

October 2026

QCAM MONTHLY

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QCAM Insight

Fallout from the Bond Selloff

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The USD seemingly benefitted from the selloff in global government bond markets, but not uniformly. Fed repricing has peaked and a debt crisis in Europe is not imminent. Thus, we remain neutral on EURUSD but see upside potential for the JPY as the BoJ continues its normalization policy and go long the CHF as a hedge against the risk of escalating debt problems in the Euro area.

The selloff in government bonds dominated financial markets over the last five weeks. At the center of attention were US Treasuries with the 10-year yield peaking at 5.36% (+70bps since August 31st) and French OATs with the 10-year yield peaking at 4.99% (+82 bps since August 31st). In the last issue of the QCAM Monthly, we already pointed out that the rise in US government bond yields was driven by fundamentals and unlikely to be stopped by Treasury interventions. The decisions by the ECB and the Fed in September to raise interest rates and the hawkish bias of the subsequent press conferences were the main triggers that raised concerns over rising public debt and its sustainability.

Bond sell off with mixed FX impact

The fallout in FX markets was a sideshow relative to the turmoil in government bond markets. Overall, the USD came out as the clear winner with the USD DXY up 2.8% since August 31st. The obvious explanation is that the Fed made the most radical change to a hawkish policy stance and the market changed the outlook for the Fed funds rate accordingly. However, there was a notable exception, the JPY, which appreciated versus the USD. Moreover, there is not a clearcut re-

lationship between the changes in relative bond spreads and FX performance, especially when looking at the different spread changes within the Euro-area (see chart).

In our view, bond market performance was not the dominant driver of FX performance. Besides the relative repricing of central bank policy trajectories, we see relative equity market performance as a key driver of FX movements over the last five weeks. The best performing equity market over the last five weeks was Japan (+5.6%), followed by the US (+1.7%), while all other equity markets declined with France at the tail end (-6.0%). To be sure, there is an indirect relationship. Equity market performance has been inversely related to bond yield changes. France had the largest increase in bond yields and the worst equity market performance. Japan had the smallest bond yield increase and the best equity market performance. However, Japan's equity and FX outperformance was stronger than what would be consistent with the small rise in bond yields. In our view, this points to signs of a structural unwind of the carry trade and a recovery in Japan's safe-haven feature.

The second anomaly is the US, where bond market turmoil has failed to derail the equity market and thus the USD. We attribute that to the prevailing flight-to-quality appeal and the ongoing attraction of AI for the US equity market. The third peculiarity is the limited fallout of public debt concerns and political uncertainty in the Euro-area on the EUR. To be sure, spread widening within the Euro-area had a direct impact on EURUSD at several instances, but the EUR is not the distant underperformer relative to other major curren-

cies. In our view, spread widening within the Euro-area was driven by position squaring in fixed-income markets with limited cross-currency implications and has so far not triggered the sort of distress as seen during the Euro-debt crisis in 2010/11.

Not yet a strong trend to chase

Key question is whether the USD rally is at the beginning of a sustained USD bull market. Growth leadership, AI, safe-haven status and carry appeal have been USD bullish factors that we have been identifying for a while. However, we believe Fed repricing has peaked and while the growth story remains strong, positive surprises are lacking, while global growth conditions are improving. Furthermore, the USD's safe-haven and carry appeal are not uncontested. In particular, if the selloff in the Treasury market continues, fixed-income outflows may become stronger and have an overriding negative impact on the USD.

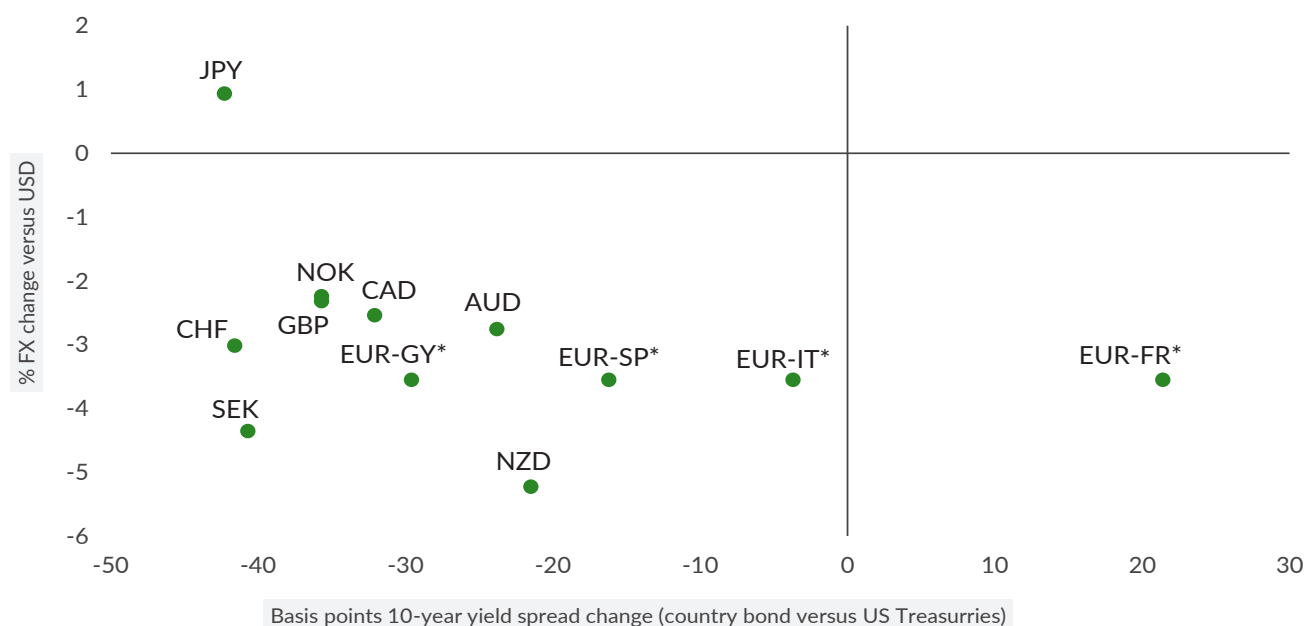
Important is also what happens on the other side. As pointed out above, we see Japan's safe-haven status improving. We also think that the BoJ will stay on the policy normalization path and hike interest rates by at

least 100bps over the next twelve months, exceeding what the market expects from the Fed and reducing the JPY's appeal as a funding currency for carry trades. The outlook for the Euro-area is admittedly more uncertain. However, we expect continued economic recovery and believe that the ECB will not fall behind the Fed in the fight against inflation. As a result, we keep our EURUSD Macro position at neutral and go long JPY versus the USD.

Long CHF as hedge

Euro-debt problems and related political uncertainties remain a significant risk, however, especially in the runup to the elections in Spain and France. A good hedge in our view is the CHF. In the past, the CHF has always benefited when the Euro came internally under pressure and there have been very recent instances that suggest that this is still the case. Moreover, latest policy indications suggest that the SNB is more willing to tolerate CHF strength to keep a lid on inflation and may even hike interest rates next year, which could also start reducing the CHF's appeal as funding currency for carry trades.

10-year yield spread changes and FX performance versus the USD since August 31^{*}



* EUR-GY, EUR-FR, EUR-IT and EUR-SP are the EURUSD changes and the respective spread changes for Germany, France, Italy and Spain versus the US.

Sources: investing.com and QCAM

Economy & Interest Rates

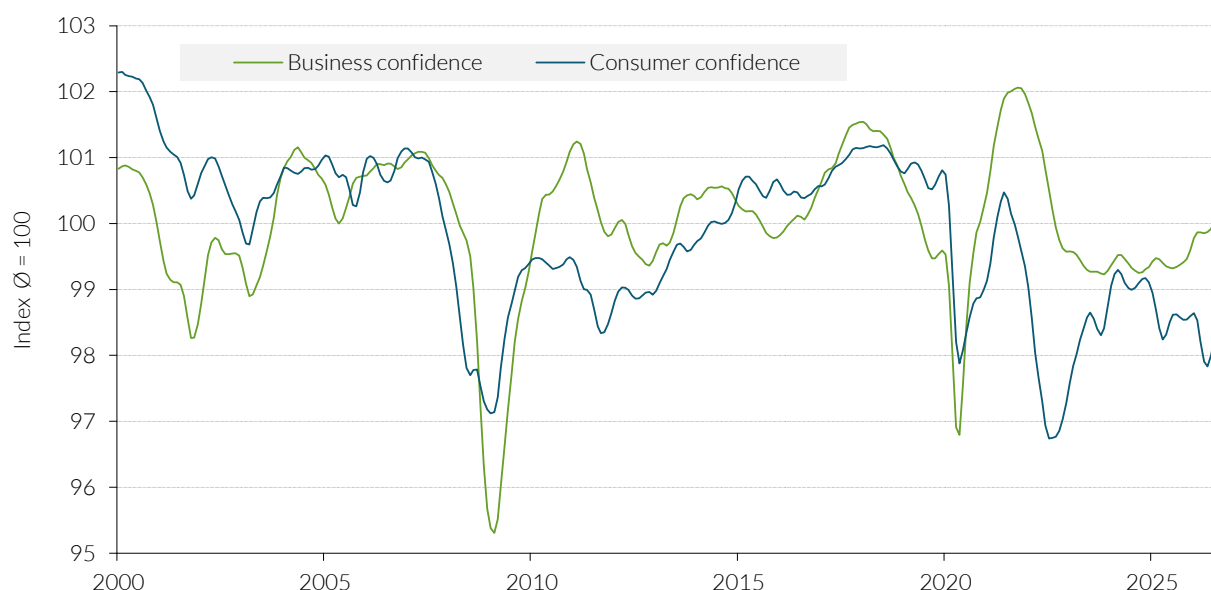
Global economic conditions continue to improve despite ongoing oil supply shortages and rising interest rates. Revised business sentiment figures have improved significantly over the last few months and consumers have also regained some confidence but less so. The US remains the global growth engine, 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 completely undone

and remains uneven. Central banks will raise interest rates further to contain inflation, but we do not expect significantly 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 expect the Fed and the ECB to hike 25 to 50 bps until next March and then pause, while we look for 100bps additional rate hikes from the BoJ over the next 12 months.

	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	2.8	n.a.	n.a.	2.7	3.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Developed	1.9	1.8	n.a.	n.a.	2.6	3.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
USA	2.3	2.3	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	1.1	6.3	6.3	2.1	2.9	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	1.2	1.2	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	4.4	4.0	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

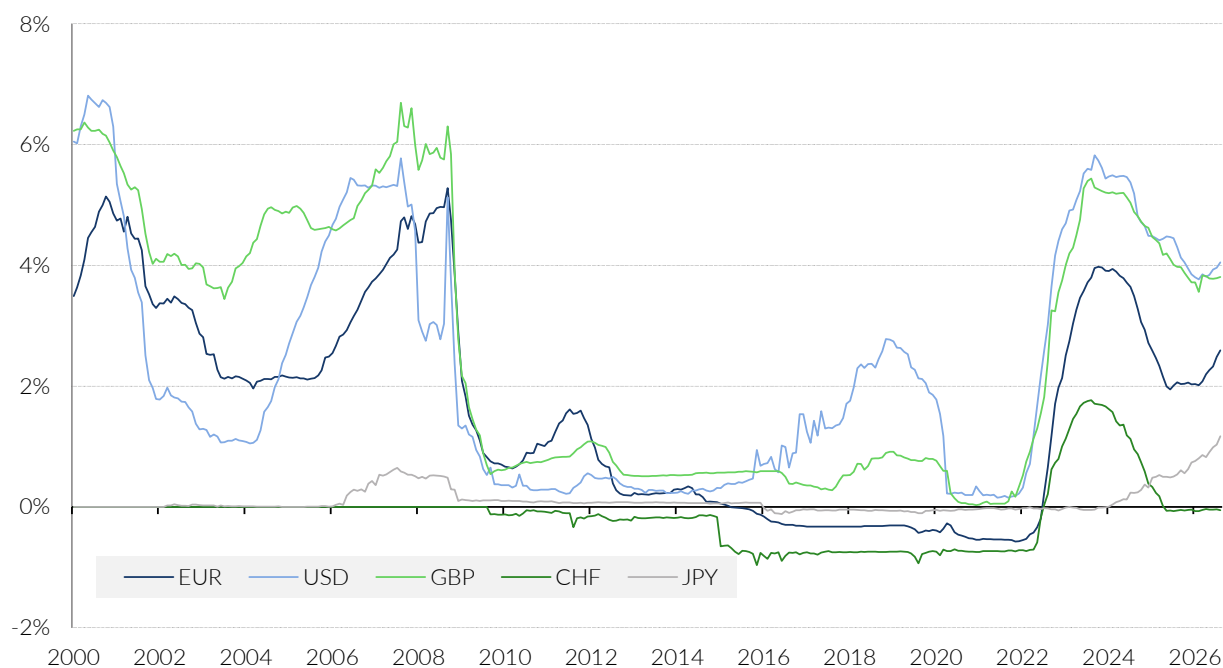
Interest Rates

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	4.00%	3.81%	3.72%	3.87%	4.43%	4.84%	4.35%	4.00%	3.60%	3.83%
EUR	2.60%	2.68%	2.32%	2.03%	2.81%	3.52%	3.29%	2.93%	2.66%	2.72%
JPY	1.29%	1.21%	0.99%	0.54%	0.47%	2.96%	2.77%	2.67%	1.54%	1.44%
GBP	3.93%	3.81%	3.77%	3.97%	4.42%	4.94%	4.68%	4.38%	4.19%	4.06%
CHF	-0.03%	-0.05%	-0.05%	-0.05%	0.52%	0.77%	0.70%	0.57%	0.49%	0.75%
AUD	4.69%	4.54%	4.40%	3.53%	4.12%	5.26%	5.02%	4.66%	4.16%	4.39%
CAD	2.40%	2.32%	2.28%	2.41%	3.33%	4.04%	3.86%	3.50%	3.20%	3.57%
SEK	1.91%	1.84%	1.77%	1.75%	2.59%	3.40%	3.22%	2.84%	2.73%	2.75%
RUB	16.70%	13.30%	13.80%	15.50%	16.88%	12.90%	12.90%	12.90%	12.51%	11.76%
BRL	11.81%	12.23%	12.96%	13.41%	11.72%	12.52%	14.02%	14.29%	13.47%	12.96%
CNY	1.44%	1.44%	1.44%	1.61%	1.74%	1.56%	1.56%	1.56%	1.78%	1.83%
TRY	37.40%	37.77%	39.56%	40.75%	45.00%	31.31%	31.10%	29.70%	29.09%	28.03%
INR	5.65%	5.42%	5.35%	5.46%	6.07%	6.87%	6.70%	6.36%	5.89%	6.29%

Source: QCAM Currency Asset Management, as of October 6th, 2026

3-month Rates



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

FX Markets

FX Performance vs. PPP

The USD DXY rallied 2.7% over the last month with all major currencies losing versus the USD except for the JPY. The performance of EM currencies was mixed with the CNH stable, gains in the BRL and the RUB and losses in the TRY and the INR. Speculative positions are modestly long USD, with the EUR most oversold and the JPY position modestly long. Short-term interest rates moved slightly higher pricing in potential rate hikes, but the main upward move was in long-term interest rates. The cost of forward hedging versus the USD was mostly stable and re-

mains elevated with USDCHF and GBPCHF hedging still most expensive. Actual and implied FX volatilities were mixed in a range with the biggest increase in CHF 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 (15% for the USD DXY) with JPY the most undervalued and the AUD, EUR and CHF closest to fair value.

Overview

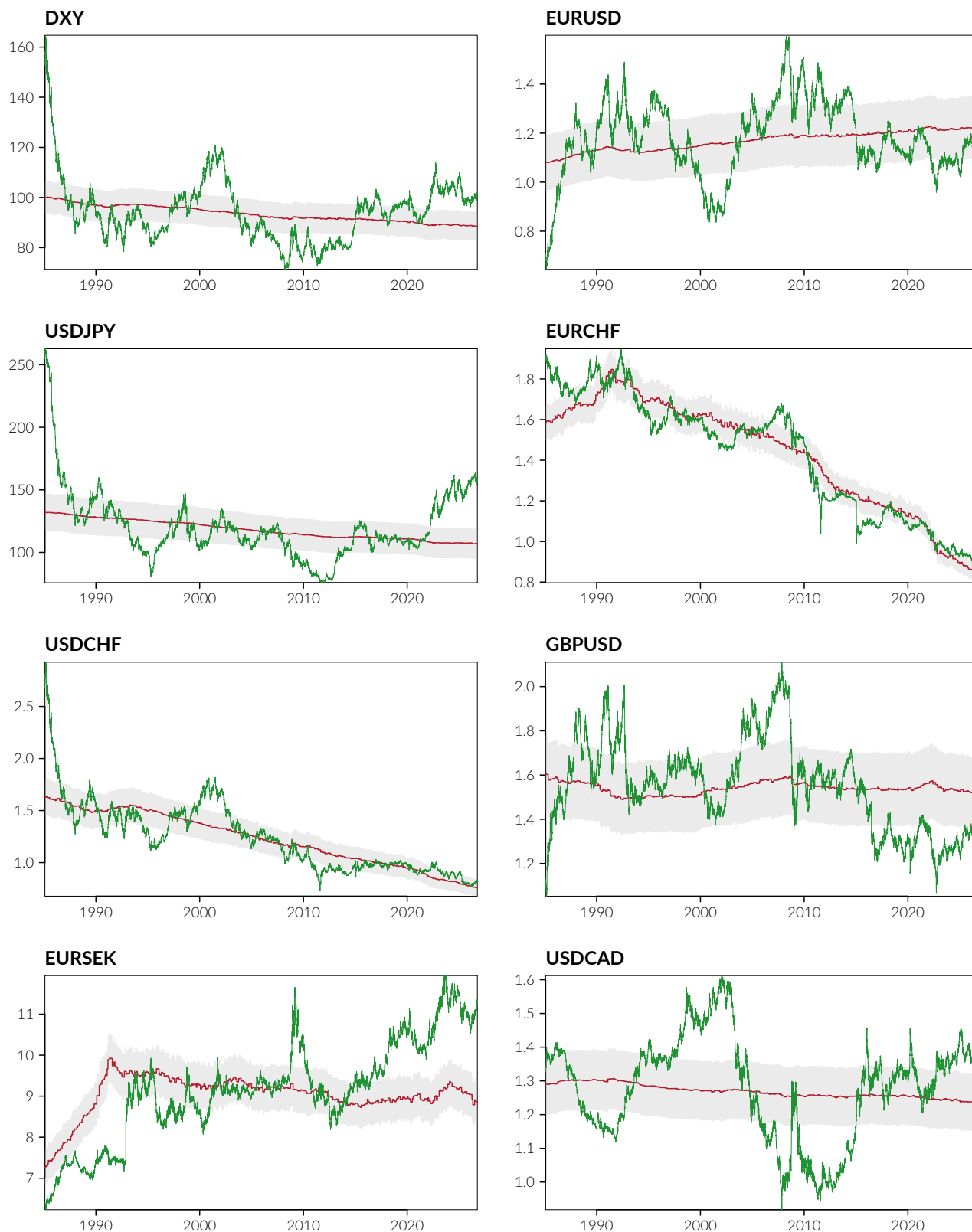
	Current Exchange Rate	Performance ¹				Purchasing Power Parity ²		
		YTD	1M	12M	5 years	PPP	Neutral Range	Deviation ³
EURUSD	1.126	-4.07%	-3.12%	-3.88%	-2.47%	1.23	1.10 - 1.35	-8%
USDJPY	158.160	0.85%	1.38%	5.33%	41.99%	107.03	94.94 - 119.12	48%
GBPUSD	1.327	-1.34%	-1.83%	-1.51%	-2.08%	1.53	1.36 - 1.69	-13%
EURCHF	0.936	0.51%	-0.47%	0.51%	-12.65%	0.85	0.80 - 0.90	10%
USDCHF	0.831	4.78%	2.74%	4.57%	-10.43%	0.76	0.68 - 0.85	9%
GBPCHF	1.104	3.38%	0.86%	3.00%	-12.30%	0.97	0.88 - 1.05	14%
CHFJPY	190.234	-3.75%	-1.32%	0.73%	58.52%	97.28	86.29 - 108.26	96%
AUDUSD	0.698	4.65%	-3.16%	5.52%	-3.70%	0.75	0.67 - 0.84	-7%
USDCAD	1.422	3.65%	2.78%	1.96%	12.71%	1.24	1.15 - 1.32	15%
USDSEK	9.994	8.37%	4.51%	6.56%	13.37%	8.83	7.83 - 9.82	13%
EURSEK	11.251	3.95%	1.25%	2.42%	10.56%	8.86	8.32 - 9.40	27%
USD RUB	84.944	7.35%	-1.08%	2.19%	17.18%	73.79	54.30 - 93.27	15%
USDBRL	4.982	-9.68%	-2.74%	-6.22%	-9.85%	4.03	2.47 - 5.59	24%
USDCNH	6.702	-3.96%	-0.07%	-6.17%	3.76%	7.06	6.48 - 7.63	-5%
USDTRY	49.177	14.48%	1.52%	17.98%	453.32%	36.47	28.78 - 44.15	35%
USDINR	96.374	7.17%	2.06%	8.64%	28.78%	84.80	78.07 - 91.52	14%
US Dollar Index	101.859	3.60%	2.71%	3.82%	8.05%	88.56	82.73 - 94.39	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.

Purchasing Power Parity



Source: QCAM Currency Asset Management, as of October 6th, 2026

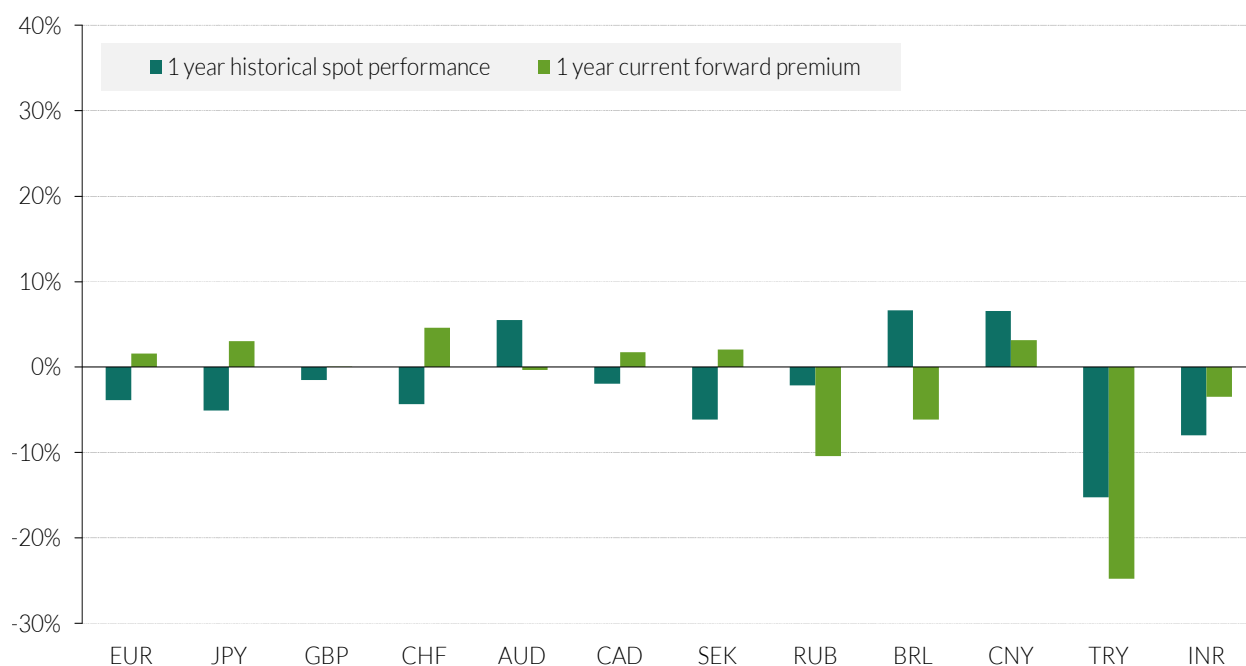
— PPP — Spot — Neutral Range

FX Spot vs Forwards

FX Forwards Level and Premium

	Current Exchange Rate	Forward Level			Premium p.a.		
		1M	3M	12M	1M	3M	12M
EURUSD	1.126	1.1273	1.1302	1.1436	1.46%	1.53%	1.56%
USDJPY	158.160	157.7608	156.9739	153.4888	-2.84%	-2.93%	-2.91%
GBPUSD	1.327	1.3274	1.3276	1.3280	0.19%	0.13%	0.06%
EURCHF	0.936	0.9337	0.9294	0.9090	-2.69%	-2.74%	-2.85%
USDCHF	0.831	0.8283	0.8224	0.7948	-4.14%	-4.25%	-4.34%
GBPCHF	1.104	1.0996	1.0919	1.0556	-3.95%	-4.13%	-4.28%
CHFJPY	190.234	190.4548	190.8818	193.1106	1.31%	1.33%	1.49%
AUDUSD	0.698	0.6978	0.6973	0.6958	-0.58%	-0.53%	-0.34%
USDCAD	1.422	1.4199	1.4157	1.3979	-1.77%	-1.80%	-1.68%
USDSEK	9.994	9.9744	9.9372	9.7927	-2.23%	-2.23%	-1.99%
EURSEK	11.251	11.2432	11.2301	11.1988	-0.77%	-0.72%	-0.46%
USDRUB	84.944	85.7326	87.3559	94.8079	10.13%	10.65%	11.45%
USDBRL	4.982	5.0101	5.0668	5.3084	6.30%	6.65%	6.46%
USDCNY	6.702	6.6876	6.6553	6.4978	-2.56%	-2.69%	-2.99%
USDTRY	49.177	50.4606	52.8603	65.3852	28.48%	29.31%	32.51%
USDINR	96.374	96.7482	97.4598	99.8660	4.37%	4.41%	3.57%

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



Source: QCAM Currency Asset Management, as of October 6th, 2026

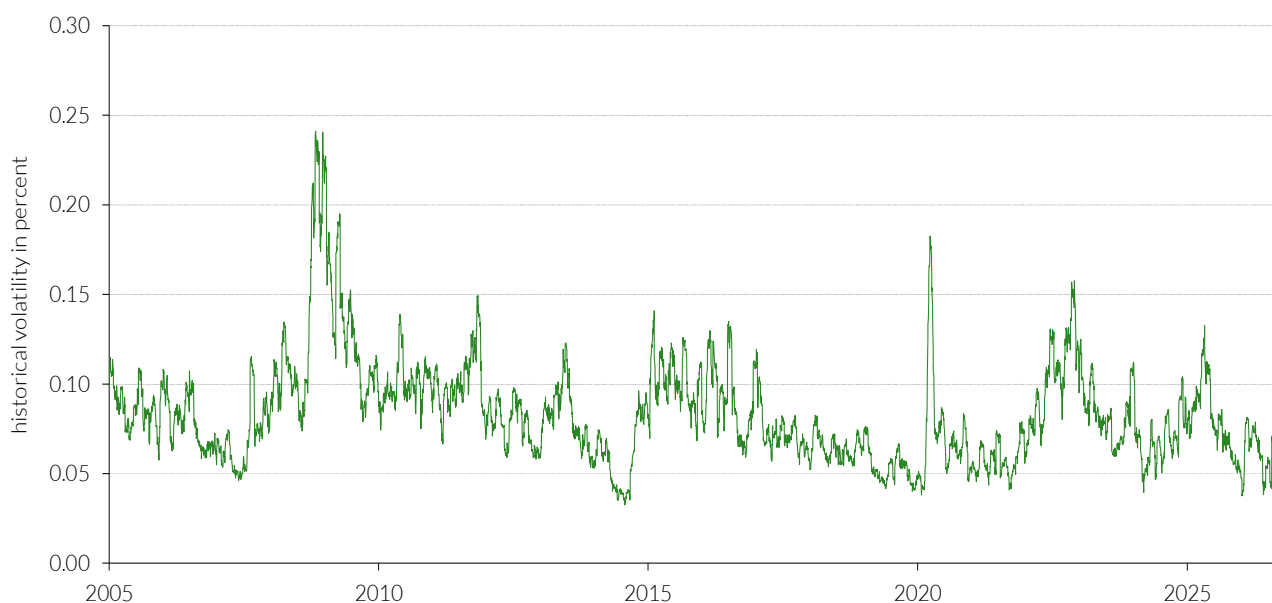
FX Volatility

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	1.126	5.20%	5.12%	6.93%	7.41%	6.05%	5.50%	6.33%	7.18%
USDJPY	158.160	9.80%	9.33%	8.57%	9.95%	8.29%	9.05%	8.83%	9.78%
GBPUSD	1.327	5.48%	5.71%	6.30%	8.09%	6.15%	6.19%	6.97%	8.00%
EURCHF	0.936	4.85%	3.69%	2.98%	5.19%	5.09%	4.18%	3.95%	5.56%
USDCHF	0.831	7.28%	7.71%	6.84%	7.95%	6.88%	7.10%	6.80%	7.52%
GBPCHF	1.104	5.20%	4.65%	5.13%	6.67%	5.62%	5.28%	6.15%	7.10%
CHFJPY	190.234	7.72%	6.79%	6.12%	8.22%	8.20%	8.50%	7.18%	8.83%
AUDUSD	0.698	6.56%	6.61%	6.79%	10.13%	7.67%	7.61%	8.05%	10.00%
USDCAD	1.422	4.51%	4.69%	3.87%	5.94%	4.22%	4.60%	4.28%	6.05%
USDSEK	9.994	7.95%	9.36%	8.94%	11.02%	9.17%	8.49%	9.08%	10.92%
EURSEK	11.251	4.28%	5.02%	4.33%	6.29%	5.53%	5.26%	5.35%	6.54%
USDRUB	84.944	10.95%	14.47%	18.03%	23.02%	24.18%	23.63%	23.10%	29.12%
USDBRL	4.982	12.43%	10.00%	8.48%	12.75%	14.22%	15.80%	11.28%	15.01%
USDCNY	6.702	1.64%	1.95%	2.20%	4.27%	2.25%	2.30%	3.03%	5.01%
USDTRY	49.177	1.22%	1.23%	1.34%	9.04%	8.30%	8.86%	13.35%	19.97%
USDINR	96.374	3.87%	4.73%	3.87%	3.94%	4.91%	4.52%	3.33%	4.54%

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

QCAM Volatility Indicator³



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

Source: QCAM Currency Asset Management, as of October 6th, 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 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 po-

sitioning 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.

October 2026 – Current positioning

There have been several position changes over the last five weeks. We changed the discretionary Macro positions to long JPY and CHF (see Insight, page 1). The JPY Macro carry model position also shifted to long JPY. In Business Sentiment, only the CHF position shifted from short to long versus the EUR. The overall Business Sentiment position is now 48% short USD. All Technical positions changed although not all in the same direction. On balance, the Technical position moved from neutral to 20% long USD. The balance of all strategy positions is now 20% short USD with the biggest short USD positions versus the JPY and the only long USD position versus the CAD. The EUR crosses are neutral versus the CHF and short versus the SEK.

Overview¹

	Macro	Business Sentiment	Technical	Comment
EURUSD	0	+	-	Technical shifted from neutral to short EUR, leaving the balance of all strategy positions slightly long EUR.
USDJPY	-/-	--	--	Macro and Technical shifted to long JPY, pushing the balance of all strategy position to long JPY as well.
EURCHF	-	-	++	Macro shifted to long CHF, Business Sentiment shifted to long CHF versus the EUR and Technical shifted to short CHF. The overall position is neutral CHF versus the EUR and slightly long CHF versus the USD.
USDCHF	-	-	+	
GBPUSD	0	+	-	Technical shifted to short GBP, leaving the balance of all strategy positions close to neutral.
EURSEK	0/+	--	0	Technical went neutral SEK, reducing the overall long SEK position to 25%.
USDCAD	0	-	++	Technical went short CAD leaving the balance of all strategy positions 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

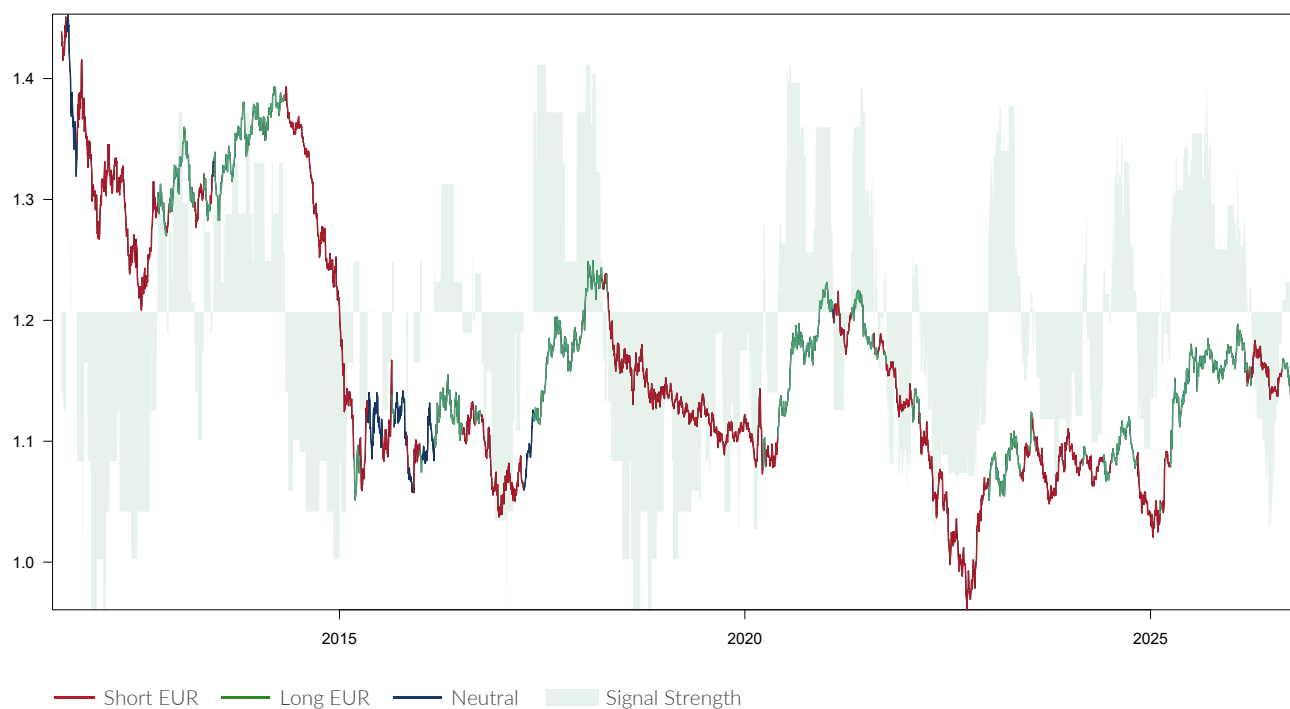
EURUSD

The slide of EURUSD over the last five weeks was primarily driven by USD strength. Fiscal concerns, notably in France, and general political uncertainty probably contributed somewhat to EUR weakness but was not the main driver. 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

by 25 to 50 bps over the next six months, but the ECB could be earlier. The USD retains a carry advantage, but we think Fed repricing has peaked and it needs a new USD positive or EUR negative surprise to move EURUSD below 1.10. As a result, we kept the discretionary Macro position at neutral. Business Sentiment is 40% long EUR and Technical turned 30% short EUR, leaving the balance of all strategy positions at 10% 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 remains below the US deficit
	Interest Rate Differentials	0	Similar probabilities of rate hikes by ECB and Fed in 2026/27
Sentiment	Business Sentiment	-	The momentum of Euro-area surveys moved ahead versus that of US surveys
	Risk Sentiment	0/-	Global and national political uncertainties prevail
Technical	Price Action	-	Technical turned short EUR
	Spec Positions	0/+	Net EUR position remains significantly oversold
	PPP Valuation	0	EUR is 8% below fair value

EURUSD and QCAM Strategic Positioning



Source: QCAM Currency Asset Management

USDJPY

We shifted the discretionary Macro position to long 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. Against that background, we expect the BoJ to con-

tinue policy normalization, hiking 100bps over the next twelve months. We believe fundamentals and policy changes will strengthen the JPY's safe-haven character and reduce its funding appeal for carry trades. The Macro carry model went long JPY and Technical shifted to long JPY as well, moving the balance of all strategy positions from neutral to long JPY.

	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 long JPY
Sentiment	Business Sentiment	++	The momentum of Japanese Business Sentiment is stronger versus that of US surveys
	Risk Sentiment	0/+	First signs that the safe-haven character is recovering
Technical	Price Action	-	Technical went long JPY
	Spec Positions	0	The net position is modestly overweight JPY
	PPP Valuation	+	The JPY is currently about 48% undervalued

USDJPY and QCAM Strategic Positioning



Source: QCAM Currency Asset Management

EURCHF

We shifted the discretionary Macro position to long CHF. Swiss fundamentals remain solid, especially the support from external and fiscal positions. Swiss inflation is still low but rising. We do not expect the SNB to hike rates this year, but we think the pendulum has moved from an easing bias to a tightening bias. We also believe the SNB has become more relaxed about CHF strength, given the recent weakness and changes in

macro and policy conditions. As a result, we expect no major FX interventions also to avoid escalating the conflict with the US. Further upside potential for the CHF comes from possible tensions in the Euro-area and reductions in carry trades. Business Sentiment went long CHF and Technical turned short CHF, leaving the balance of all strategy positions neutral 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 until year end
	SNB Policy Intervention	0	Limited risk of significant SNB FX interventions
Sentiment	Business Sentiment	+	The Swiss economy moved ahead of the Euro-area economy in the surveys
	Risk Sentiment	0	Tensions in the Euro-area could revive the CHF's safe-haven appeal
Technical	Price Action	-	Technical went short 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 short EURCHF and neutral EURUSD imply long CHF versus the USD. Swiss inflation is still low but rising. We don't expect the SNB to hike rates this year, but we think the pendulum has moved from an easing bias to a tightening bias. We also believe the SNB has become more relaxed about CHF strength, given the recent weakness and changes in macro and policy conditions. As a result, we ex-

pect no major FX interventions also to avoid escalating the conflict with the US. The main downside risk for the CHF versus the USD is the attractive funding position for carry trades, but possible tensions in the Euro-area and a general unwind of carry trades could reduce or eliminate that risk. Business Sentiment stayed long CHF and Technical turned short CHF, leaving the balance 15% long CHF 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 until year end
	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	Tensions in the Euro-area could revive the CHF's safe-haven appeal
Technical	Price Action	-	Technical went short CHF
	Spec Positions	+	The CHF remains oversold but no longer extreme
	PPP Valuation	0	The CHF is 9% 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 in-

vestment position are structural handicaps for the GBP. Inflation remains a challenge, but we do not see the BoE tighten policy more than the Fed. 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 long GBP and Technical went short GBP, leaving the overall strategy position close to neutral.

	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 in the range of US rates and BoE and Fed are similarly likely to hike rates over the next six months
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 short GBP
	Spec Positions	+	The net short GBP position remains extremely large
	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 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, Business Sentiment remained long SEK and Technical turned short SEK, leaving the overall position 25% 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 further 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 short SEK
	PPP Valuation	+	The SEK is roughly 27% undervalued versus the EUR

EURSEK and QCAM Strategic Positioning



Source: QCAM Currency Asset Management

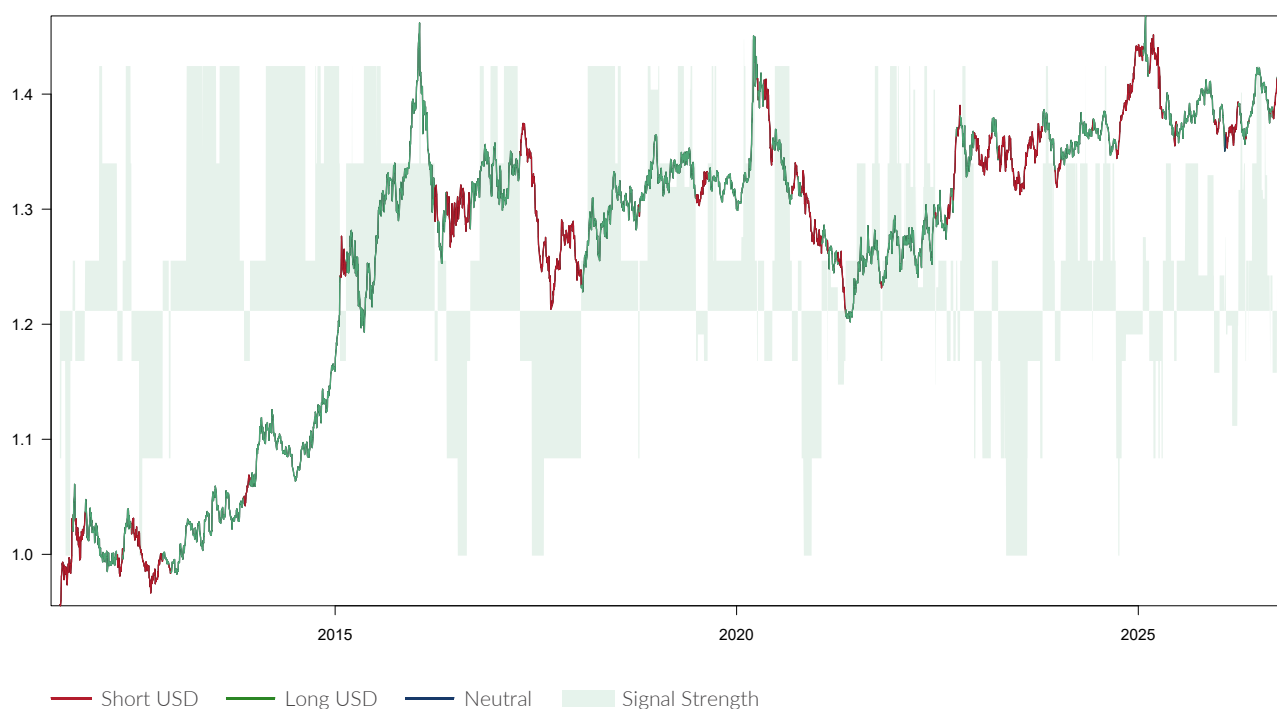
USDCAD

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 remains unresolved 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 to-

wards the CAD has improved following the change in leadership and handling of the tensions with the US by the new government. Business Sentiment stayed slightly 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 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	-	Technical went short CAD
	Spec Positions	0/+	The CAD oversold position has declined significantly
	PPP Valuation	0	CAD is about 15% undervalued versus the USD

USDCAD and QCAM Strategic Positioning



Source: QCAM Currency Asset Management

QCAM Products and Services

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



Currency Overlay

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

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

FX Best Execution

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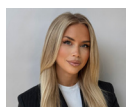
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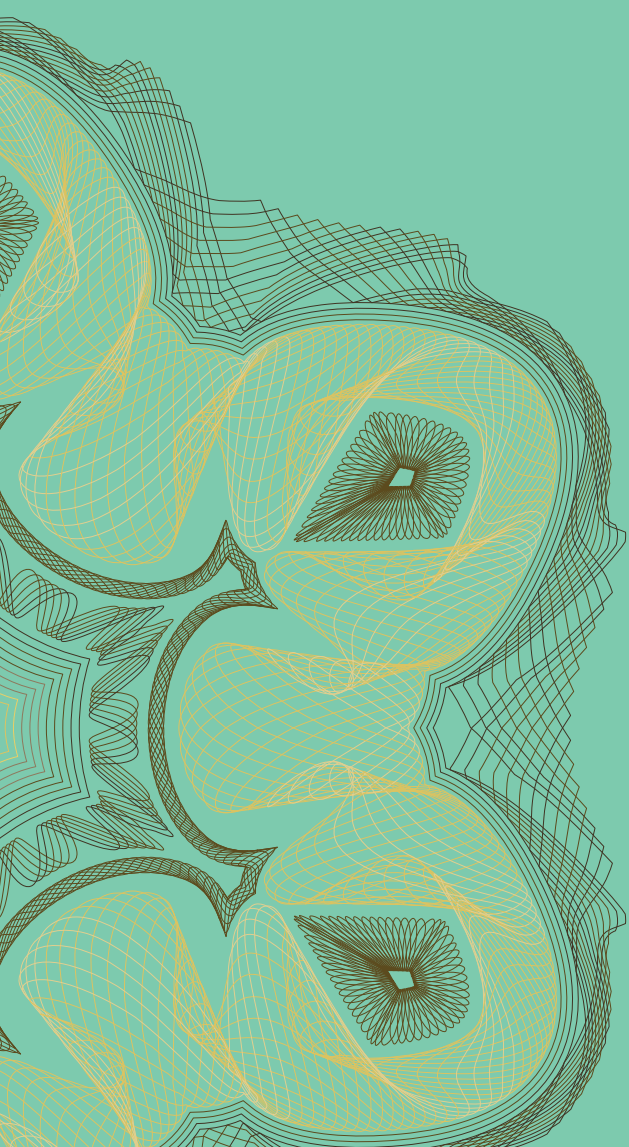


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«The QCAM MONTHLY has been created by our team, based on our own expertise and without the use of generative AI»



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