

USD looking undervalued vs the EUR and NZD

- The FAST FX model continues to sit out the volatile FX markets but does judge that the recent sell-off in the USD is becoming extreme vs the EUR and NZD. The EUR is looking undervalued vs the rapidly appreciating NOK, however.
- EUR/USD's primary model is unstable. Its secondary model estimates that the exchange rate's fair value fell from 1.1563 to 1.1539 due to a rise in the peripheral EGB yield spread to Bunds. EUR/USD's rise has pushed it into overvaluation territory, but this overvaluation is short of the 2 standard deviations required to trigger a sell trade when a secondary model is being used to estimate fair value.
- NZD/USD's fair value fell slightly from 0.5863 to 0.5860 due to a rise in the NZ-US box yield spread, which was partly offset by a fall in global equities as well as rises in the NZ-US short-term rates spread and agricultural commodity prices. NZD/USD's rise has pushed it into overvaluation territory, but this overvaluation is short of the 1.5 standard deviations required to trigger a sell trade.
- EUR/NOK's fair value fell from 10.9456 to 10.9367 due to a fall in the Eurozone-Norway box yield spread as well as a rise in energy prices, which was partly offset by a fall in global equities as well as a rise in the Eurozone-Norway short-term rates spread. EUR/NOK is falling faster than its fair value, becoming undervalued. This undervaluation is just short of triggering a buy trade.



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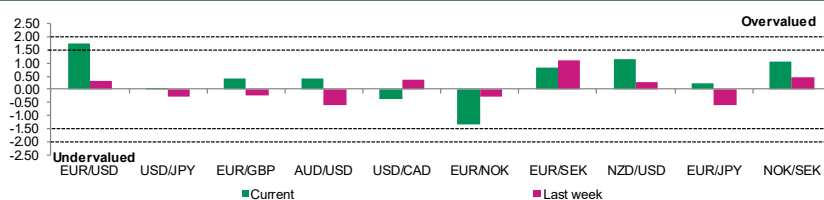
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28 September 2017 – FX Focus: [Introducing our FAST FX fair value model](#)

New trades this week

No new trades this week

Source: Crédit Agricole CIB

FX under/overvaluation – Z-scores



Dotted lines mark 1.5 and 2 standard deviations in the Z-score

Source: Crédit Agricole CIB

FAST FX fair value summary

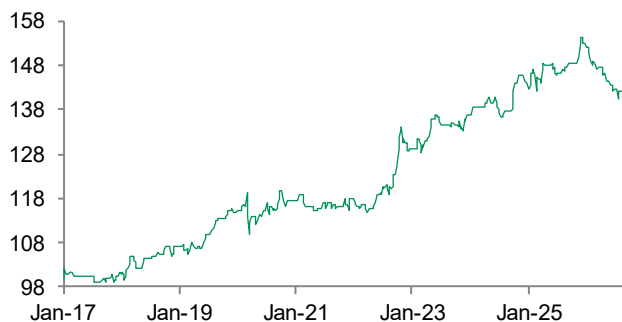
	FX spot (Friday NY close)	Fair value estimate	Under /over valuation	Z-score	Stability filter
EUR/USD	1.1679	1.1539	1.21%	1.74	unstable
USD/JPY	158.95	158.93	0.01%	0.01	stable
EUR/GBP	0.8563	0.8547	0.19%	0.42	unstable
AUD/USD	0.7171	0.7127	0.62%	0.42	stable
USD/CAD	1.376	1.3808	-0.35%	-0.37	stable
EUR/NOK	10.8535	10.9367	-0.76%	-1.32	stable
EUR/SEK	11.0615	10.9208	1.29%	0.82	stable
NZD/USD	0.5978	0.5860	2.02%	1.18	stable
EUR/JPY	185.66	185.12	0.29%	0.21	stable
NOK/SEK	1.0186	1.0070	1.15%	1.07	stable

For a stable regime – the primary model is used whereby trades are triggered when the z-score is greater than 1.5 or less than -1.5; while for an unstable regime – the secondary model is used and the trigger level is +/-2 for the z-score.

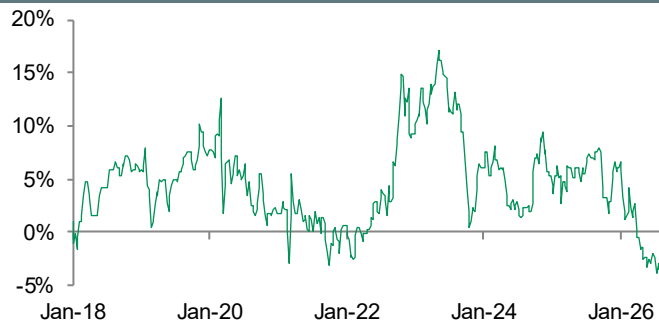
Source: Bloomberg, Crédit Agricole CIB

Short-term fair value charts

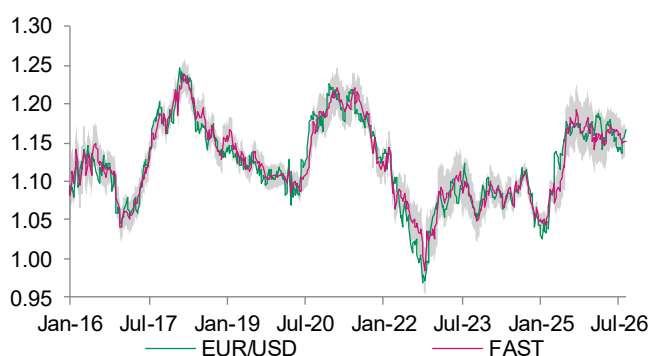
FAST FX Model performance since 2017



Annual Return since 2018



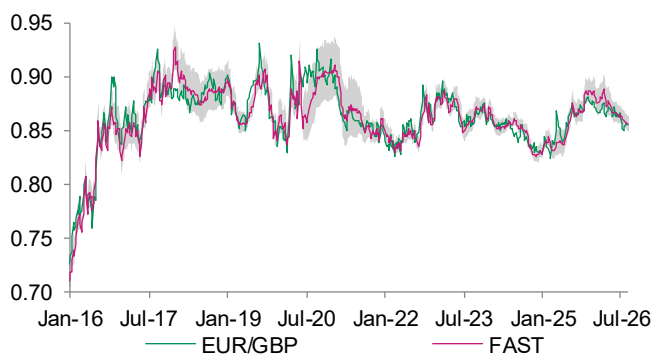
EUR/USD



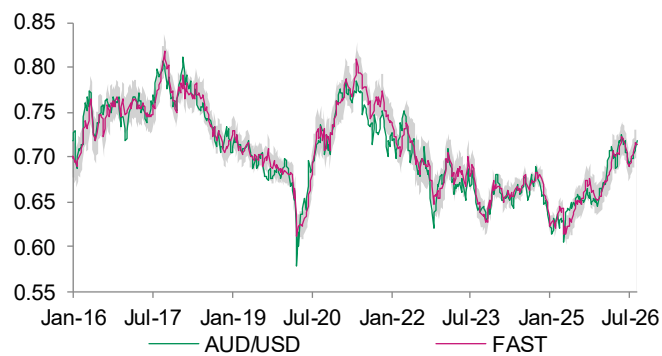
USD/JPY



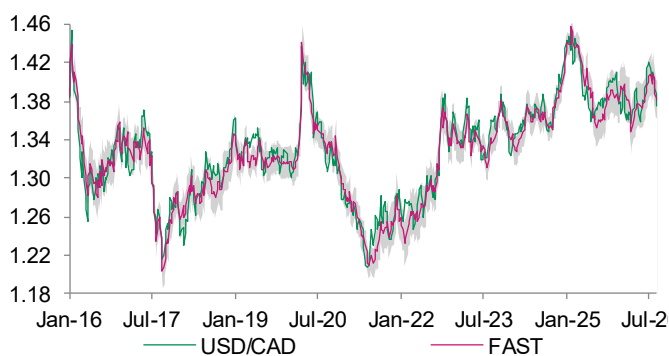
EUR/GBP



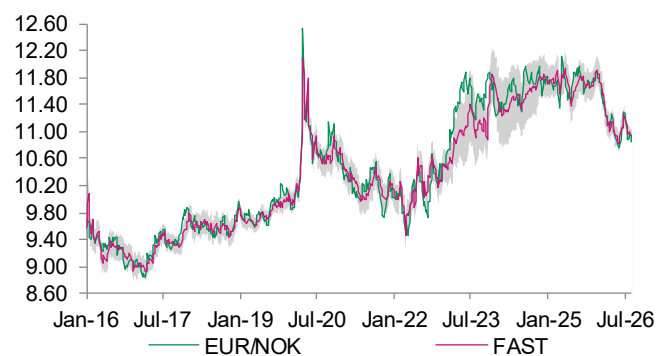
AUD/USD



USD/CAD



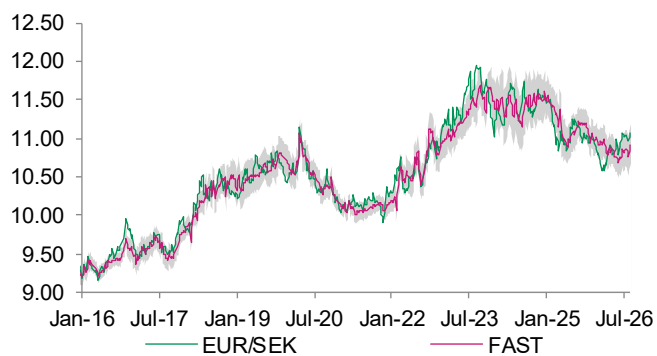
EUR/NOK



Note: Shaded area represents 1.5 standard deviation bands

Source all charts: Crédit Agricole CIB, Bloomberg

EUR/SEK



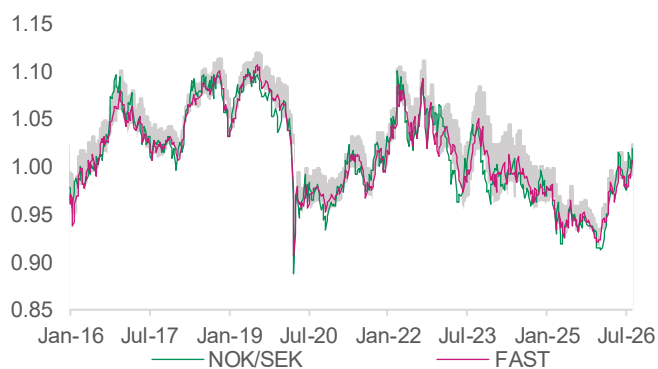
NZD/USD



EUR/JPY



NOK/SEK

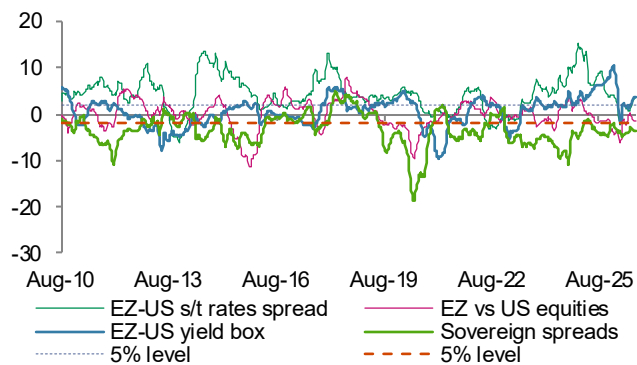


Note: Shaded area represents 1.5 standard deviation bands

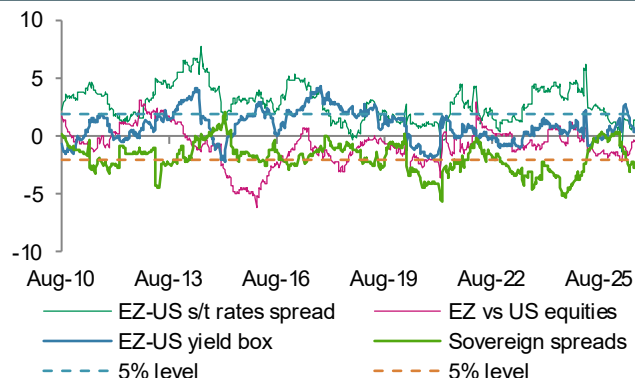
Source all charts: Crédit Agricole CIB, Bloomberg

t-statistic charts

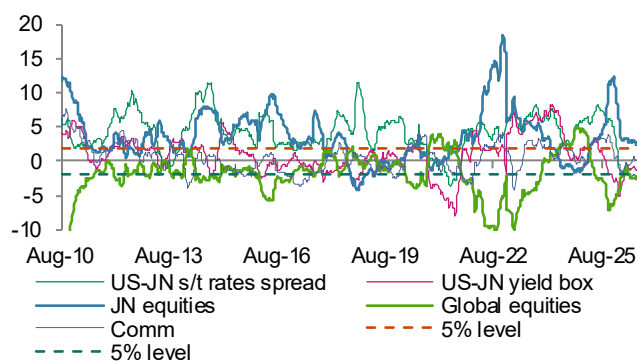
EUR/USD primary model t-statistics



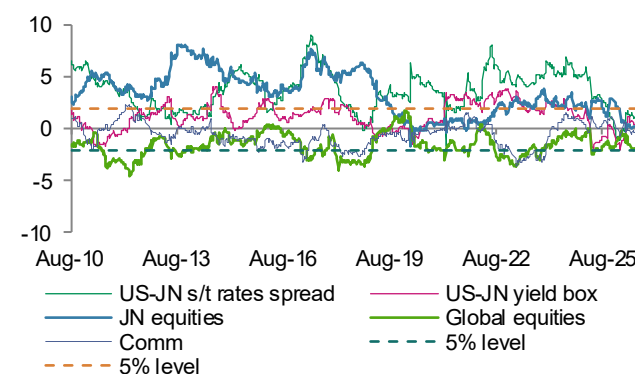
EUR/USD secondary model t-statistics



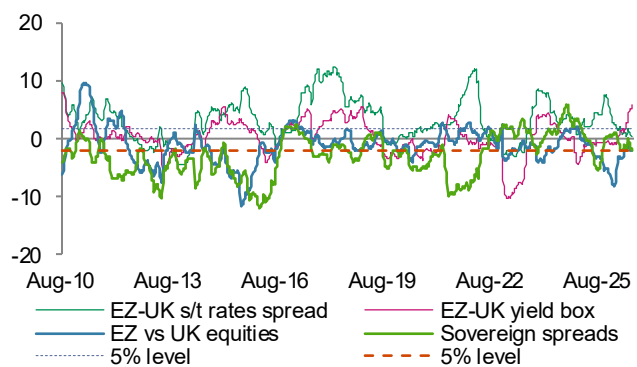
USD/JPY primary model t-statistics



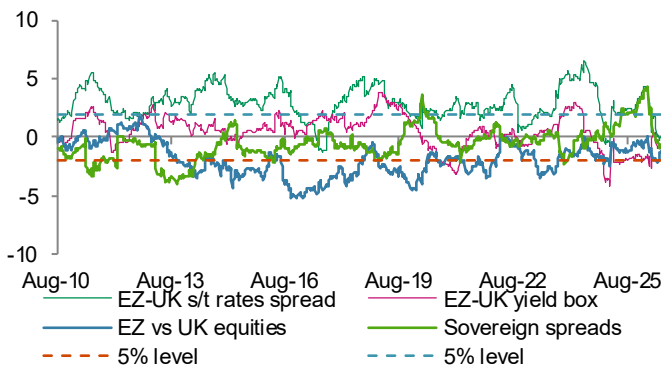
USD/JPY secondary model t-statistics



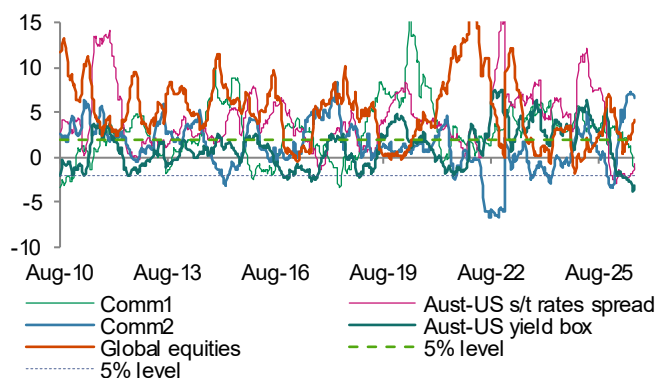
EUR/GBP primary model t-statistics



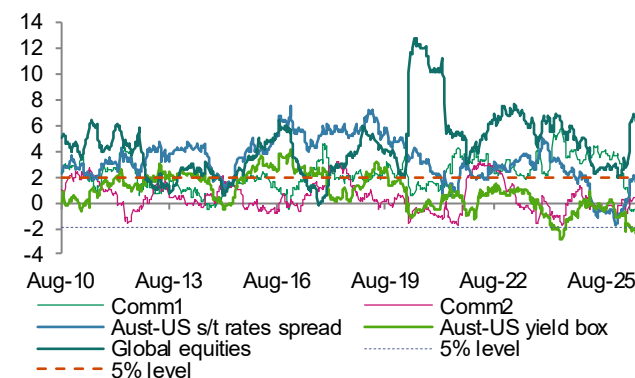
EUR/GBP secondary model t-statistics



AUD/USD primary model t-statistics

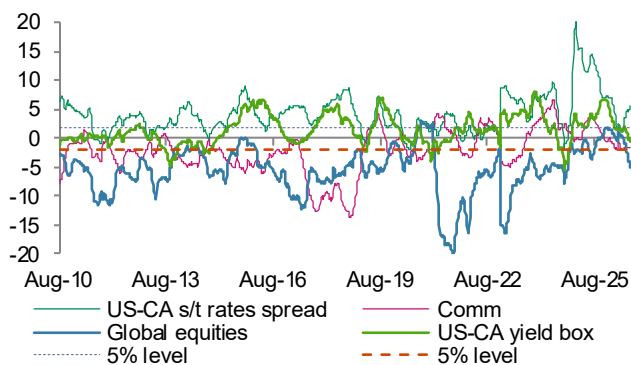


AUD/USD secondary model t-statistics

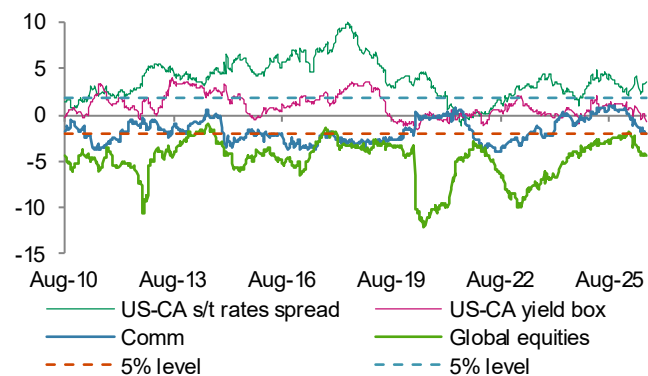


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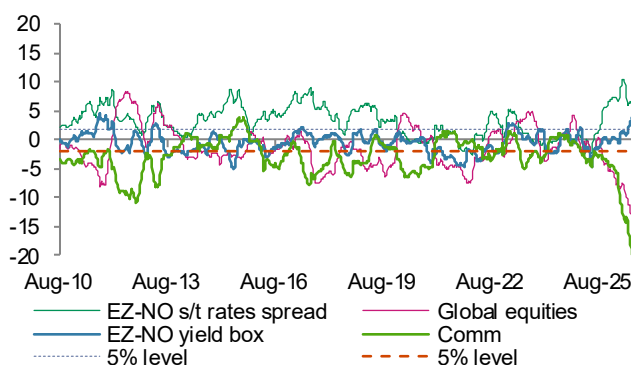
USD/CAD primary model t-statistics



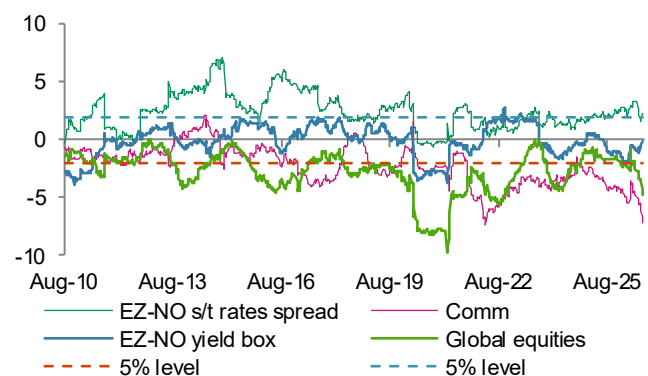
USD/CAD secondary model t-statistics



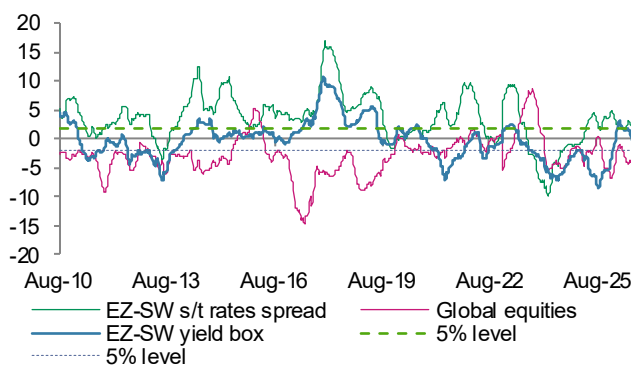
EUR/NOK primary model t-statistics



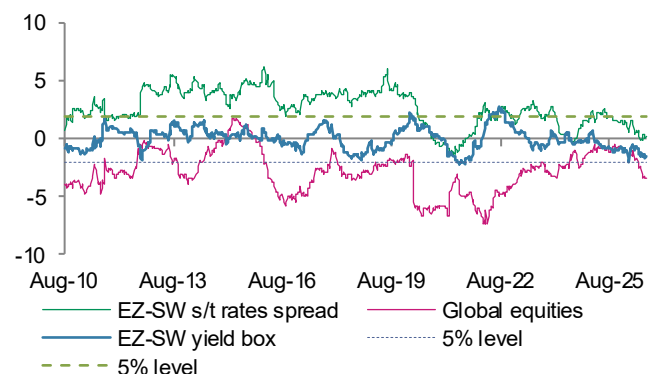
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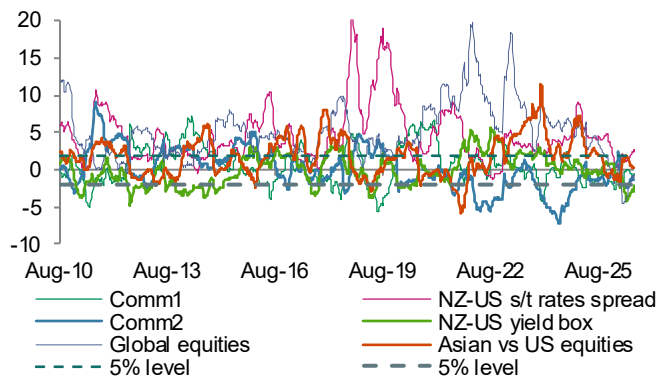
EUR/SEK primary model t-statistics



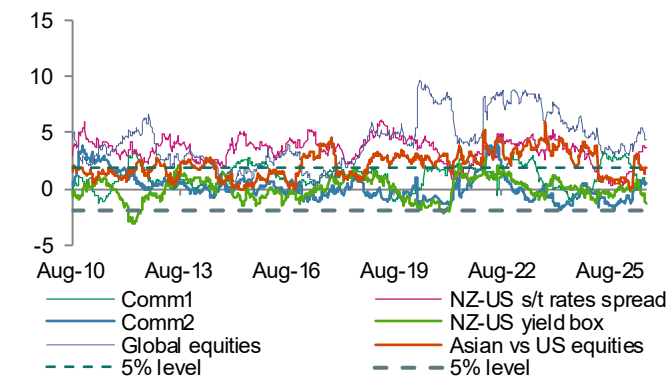
EUR/SEK secondary model t-statistics



NZD/USD primary model t-statistics

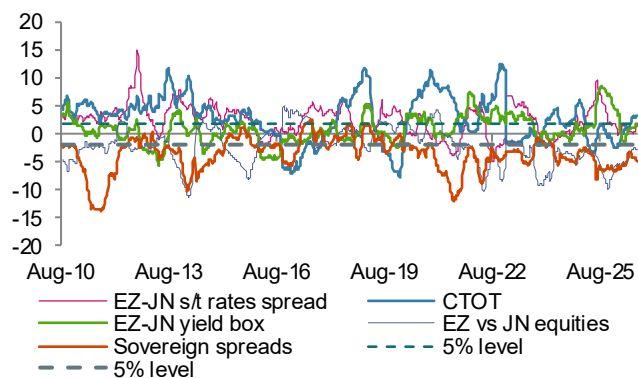


NZD/USD secondary models t-statistics

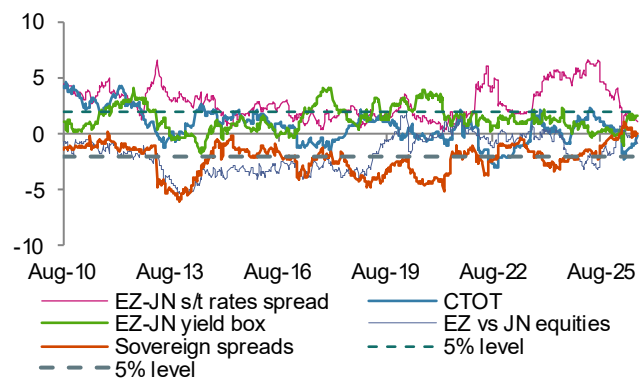


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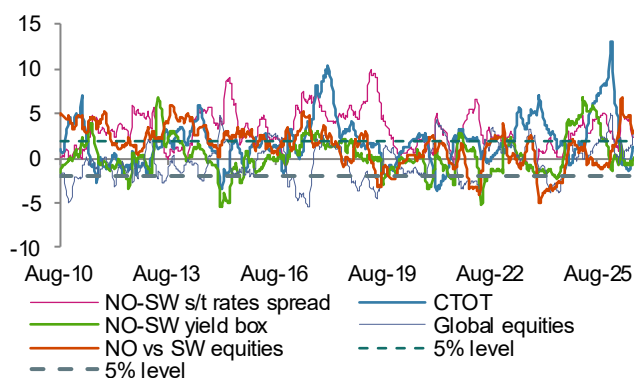
EUR/JPY primary model t-statistics



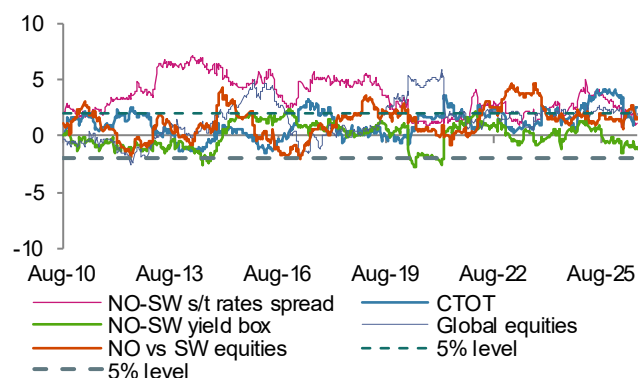
EUR/JPY secondary models t-statistics



NOK/SEK primary model t-statistics



NOK/SEK secondary models t-statistics



Source all charts: Crédit Agricole CIB, Bloomberg

Historical trade performance

Historical trades

Time Stamp	Entry	Pair	Direction	Spot at entry	Spot at Exit	% Return
09:00 BST	8/18/2025	USD/CAD	SELL	1.3802	1.3826	-0.21%
09:00 BST	8/25/2025	USD/CAD	SELL	1.38355	1.3741	0.65%
09:00 BST	9/8/2025	USD/CAD	SELL	1.3817	1.3844	-0.23%
09:00 BST	9/8/2025	NZD/USD	BUY	0.59255	0.5954	1.02%
09:00 GMT	11/24/2025	NZD/USD	BUY	0.5609	0.5735	2.16%
09:00 GMT	12/1/2025	NZD/USD	BUY	0.5735	0.5776	0.68%
09:00 GMT	12/15/2025	NZD/USD	BUY	0.578	0.5757	-0.89%
09:00 GMT	12/15/2025	NOK/SEK	BUY	0.9175	0.9092	-0.91%
09:00 GMT	1/5/2026	USD/JPY	SELL	156.845	157.8900	-0.72%
09:00 GMT	1/5/2026	EUR/JPY	SELL	183.24	183.7500	-0.30%
09:00 GMT	1/12/2026	NOK/SEK	BUY	0.9118	0.9136	0.28%
09:00 GMT	1/12/2026	EUR/SEK	BUY	10.7193	10.6944	-0.17%
09:00 GMT	1/19/2026	EUR/SEK	BUY	10.7286	10.6396	-0.83%
09:00 GMT	1/26/2026	EUR/SEK	BUY	10.5799	10.5689	-0.07%
09:00 GMT	1/26/2026	NZD/USD	BUY	0.59695	0.6021	-1.20%
09:00 GMT	2/2/2026	EUR/SEK	BUY	10.5684	10.6663	0.91%
09:00 GMT	2/2/2026	AUD/USD	SELL	0.6947	0.7013	-0.95%
09:00 GMT	2/9/2026	EUR/SEK	BUY	10.6686	10.5633	-0.99%
09:00 GMT	2/16/2026	EUR/SEK	BUY	10.5863	10.6730	0.81%
09:00 GMT	2/16/2026	AUD/USD	SELL	0.7094	0.7081	0.18%
09:00 GMT	2/16/2026	USD/JPY	BUY	153.35	155.0500	1.15%
09:00 GMT	2/16/2026	EUR/JPY	BUY	181.95	182.6800	0.44%
09:00 GMT	2/23/2026	EUR/SEK	BUY	10.6743	10.6664	-0.09%
09:00 GMT	2/23/2026	AUD/USD	SELL	0.70835	0.7118	-0.49%
09:00 GMT	3/9/2026	NOK/SEK	BUY	0.9611	0.9466	-1.51%
09:00 GMT	3/9/2026	EUR/GBP	BUY	0.86591	0.8632	-0.37%
09:00 GMT	3/16/2026	EUR/GBP	BUY	0.8637	0.8674	0.40%
09:00 BST	4/20/2026	NOK/SEK	SELL	0.981	1.0054	-2.48%
09:00 BST	4/27/2026	NOK/SEK	SELL	0.9927	0.9912	0.15%
09:00 BST	5/11/2026	NOK/SEK	SELL	1.0044	1.0171	-1.21%
09:00 BST	5/18/2026	NOK/SEK	SELL	1.0128	1.0120	0.07%
09:00 BST	6/1/2026	EUR/JPY	BUY	185.9100	184.6600	-0.63%
09:00 BST	6/22/2026	EUR/SEK	SELL	10.9844	11.0833	-0.91%
09:00 BST	6/29/2026	EUR/USD	BUY	1.1403	1.1437	0.27%
09:00 BST	7/20/2026	NOK/SEK	SELL	1.0002	1.0144	-1.55%
09:00 BST	7/27/2026	USD/JPY	SELL	163.5000	160.2521	1.97%
09:00 BST	7/27/2026	NOK/SEK	SELL	1.0063	1.0060	0.03%

* % USD return adjusted for carry

Source: Crédit Agricole CIB

Portfolio performance

12M rolling (%)	-6.05%
Hit ratio (per trade)	43%

Source: Crédit Agricole CIB

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09/12/25