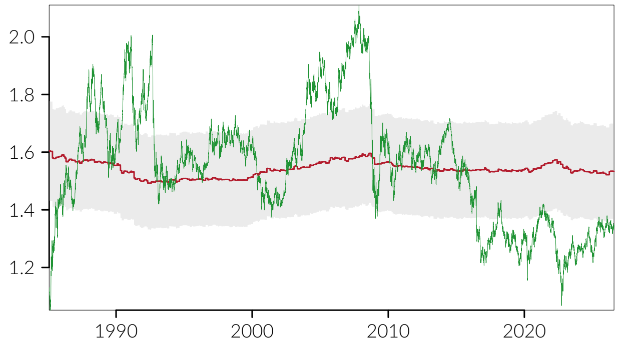
EURCHF



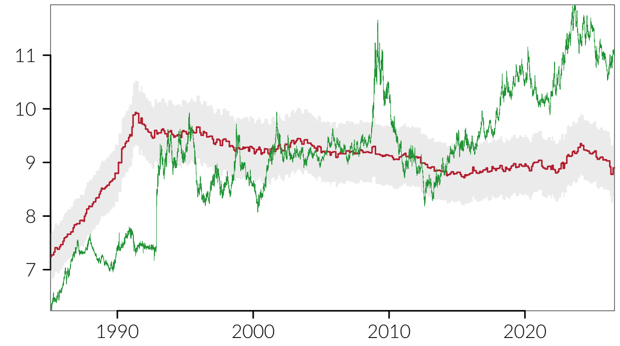
USDCHF



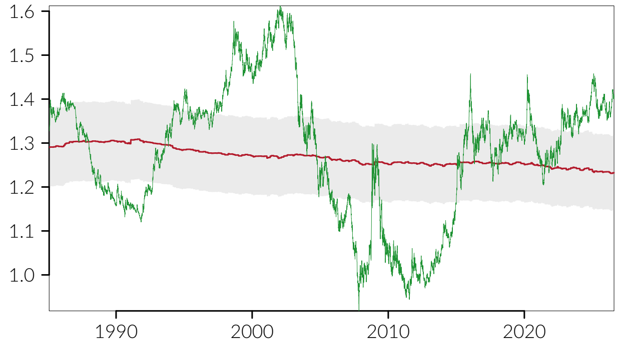
GBPUSD



EURSEK



USDCAD



Source: QCAM Currency Asset Management, as of August 4th, 2026

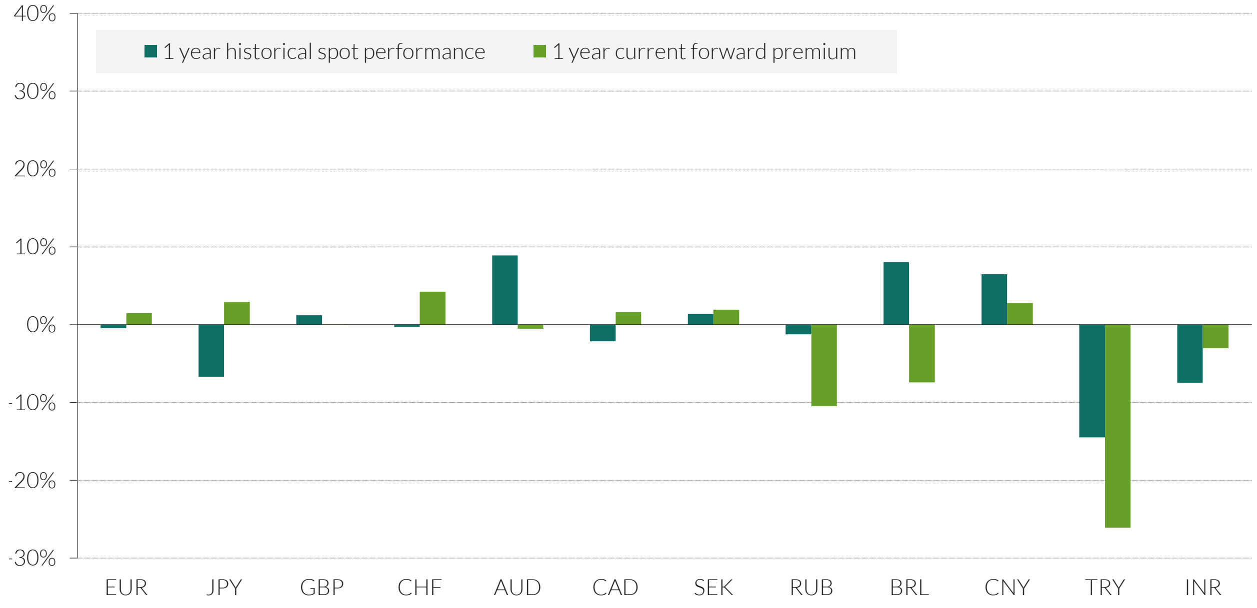
🟥 PPP 🟩 Spot ▨ Neutral Range

FX Spot vs Forwards

FX Forwards Level and Premium

	Current Exchange Rate	Forward Level			Premium p.a.		
		1M	3M	12M	1M	3M	12M
EURUSD	1.152	1.1534	1.1561	1.1690	1.44%	1.42%	1.47%
USDJPY	157.580	157.1764	156.4372	153.1208	-2.79%	-2.84%	-2.79%
GBPUSD	1.345	1.3445	1.3446	1.3446	-0.04%	0.01%	0.00%
EURCHF	0.933	0.9311	0.9272	0.9085	-2.43%	-2.52%	-2.61%
USDCHF	0.810	0.8073	0.8021	0.7772	-3.86%	-3.93%	-4.02%
GBPCHF	1.089	1.0855	1.0785	1.0450	-3.91%	-3.92%	-4.02%
CHFJPY	194.499	194.6905	195.0486	197.0217	1.07%	1.11%	1.28%
AUDUSD	0.704	0.7034	0.7027	0.7002	-0.65%	-0.59%	-0.50%
USDCAD	1.408	1.4056	1.4018	1.3852	-1.53%	-1.60%	-1.57%
USDSEK	9.533	9.5165	9.4861	9.3528	-1.90%	-1.93%	-1.87%
EURSEK	10.981	10.9762	10.9666	10.9334	-0.47%	-0.51%	-0.43%
USDRUB	80.722	81.5295	83.0427	90.1791	10.59%	11.25%	11.56%
USDBRL	5.110	5.1478	5.2151	5.5194	8.04%	8.03%	7.90%
USDCNH	6.747	6.7320	6.7039	6.5652	-2.47%	-2.52%	-2.66%
USDTRY	47.545	48.8276	51.1764	64.3393	28.57%	29.89%	34.84%
USDINR	95.069	95.2790	95.7780	98.0411	2.41%	2.92%	3.08%

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



Source: QCAM Currency Asset Management, as of August 4th, 2026

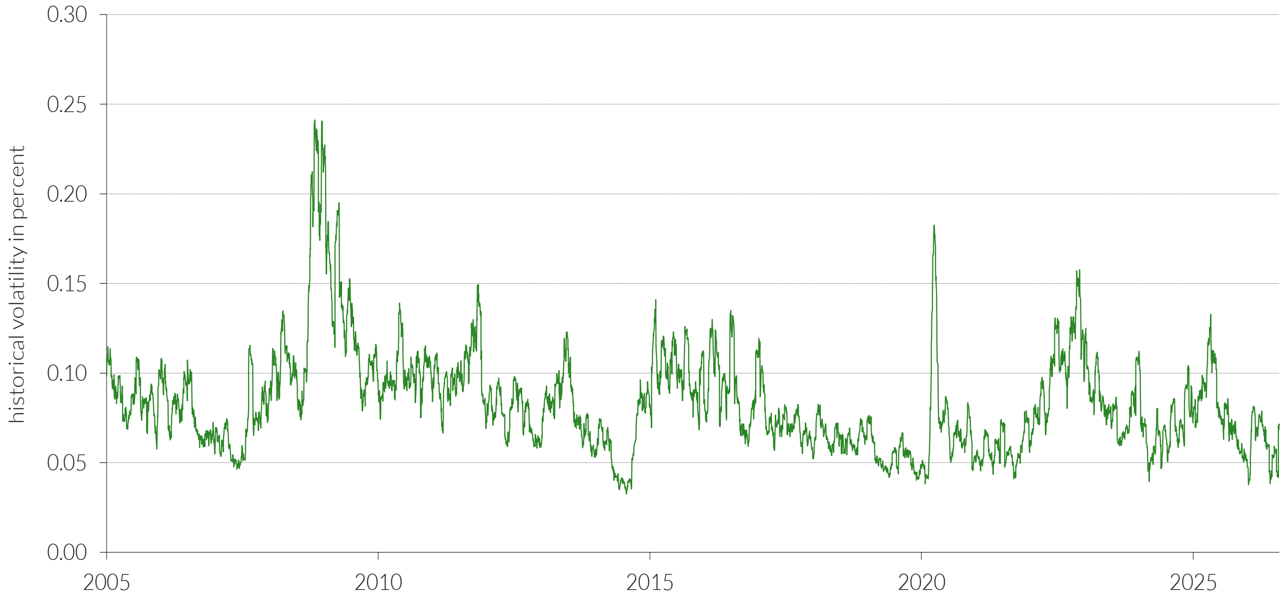
FX Volatility

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	1.152	5.10%	5.19%	8.22%	7.42%	5.24%	5.18%	7.50%	7.17%
USDJPY	157.580	7.47%	6.81%	10.73%	9.82%	8.38%	7.50%	9.90%	9.68%
GBPUSD	1.345	6.54%	6.56%	6.76%	8.12%	6.05%	6.10%	7.35%	8.02%
EURCHF	0.933	3.30%	3.25%	3.79%	5.19%	3.82%	3.83%	4.90%	5.56%
USDCHF	0.810	7.10%	6.84%	8.59%	7.93%	6.70%	6.70%	7.90%	7.50%
GBPCHF	1.089	4.41%	3.80%	5.90%	6.72%	4.94%	4.80%	6.93%	7.15%
CHFJPY	194.499	6.11%	5.60%	5.92%	8.17%	7.83%	7.00%	8.23%	8.74%
AUDUSD	0.704	7.45%	8.05%	9.45%	10.20%	7.46%	7.65%	9.18%	10.05%
USDCAD	1.408	3.81%	3.81%	5.77%	6.08%	4.27%	4.43%	5.23%	6.14%
USDSEK	9.533	9.74%	10.37%	10.32%	11.00%	4.27%	4.40%	10.12%	10.80%
EURSEK	10.981	5.51%	6.26%	5.39%	6.26%	5.28%	5.68%	6.10%	6.52%
USDRUB	80.722	15.63%	15.65%	21.58%	22.78%	25.00%	24.85%	23.67%	28.64%
USDBRL	5.110	11.07%	11.70%	9.35%	12.97%	15.09%	13.80%	12.90%	15.02%
USDCNH	6.747	2.30%	2.46%	2.66%	4.33%	2.28%	2.46%	3.53%	4.98%
USDTRY	47.545	1.50%	1.69%	2.61%	9.38%	10.55%	9.91%	13.55%	19.81%
USDINR	95.069	5.76%	6.01%	5.11%	3.93%	5.36%	5.15%	4.55%	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 August 4th, 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.

August 2026 — Current positioning

There have been several position changes over the last five weeks. We kept the discretionary Macro positions at neutral given the range-bound currency outlook with increased volatility risks (see Insight, page 1). All Business Sentiment positions changed except for EURSEK. The overall Business Sentiment position shifted from 50% long USD to 30% short USD. All Technical positions changed as well except for EURCHF. On balance, the Technical position moved from 20% short USD to 40% long USD. The balance of all strategy positions is now neutral USD with the biggest long USD position versus the CAD and the biggest short USD position versus the GBP. The EUR crosses are neutral versus the CHF and 15% short versus the SEK.

Overview[1]

	Macro	Business Sentiment	Technical	Comment
EURUSD	0	+	–	Business Sentiment shifted to a small long and the Technical short declined leaving the overall position close to neutral
USDJPY	0/–	– –	++	The Business Sentiment long JPY and the Technical short JPY both increased , leaving the balance at a small long JPY
EURCHF	0	+	–	Business Sentiment shifted to short CHF versus EUR and USD. Technical shifted to short CHF versus the USD. The overall position is neutral CHF versus the EUR and 20% short CHF versus the USD
USDCHF	0	+	+	
GBPUSD	0	+	+	Business Sentiment and Technical shifted both to long GBP with the balance 45% long GBP
EURSEK	0/+	– –	+	Technical went short SEK, reducing the overall long SEK position to 15%
USDCAD	0	–	++	Business Sentiment went slightly long CAD and Technical went short CAD with the balance 30% 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. The EUR economy has performed better than feared amid the oil supply shock 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 went slightly long EUR and the short EUR Technical position declined somewhat, leaving the balance of all EUR positions close to neutral.

	FX Factors	EUR Impact	Comment
Macro	Current Account Balances	0	Rising energy prices raised Euro-area import bill temporarily but surplus to remain 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 moved slightly ahead 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 has become oversold
	PPP Valuation	0	EUR is slightly (6%) below fair value

EURUSD and QCAM Strategic Positioning

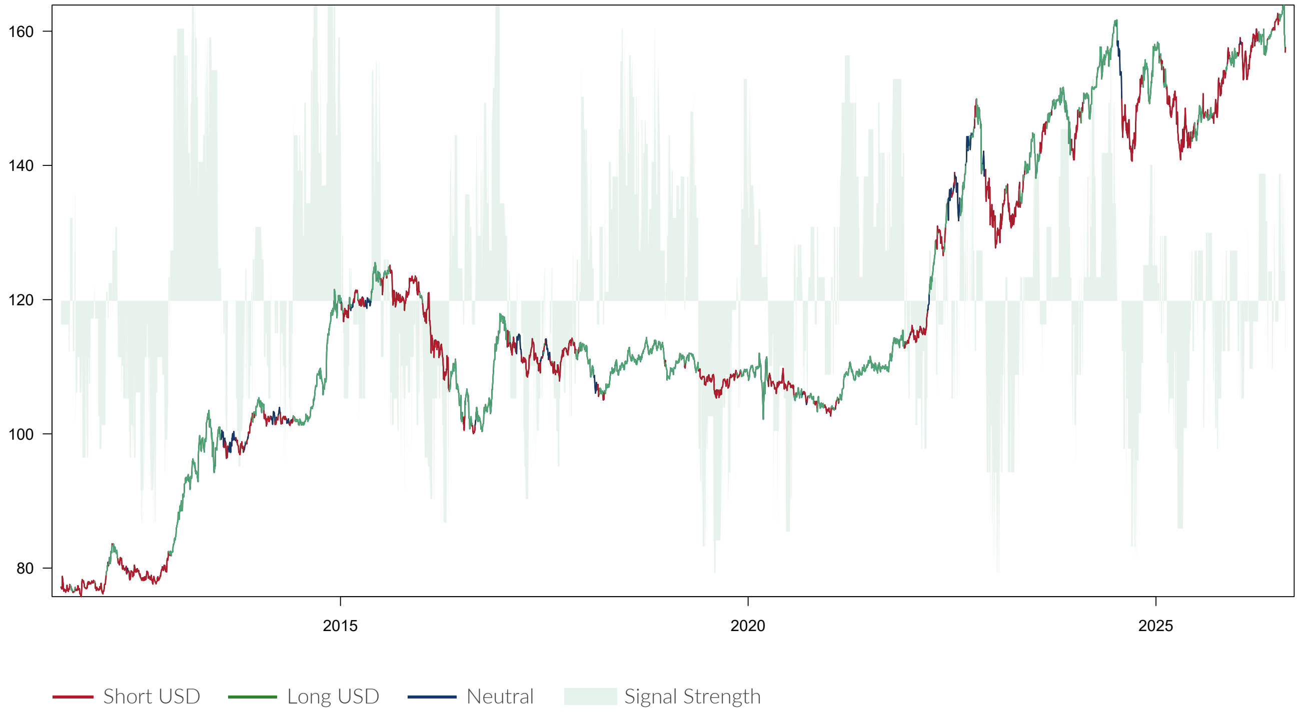
Source: QCAM Currency Asset Management

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 has declined but is still too high for public comfort. Concerted US/Japan FX interventions have propped up the JPY and we think there is more to come, but sustained JPY support will only come from more aggressive BoJ tightening. As a result, we kept the Macro position at neutral also given strong USD fundamentals and attractive carry. Shifts in Fed and BoJ policies could turn the Macro position in either direction. The Macro carry model stayed long JPY and the Business Sentiment long JPY and the Technical short JPY positions both increased, leaving the balance of all strategy positions slightly long JPY.

	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 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 49% 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 went short CHF and Technical remained long CHF versus te EUR, leaving the balance of all strategy positions neutral EURCHF.

	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 fell behind 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 11% 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 and Technical went both short CHF, leaving the overall CHF position 20% short 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	–	The Swiss economy fell behind 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 went slightly short CHF
	Spec Positions	+	The oversold CHF position is close to past reversal points
	PPP Valuation	0	The CHF is slightly (7%) 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 hopes that newly elected PM Burnham will do a better job than his predecessor. 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 and Technical both went long GBP, shifting the overall strategy position to 45% long 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 moved ahead of US surveys
	Risk Sentiment	0	Burnham's election as PM has reduced political pessimism
Technical	Price Action	+	Technical went long GBP
	Spec Positions	+	The net short GBP position is close to past reversal points
	PPP Valuation	0/+	The GBP is 12% 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 further asset rebalancing. The Macro interest rate model stayed short SEK, while Business Sentiment stayed long SEK and Technical went short SEK, reducing 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 short SEK
	PPP Valuation	+	The SEK is roughly 23% undervalued versus the EUR

EURSEK and QCAM Strategic Positioning

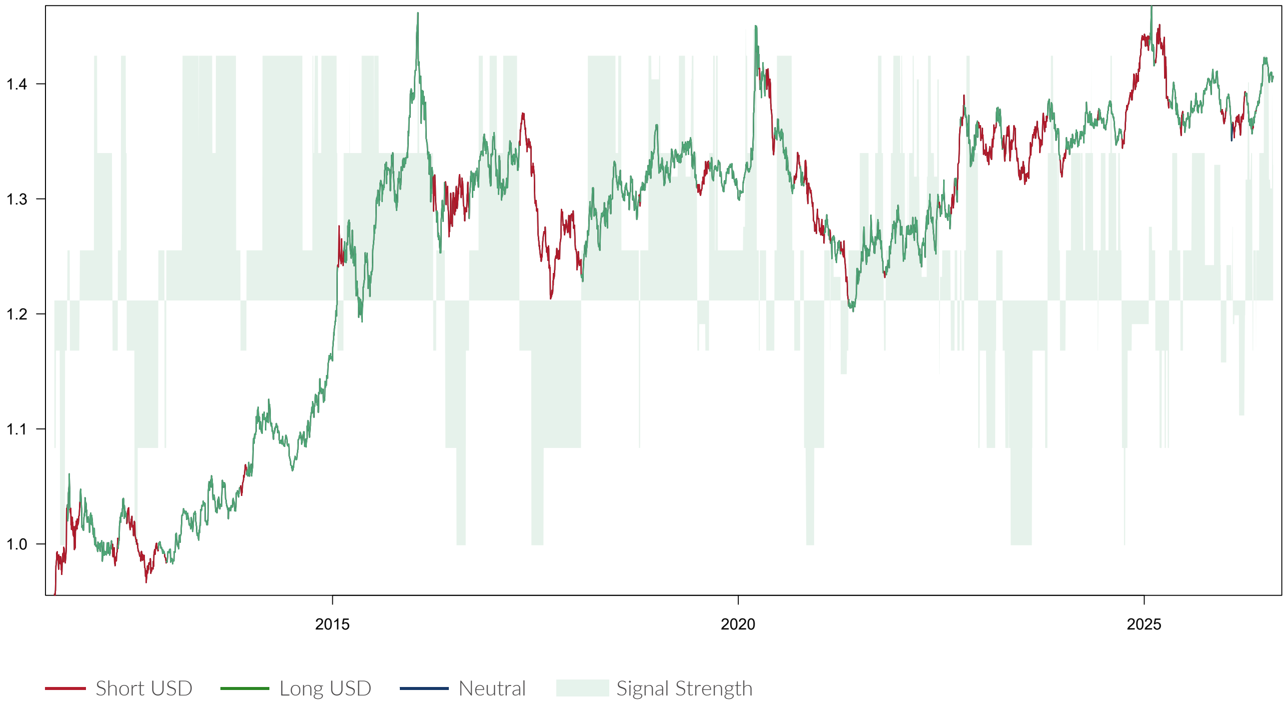
Source: QCAM Currency Asset Management

USDCAD

We kept the discretionary Macro position at neutral. As a net oil&gas exporter, Canada benefitted from the oil supply disruptions caused by the Iran war, but that benefit is gradually eroding. 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 went long CAD, while Technical moved to short CAD, leaving the overall position at 30% 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 regained momentum versus the US in the surveys
	Risk Sentiment	0/–	Tensions with the US over tariffs remain elevated
Technical	Price Action	–	Technical went short CAD
	Spec Positions	0/+	The CAD position is significantly oversold
	PPP Valuation	0	CAD is about 14% 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, independently and in the client's best interests.

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 9 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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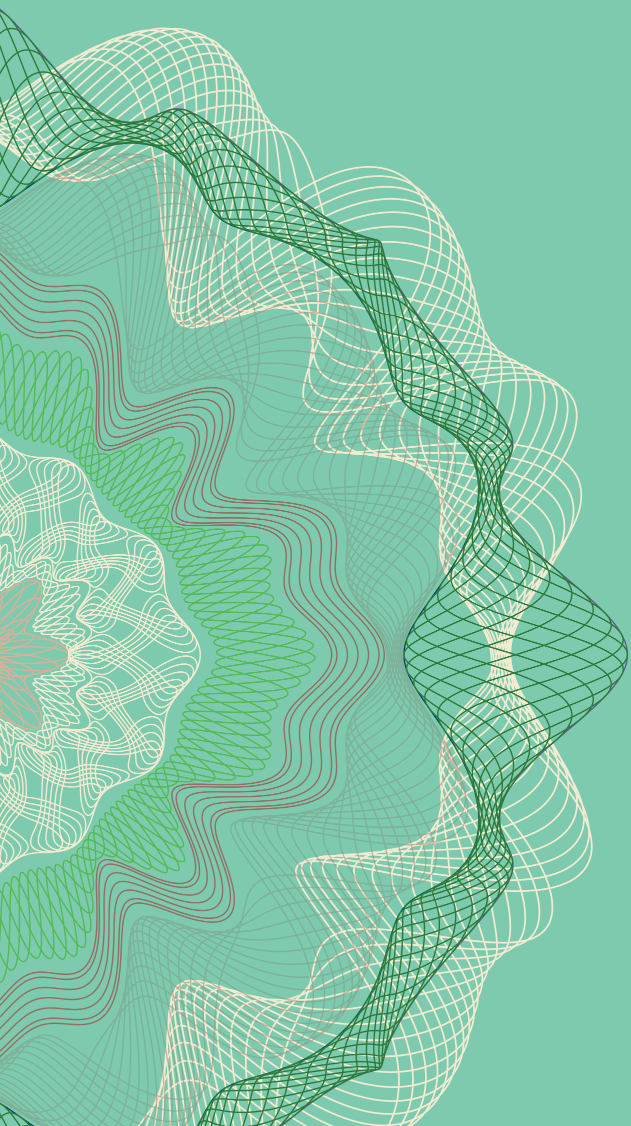

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