QCAM Currency Asset Management

September 2026

QCAM MONTHLY

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QCAM Insight

The Kevin and Scott Show

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The USD traded slightly weaker in August with some volatility courtesy of Scott Bessent and Kevin Warsh. The mix of growth fundamentals and monetary/fiscal policies provides no clear direction. Much will depend on actual data and policy delivery. The USD still enjoys a carry advantage, but that could be diminished by a rising policy credibility risk premium. As a result, we prefer to maintain our neutral discretionary Macro positions.

The USD traded slightly weaker in August with commodity currencies running ahead thanks to renewed tensions in the Persian Gulf and resulting oil price increases (Brent was up 13% over the last month). Main support for the USD came from the JPY, which lost much of its intervention gains from the end of July. The best performer, however, was gold, which gained about 10% in August. Excitement in the otherwise quiet summer period was provided by Treasury Secretary Scott Bessent, who tried to cap US Treasury yields by announcing increased buybacks of long-dated government debt, and Fed Chairman Kevin Warsh, who tried to restore his tarnished image at the Jackson Hole gathering. The USD reacted negatively to Bessent and positively to Warsh.

US Treasury yields are not too high

Scott Bessent's main justification for the increased buybacks is his view that yields do not reflect underlying fundamentals. We believe that is not the case and the main reason why increased buybacks are doomed to fail and may instead create credibility concerns that could undermine the USD. Adding up the US growth potential (2+%) and long-term inflation expectations (2.3% to 3.3%) already implies 10-year yields above 4.5%. Adding deteriorating flow of funds (rising fiscal deficit and falling net private savings as well as foreign lending) plus an inflation risk premium pushes yield fundamentals much higher. The main factor still capping yields are the Fed's vast US Treasury holdings, currently worth roughly 12.5% of GDP. We estimate that the Fed's Treasury holdings keep 10-year Treasury yields at least 150bps lower than they would otherwise be. In sum, we calculate that the fundamental value of 10-year Treasury yields is closer to 5% with a rising trend (see Chart).

Is he serious or just playing for time?

Kevin Warsh's speech in Jackson Hole helped restore his credibility, which suffered after the July post-FOMC press conference, and bolstered the Fed's hawkish tilt with the market now pricing a two-thirds chance of a September rate hike. On policy principles, Warsh stressed the commitment to the 2% PCE inflation target and short-term interest rates as the Fed's predominant policy tool. Warsh views Fed asset purchases as only suitable in crisis situations and, by emphasizing the importance of money supply for financial conditions and prices, potentially destabilizing in the long-term.

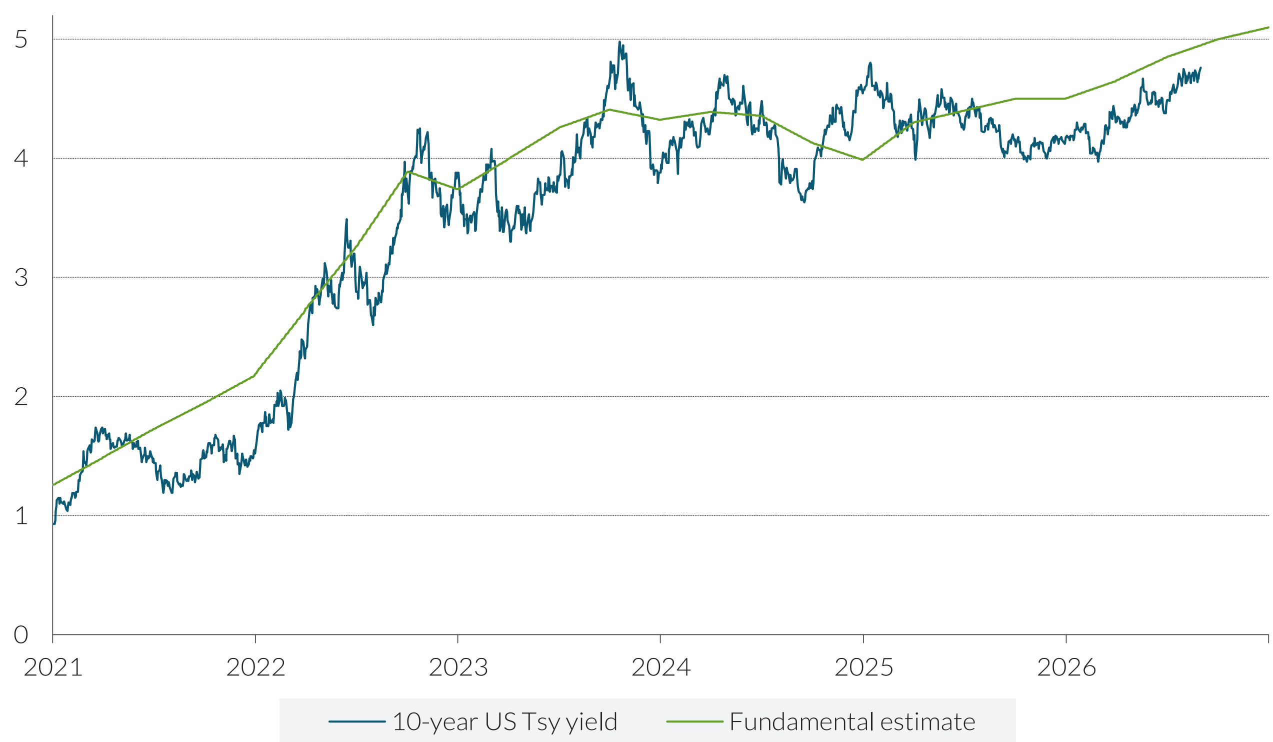
Turning to the economy, Warsh noted that it was remarkably resilient in the face of recent shocks while labor market conditions are consistent with full employment. In contrast, he notes that inflation is well above target with no meaningful improvement in underlying trends yet apparent. Finally, Warsh described financial conditions as not restrictive. An old-school rule-based central banker would have concluded that monetary policy must act immediately. Kevin Warsh concluded that the Fed has work to do if underlying inflation is not moving in the right direction with sufficient speed. In practice, that still leaves some flexibility and may prevent a September rate hike if the next round of labor market and CPI figures are not too strong.

The mix is not conclusive

Overall, we see a growth and policy mix that is not a priori conclusive for G3 FX markets but depends on actual data and policy delivery. The US economy is still outperforming but the Euro-area and Japan had lately more positive growth surprises and forecast revisions. The policy mix is also similar in all three currency blocks, easy fiscal policy and tightening monetary policy. The question is who moves faster and more aggressively. To us, the risk is that the Fed may disappoint in September but be forced to catch up later in the year. An advantage for the USD is still its carry lead versus CHF, JPY, SEK, CAD and EUR. But that lead could narrow, notably in the case of the JPY if the BoJ gets serious about normalizing policy and stabilizing the JPY. Increased discomfort with US policy credibility could also offset the carry advantage as it did in 2025. This could be especially the case if the market gets the impression that US Treasury and Fed collude to keep Treasury yields capped.

With no strong a priori view on market direction, we expect continued range-trading with the possibility of increased volatility and prefer to stay with our discretionary Macro position on the sidelines. Our Business Sentiment positions are on balance short USD, and our Technical positions are on balance neutral USD, which implies a small overall short USD position.

10-year US Treasury yield and fundamental estimate* (in %)



* The estimate incorporates values for potential growth, long-term inflation expectations, inflation volatility, the fiscal balance, net private savings, foreign lending, the Fed funds rate adjusted by 1-year inflation expectations and Fed Treasury holdings

Sources: US Federal Reserve Board and QCAM

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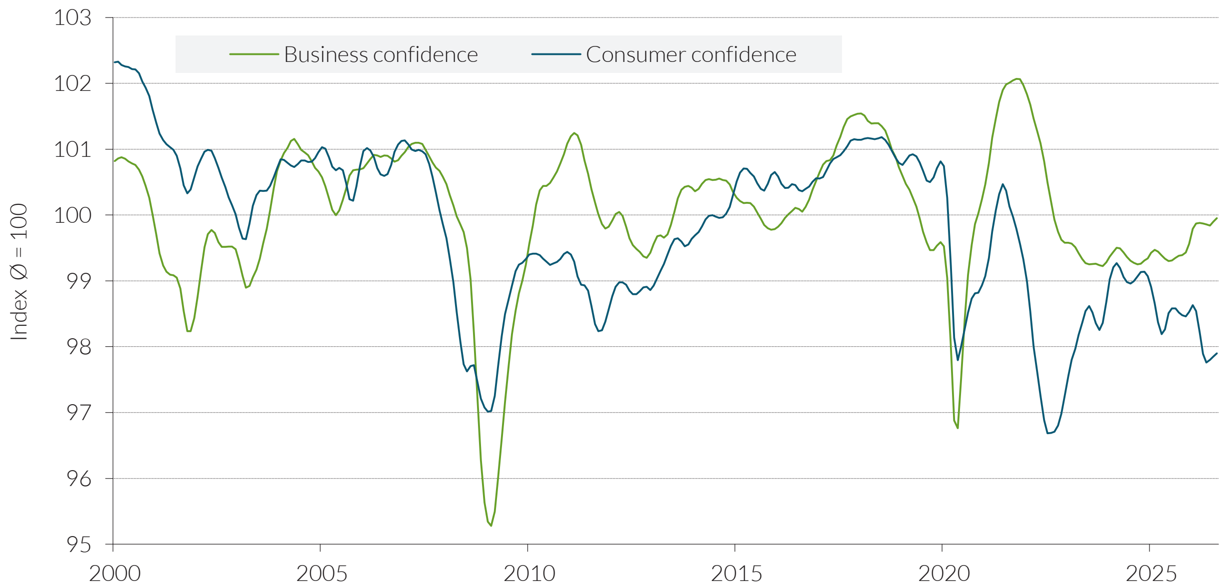
Economy & Interest Rates

Global economic conditions continue to improve gradually despite renewed tensions 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. 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. We believe central banks will hike interest rates further to contain inflation but we do not expect much more tightening. The inflation pressure is viewed as less dramatic than in 2022, growth conditions are softer and monetary policy stances are not super easy. We expect the ECB and the BoJ to tighten in September, while the Fed may lack but eventually tighten as well.

	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	2.7	n.a.	n.a.	2.7	3.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Developed	1.9	1.7	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	2.5	-0.9	0.5	-2.4	-2.0	114	113
Euro-area	1.3	1.0	6.4	6.3	2.1	2.8	1.7	0.4	-2.8	-3.1	88	89
Sweden	1.6	2.5	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	1.3	1.0	4.8	5.1	3.4	3.0	-2.5	-3.8	-4.3	-3.5	103	105
Japan	1.2	1.0	2.5	2.5	3.2	2.0	4.8	4.5	-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	3.9	n.a.	n.a.	2.8	3.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
China	5.0	4.7	5.2	5.3	0.0	1.0	3.8	3.5	-8.5	-8.5	96	100
India	7.7	7.0	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

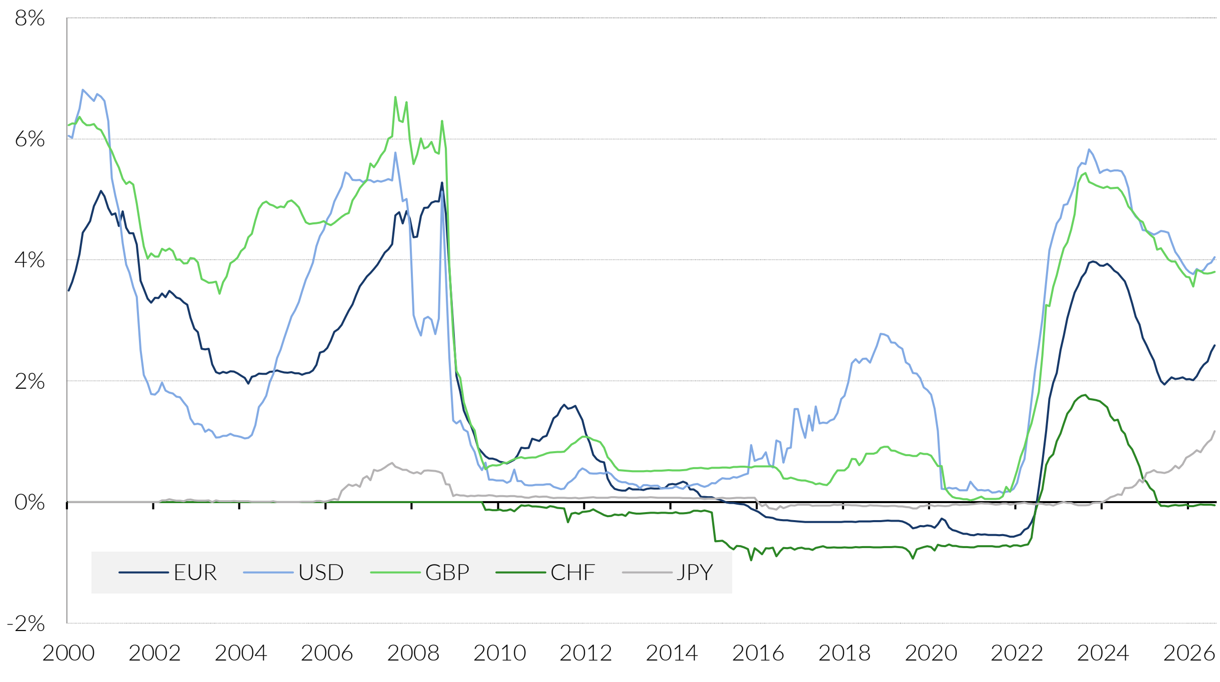
Interest Rates

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	3.82%	3.75%	3.65%	4.12%	4.47%	4.37%	4.27%	4.02%	3.63%	3.82%
EUR	2.61%	2.48%	2.25%	2.07%	2.85%	3.32%	3.17%	2.97%	2.64%	2.71%
JPY	1.18%	1.03%	0.91%	0.53%	0.43%	2.88%	2.71%	2.50%	1.44%	1.38%
GBP	3.82%	3.79%	3.80%	3.97%	4.47%	4.79%	4.65%	4.46%	4.23%	4.05%
CHF	-0.06%	-0.05%	-0.05%	-0.06%	0.57%	0.68%	0.69%	0.65%	0.50%	0.78%
AUD	4.50%	4.39%	4.40%	3.51%	4.11%	5.03%	4.85%	4.78%	4.06%	4.36%
CAD	2.30%	2.30%	2.28%	2.62%	3.41%	3.84%	3.74%	3.56%	3.41%	3.55%
SEK	1.85%	1.82%	1.78%	1.90%	2.65%	3.28%	3.13%	2.93%	2.68%	2.75%
RUB	13.30%	13.30%	14.00%	16.50%	16.59%	12.90%	12.90%	12.75%	12.44%	11.74%
BRL	12.39%	12.67%	13.11%	13.59%	11.68%	14.32%	14.27%	13.97%	13.40%	12.87%
CNY	1.44%	1.43%	1.41%	1.52%	1.76%	1.57%	1.58%	1.61%	1.74%	1.86%
TRY	37.87%	40.03%	41.75%	41.30%	44.86%	31.14%	31.05%	30.56%	28.25%	27.85%
INR	5.43%	5.46%	5.55%	5.52%	6.11%	6.72%	6.61%	6.85%	6.02%	6.29%

Source: QCAM Currency Asset Management, as of September 1st, 2026

3-month Rates



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

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FX Markets

FX Performance vs. PPP

The USD DXY slipped 0.3% over the last month with all major currencies gaining versus the USD except for the JPY and the SEK. The performance of EM currencies was more mixed with gains in the CNH and INR and losses in the RUB, TRY and BRL. Long USD speculative positions declined but remain elevated with oversold positions in CHF and JPY falling the most. Short-term interest rates moved slightly higher, pricing in potential rate hikes except for the CHF. The cost of forward hedging versus the USD was mostly stable and remains elevated with USDCHF and GBPCHF hedging still most expensive. Actual and implied FX volatilities were mixed in a range with the most contrast in JPY historical versus implied volatility. 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 (13% for the USD DXY) with JPY the most undervalued and the CHF and EUR close to fair value.

Overview

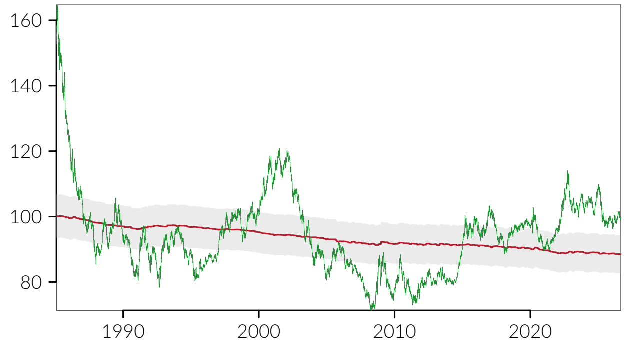
	Current Exchange Rate	Performance[1]				Purchasing Power Parity[2]		
		YTD	1M	12M	5 years	PPP	Neutral Range	Deviation[3]
EURUSD	1.159	-1.28%	0.60%	-1.02%	-2.21%	1.22	1.10 - 1.35	-5%
USDJPY	160.170	2.13%	0.50%	8.78%	45.56%	106.66	94.60 - 118.72	50%
GBPUSD	1.352	0.47%	0.37%	-0.20%	-1.95%	1.53	1.37 - 1.69	-12%
EURCHF	0.941	1.07%	1.03%	0.36%	-13.15%	0.84	0.80 - 0.89	12%
USDCHF	0.812	2.37%	0.42%	1.39%	-11.19%	0.76	0.68 - 0.84	7%
GBPCHF	1.098	2.86%	0.81%	1.19%	-12.92%	0.97	0.88 - 1.05	13%
CHFJPY	197.167	-0.25%	0.07%	7.29%	63.88%	96.99	86.02 - 107.95	103%
AUDUSD	0.715	7.16%	1.76%	9.09%	-3.06%	0.76	0.67 - 0.84	-6%
USDCAD	1.391	1.34%	-0.89%	1.09%	10.30%	1.24	1.15 - 1.32	12%
USDSEK	9.617	4.27%	0.87%	2.38%	11.83%	8.78	7.79 - 9.77	10%
EURSEK	11.141	2.93%	1.47%	1.34%	9.35%	8.88	8.34 - 9.42	25%
USDRUB	86.774	9.66%	9.35%	7.51%	19.12%	73.99	54.43 - 93.54	17%
USDBRL	5.150	-6.64%	1.38%	-5.45%	-0.58%	4.03	2.47 - 5.59	28%
USDCNH	6.722	-3.67%	-0.45%	-5.79%	4.21%	7.06	6.49 - 7.64	-5%
USDTRY	48.280	12.39%	1.61%	17.38%	481.05%	35.84	28.28 - 43.41	35%
USDINR	94.946	5.58%	-0.51%	7.92%	30.16%	84.33	77.64 - 91.03	13%
US_Dollar_Index	99.656	1.36%	-0.26%	1.93%	7.80%	88.52	82.69 - 94.34	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.

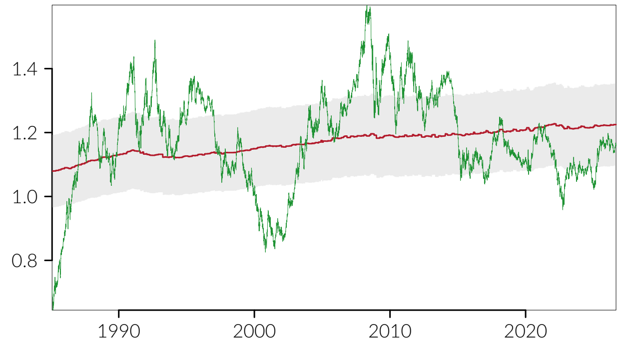
Source: QCAM Currency Asset Management, as of September 1st, 2026

Purchasing Power Parity

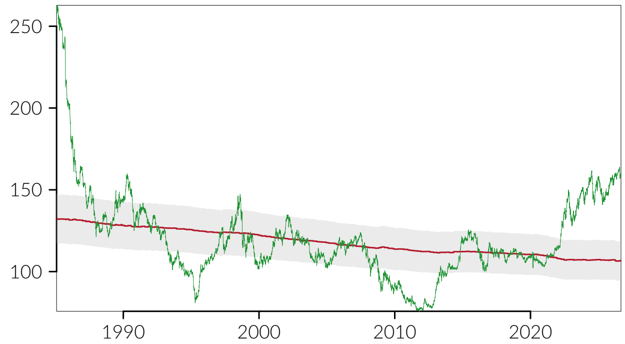
DXY



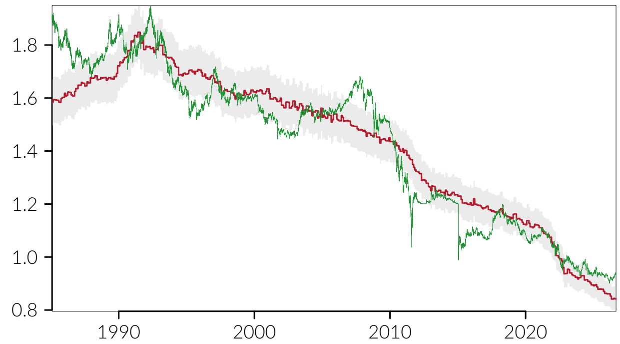
EURUSD



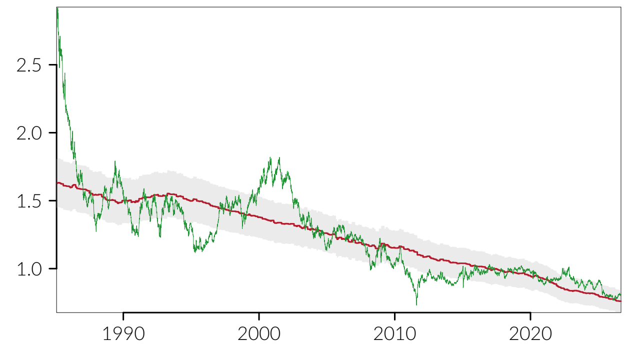
USDJPY



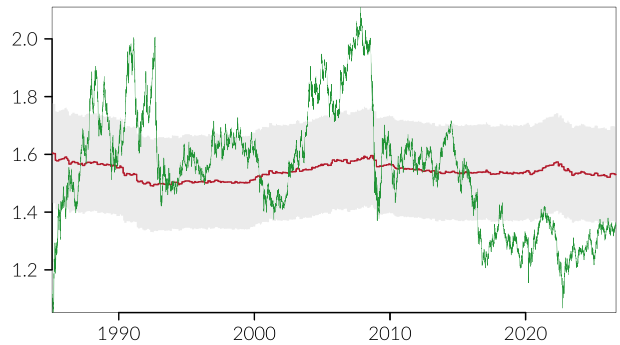
EURCHF



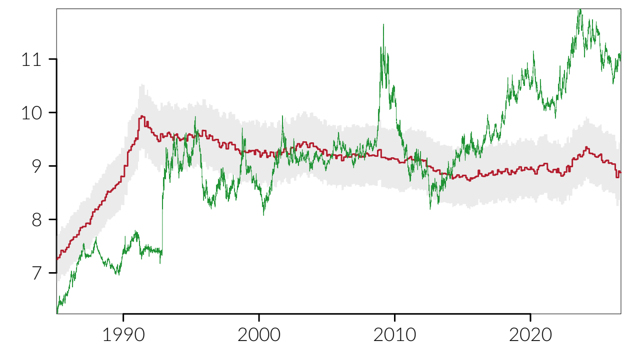
USDCHF



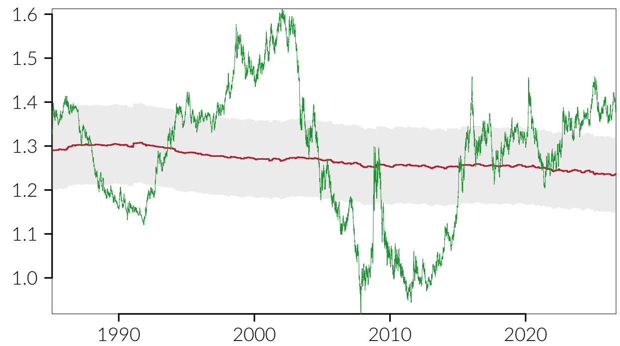
GBPUSD



EURSEK



USDCAD



Source: QCAM Currency Asset Management, as of September 1st, 2026

PPP Spot Neutral Range

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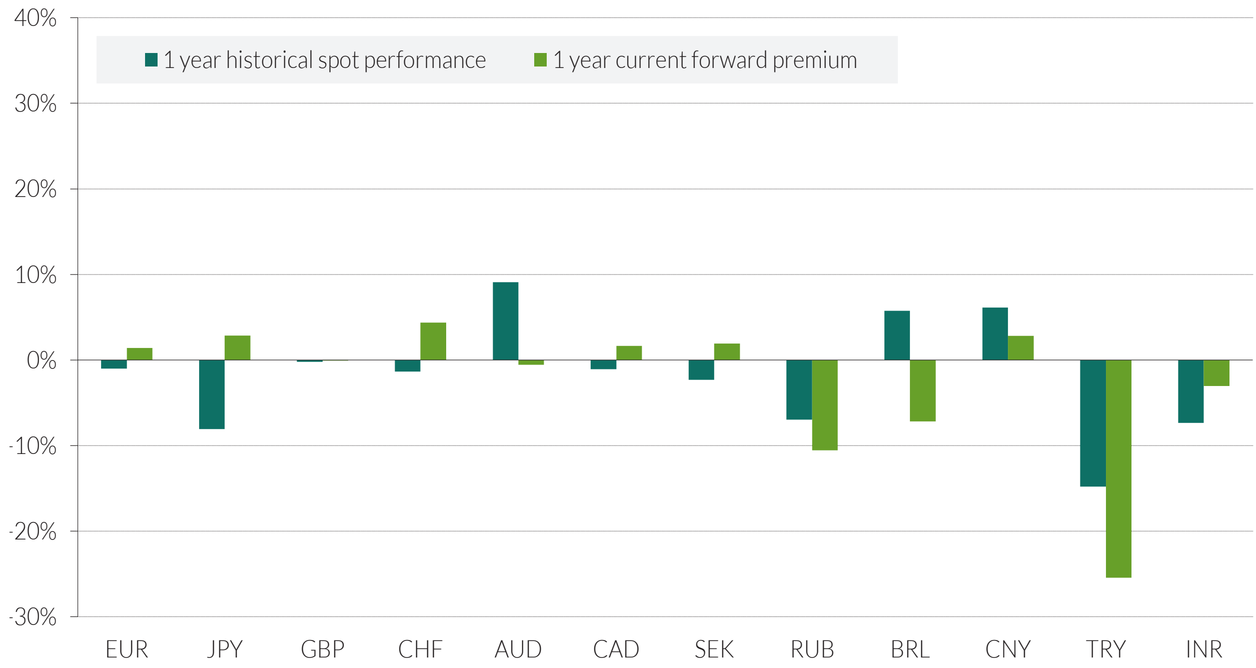
FX Spot vs Forwards

FX Forwards Level and Premium

	Current Exchange Rate	Forward Level			Premium p.a.		
		1M	3M	12M	1M	3M	12M
EURUSD	1.159	1.1600	1.1627	1.1749	1.40%	1.40%	1.39%
USDJPY	160.170	159.7649	159.0348	155.7190	-2.85%	-2.80%	-2.74%
GBPUSD	1.352	1.3516	1.3517	1.3505	0.04%	0.04%	-0.07%
EURCHF	0.941	0.9390	0.9349	0.9145	-2.60%	-2.65%	-2.79%
USDCHF	0.812	0.8094	0.8040	0.7784	-3.99%	-4.03%	-4.12%
GBPCHF	1.098	1.0940	1.0868	1.0512	-3.95%	-3.99%	-4.19%
CHFJPY	197.167	197.3689	197.7846	200.0482	1.15%	1.24%	1.44%
AUDUSD	0.715	0.7147	0.7139	0.7110	-0.50%	-0.60%	-0.55%
USDCAD	1.391	1.3886	1.3846	1.3677	-1.63%	-1.63%	-1.62%
USDSEK	9.617	9.5992	9.5680	9.4350	-2.02%	-1.99%	-1.86%
EURSEK	11.141	11.1349	11.1241	11.0850	-0.62%	-0.60%	-0.50%
USDRUB	86.774	87.4856	89.1126	97.0270	9.84%	10.32%	11.65%
USDBRL	5.150	5.1843	5.2467	5.5470	7.56%	7.45%	7.61%
USDCNY	6.722	6.7062	6.6802	6.5388	-2.46%	-2.48%	-2.69%
USDTRY	48.280	49.4651	51.9600	64.7695	29.45%	29.19%	33.69%
USDINR	94.946	95.1571	95.6432	97.9262	2.50%	2.90%	3.06%

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



Source: QCAM Currency Asset Management, as of September 1st, 2026

QCAM Currency Asset Management

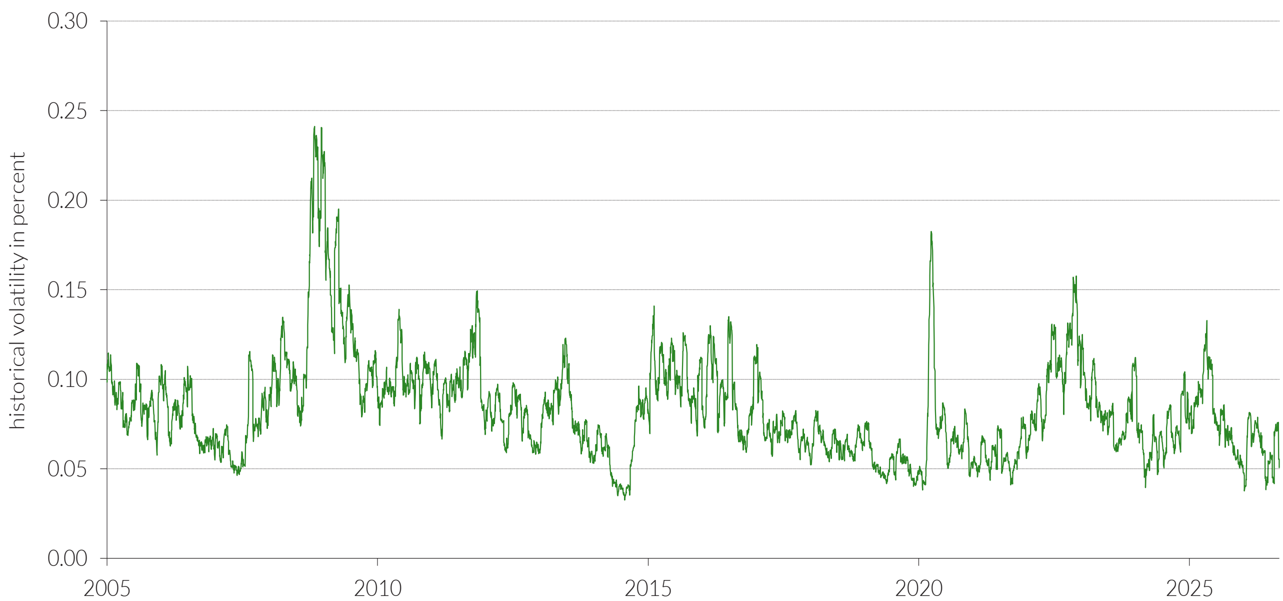
FX Volatility

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	5.05%	5.18%	7.23%	7.41%	5.54%	5.34%	7.43%	7.17%
USDJPY	160.170	8.07%	6.93%	9.38%	9.86%	7.46%	8.08%	9.68%	9.71%
GBPUSD	1.352	5.67%	6.54%	6.25%	8.11%	6.14%	6.15%	7.48%	8.01%
EURCHF	0.941	3.59%	3.20%	3.58%	5.19%	4.01%	3.87%	5.23%	5.56%
USDCHF	0.812	7.49%	7.11%	6.99%	7.94%	6.89%	6.82%	7.75%	7.51%
GBPCHF	1.098	4.54%	4.34%	5.46%	6.70%	5.02%	4.93%	7.20%	7.13%
CHFJPY	197.167	6.06%	4.81%	6.28%	8.18%	7.15%	7.76%	7.80%	8.77%
AUDUSD	0.715	6.62%	7.42%	7.63%	10.17%	7.43%	7.52%	8.55%	10.02%
USDCAD	1.391	4.50%	3.85%	4.75%	6.02%	4.52%	4.25%	4.85%	6.10%
USDSEK	9.617	9.24%	9.73%	9.21%	11.01%	8.60%	8.50%	9.81%	10.85%
EURSEK	11.141	5.04%	5.50%	5.18%	6.28%	5.18%	5.22%	5.43%	6.52%
USDRUB	86.774	15.00%	15.58%	18.55%	22.90%	24.85%	24.88%	23.60%	28.86%
USDBRL	5.150	9.94%	11.12%	8.32%	12.89%	15.36%	15.10%	11.95%	15.00%
USDCNY	6.722	1.95%	2.32%	2.29%	4.30%	2.20%	2.30%	3.70%	4.99%
USDTRY	48.280	1.23%	1.52%	2.19%	9.21%	10.28%	10.46%	13.38%	19.88%
USDINR	94.946	4.65%	5.87%	4.33%	3.94%	4.47%	5.36%	4.68%	4.54%

[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 September 1st, 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 principal 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.

September 2026 — Current positioning

There have been few position changes over the last four weeks. We kept the discretionary Macro positions at neutral given the range-bound currency outlook with increased volatility risks (see Insight, page 1). In Business Sentiment, only the CHF position shifted from short to long versus the USD. The overall Business Sentiment position is now 45% short USD. All Technical positions changed although not always with sign changes. On balance, the Technical position moved from 40% long USD to neutral. The balance of all strategy positions is now 15% short USD with the biggest short USD positions versus the GBP and the CHF and only the JPY position at neutral. The EUR crosses are slightly long versus the CHF and short versus the SEK.

Overview[1]

	Macro	Business Sentiment	Technical	Comment
EURUSD	0	+	0	Technical shifted from short EUR to neutral, tipping the balance of all strategy positions to a small long EUR.
USDJPY	0/+	––	+	The Macro carry model went short JPY while the short JPY Technical position declined, leaving the balance at neutral.
EURCHF	0	+	0	Business Sentiment shifted to long CHF versus the USD. Technical shifted to neutral CHF versus the EUR and long CHF versus the USD. The overall position is short CHF versus the EUR and 25% long CHF versus the USD.
USDCHF	0	–	–	
GBPUSD	0	+	+	The Technical long GBP position declined, reducing the balance of all strategy positions 35% long GBP.
EURSEK	0/+	––	–	Technical went long SEK, increasing the overall long SEK position to 35%.
USDCAD	0	–	0	Technical went neutral leaving the balance of all strategy positions 5% long 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

QCAM Currency Asset Management

EURUSD

The Euro economy has been more resilient than feared despite the ongoing oil supply shock and business surveys point to a sustained upward momentum. The US economy continues to outperform, but the lead is narrowing. We expect that both the Fed and the ECB will hike rates until year end, but the ECB could be earlier. The USD retains a clear carry advantage with the EUR on the funder side, but renewed uncertainty over US policy credibility could reduce/offset that advantage and support increased hedging activity. As a result, we kept the discretionary Macro position at neutral. Business Sentiment stayed modestly long EUR and the short EUR Technical position turned neutral, turning the balance of all strategy positions to a small long EUR.

	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 in 2026
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 prevail
Technical	Price Action	0	Technical turned neutral
	Spec Positions	0/+	Net EUR position remains significantly oversold
	PPP Valuation	0	EUR is slightly (5%) 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 rise in oil prices, inflation has declined but is still too high for public comfort and likely to rise again. Concerted US/Japan FX interventions have failed to prop up the JPY on a sustained basis. More lasting JPY support will have come from more aggressive BoJ tightening, which is not yet assured. As a result, we kept the Macro position at neutral also given still strong USD fundamentals and attractive carry. Shifts in Fed and BoJ policies could turn the Macro position in either direction. The Macro carry model went short JPY and the short JPY Technical position declined, leaving the balance of all strategy positions at neutral.

	FX Factors	JPY Impact	Comment
Macro	Current Account Balances	+	Rising energy prices have failed to put a dent into Japan's sizable current account surplus
	FDI Flows	–	Net outflows largely offset current account surplus
	Interest Rate Differentials	–	The Macro carry model went short JPY
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 remained short JPY
	Spec Positions	+	The net position is underweight JPY but no longer extreme
	PPP Valuation	+	The JPY is currently about 50% undervalued

USDJPY and QCAM Strategic Positioning

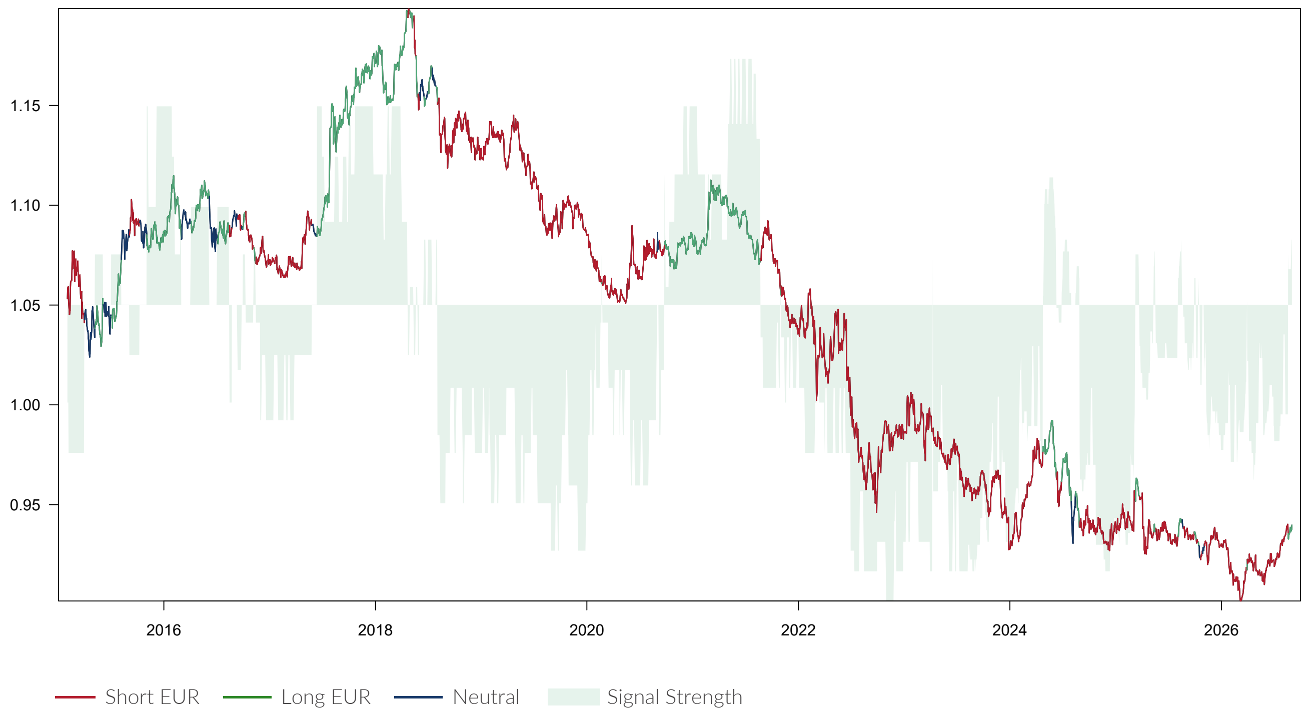
Source: QCAM Currency Asset Management

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 stayed short CHF and Technical turned neutral CHF, leaving the balance of all strategy positions slightly short 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 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	0	Technical went neutral CHF
	PPP Valuation	0	The CHF is 12% 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 long CHF, shifting the overall position to long CHF versus the USD as well.

	FX Factors	CHF Impact	Comment
Macro	Current Account Balances	+	Surplus remains steady support for CHF despite higher oil prices
	Interest Rate Differentials	–	SNB expected to keep interest rates unchanged
	SNB Policy Intervention	0	Limited risk of sizable SNB FX interventions
Sentiment	Business Sentiment	+	The Swiss economy moved ahead of 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 long CHF
	Spec Positions	+	The oversold CHF position has declined significantly
	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 stayed long GBP, leaving the overall strategy position 35% 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 stayed long GBP
	Spec Positions	+	The net short GBP position declined a bit but is still large
	PPP Valuation	0/+	The GBP is 12% undervalued

GBPUSD and QCAM Strategic Positioning

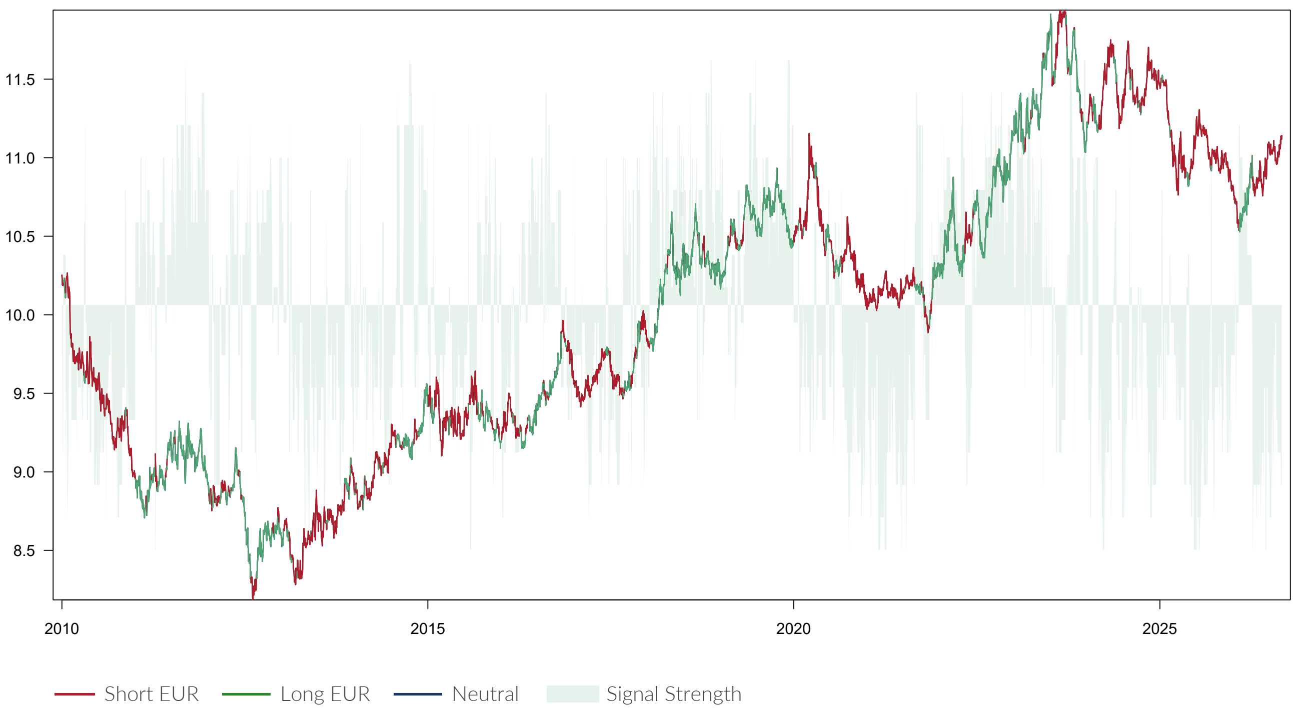
Source: QCAM Currency Asset Management

EURSEK

We keep the discretionary Macro position at neutral. Economic conditions have improved significantly despite the negative oil supply shock. 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 and Technical stayed long SEK, leaving the overall position 35% long SEK 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 somewhat 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 25% undervalued versus the EUR

EURSEK and QCAM Strategic Positioning



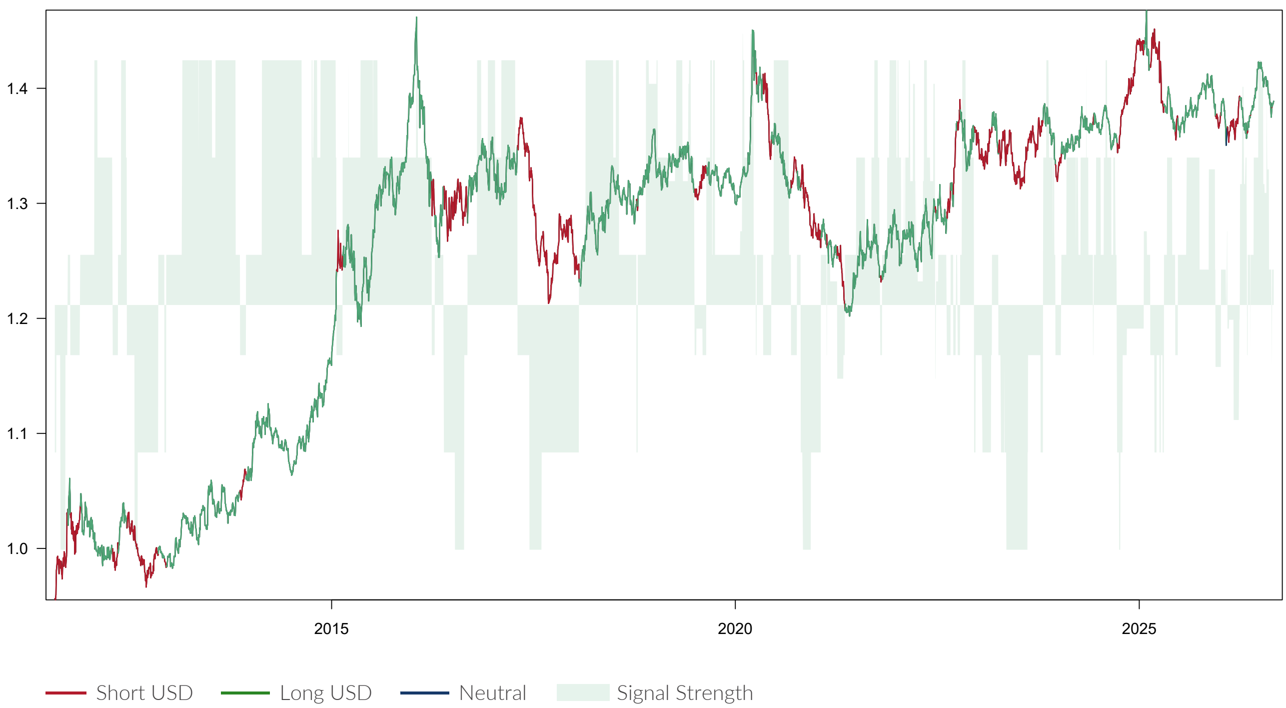
Source: QCAM Currency Asset Management

USDCAD

We kept the Macro position at neutral. As a net oil&gas exporter, Canada continues to benefit from the oil supply disruptions caused by the Iran war. On the other hand, the trade conflict with the US has re-accelerated 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 long CAD, while Technical moved to neutral, leaving the overall position at 5% long CAD.

	FX Factors	CAD Impact	Comment
Macro	Current Account Balances	0/+	Canada's current account turned to a surplus in Q2 on increased oil export revenues
	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	0	Technical went neutral CAD
	Spec Positions	0/+	The CAD position remains oversold but less extreme
	PPP Valuation	0	CAD is about 12% undervalued versus the USD

USDCAD and QCAM Strategic Positioning



Source: QCAM Currency Asset Management

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 individual requirements
- Independent selection of suitable external services providers
- No principal-agent conflicts
- Transparent fee model – no hidden costs
- Transparent reporting

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