FX Weekly

08:16 CET
11 September 2026

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The global bond selloff and the weak USD

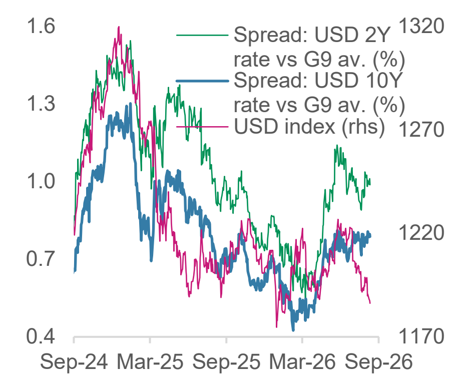
- **The selloff in global fixed income markets persists as growing inflation worries lead to further frontloading of central bank rate hikes. The USD saw its rate and yield appeal vs the rest of G10 improve as a result but was unable to benefit from it. The apparent ‘decoupling’ between the USD and UST yields could reflect market fears about weakening foreign demand for US public debt – stoked by the US Treasury’s attempts to curb long-dated UST yields as well as recent media reports that Japan’s GPIF and Norway’s Sovereign Wealth Fund could reduce their vast UST holdings. The ‘Sell-America’ trade from Q225 is an extreme example of how negative correlation between UST yields and the USD could result in what has been described as the ‘anti-USD-smile’ or ‘USD-frown’.**

- **Fears about the US fiscal outlook and its impact on foreign appetite for USTs could linger but we also note that fixed-income international flows have become less of a USD driver than in the past. As the FX price action in H225 suggested, unhedged inflows into US stocks helped prop up the USD even as investors reduced their UST exposure. And the share of US stocks and credit in foreign-held long-term assets is now dwarfing that of USTs, according to the latest TIC data. In turn, this means that the still robust US equity market rather than any worries about the UST outlook should be a key driver of the USD long-term outlook.**

- **Its weaker correlation with US rates notwithstanding, the USD outlook could remain a function of the relative Fed outlook as market focus shifts to the outcome of the September FOMC policy meeting next week. Ahead of that, today, FX investors will scrutinise the CPI data for August. We believe that the risk of a hike and/or a hawkish hold has increased, in view of sticky energy prices and the latest US Treasury’s UST buybacks which can ease US financial conditions. A more hawkish Fed next week could support the USD.**

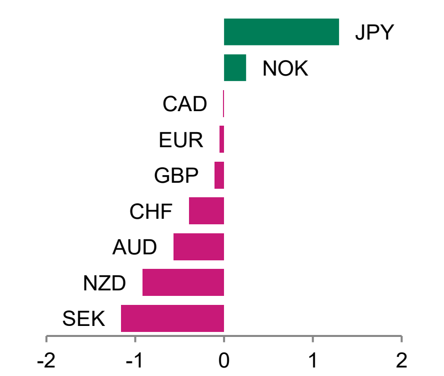
- **Elsewhere, focus next week will be on the outcome of the BoJ and BoE policy meetings. For the JPY to maintain its rally, the BoJ will have to raise rates via a unanimous vote and Governor Kazuo Ueda would have to be hawkish in his press conference. The BoE should keep rates on hold as it grapples with stagflationary headwinds battering the UK economy, in a blow the GBP rate appeal.**

The USD has decoupled from its growing rate and yield appeal vs G9



Source: Crédit Agricole CIB, Bloomberg

Five-day performance (vs USD)



Source: Crédit Agricole CIB, Bloomberg

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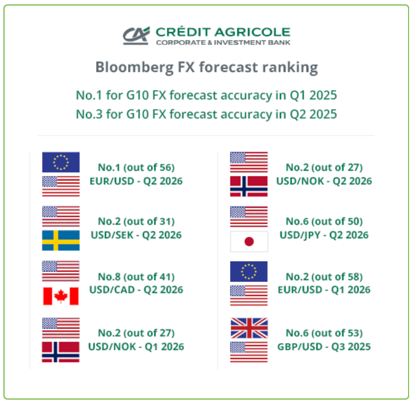


Latest Publications

10 Sep – *FX Focus: SEK: mind the gaps*
09 Sep – *FX Risk Index: Brakes on risk*
07 Sep – *FX fair value: Conflicting drivers*
07 Sep – *FX Positioning: Buy USD/CHF*
07 Sep – *FAST FX: Buy EUR/JPY*

G10 FX Forecasts

	Dec-26	Mar-27	Jun-27	Sep-27
EUR/USD	1.13	1.13	1.14	1.16
USD/JPY	163.0	162.0	161.0	158.0
GBP/USD	1.31	1.32	1.34	1.37

Source: Bloomberg, Crédit Agricole CIB

FX and gold outlook

The EUR should continue to trade as collateral damage of global geopolitical risks. We are no longer as bearish on EUR/USD from current levels as before because we expect additional ECB tightening to limit the downside risks to a degree in the coming months. Subdued growth prospects and loss of international competitiveness should continue to hurt the appeal of EUR-denominated assets. US tariffs and domestic demand-driven growth policies in the Eurozone could also hurt Eurozone net exports & reduce corporate demand for the EUR and thus keep EUR/USD historically depressed in the longer term. EUR/USD still looks expensive relative to our long-term fair value model.

The high-yielding, safe-haven King of FX could remain supported on the back of persistent portfolio flows linked to the US economic outperformance vs other major economies in Asia and Europe. Robust economic outlook & sticky inflation have already boosted Fed policy rate expectations and the USD's rate appeal, although we believe that the current market outlook has become too hawkish. US policy uncertainty could also intensify again if fiscal dominance fears resurface, muting any future USD gains to a degree. These risks are still more than offset by the AI boom and thus the US exceptionalism narrative and could keep the USD in demand in the next coming months. We also expect a pick-up of FDI inflows. Lastly, while the USD is still the world's preeminent reserve fiat currency, de-dollarisation fears could resurface in the coming months.

The CHF has recently weakened to one-year lows, as renewed turmoil in the Middle East has worsened the CHF rate disadvantage without triggering much safe-haven demand. Barring any major fracas, the CHF could remain a favoured funding currency for the coming months, although from here gains from carry differentials could trump any potential loss in spot, as the CHF still has many long-term positives on its side.

Record levels of intervention have capped USD/JPY's rally at 164, but for the JPY to stage a sustainable rally the BoJ needs to accelerate the pace of its rate hikes reducing the currency's appeal as a carry funder. Elevated oil prices and investor concerns about Japan's fiscal sustainability still weigh on the JPY. If Japan's GPIF allocates more of its AUM to domestic bonds capping super-long end JGB yields, fiscal sustainability concerns would ease.

We maintain a cautious GBP/USD outlook from current levels that is consistent with our above-consensus view on the USD. The GBP could also remain a pressure valve for anxious market participants who fret about the impact of persistent stagflation risks on the UK economic and fiscal outlook. We also believe however that some negatives are already priced into the GBP especially vs the EUR, given that the Eurozone would have to deal with the consequences from the negative oil supply shock in the wake of the Iran war as well. We further note that the GBP is already looking oversold while global investors seem underinvested in UK assets.

USD/CAD has been able to re-assert itself within the 1.35/1.40 range, although the renewed trade war between the US and Canada makes the outlook more uncertain, with risks being tilted to the upside in the event of further escalation. Otherwise, improving Canadian macro data and a somewhat more hawkish BoC rather back the CAD in the long run.

The AUD is clinging to its rate advantage as sticky inflation forces the RBA to continue raising rates even while other central banks join the tightening cycle, making the currency a favoured carry trade. Adding to the AUD's appeal are elevated commodity prices and low levels of public debt, the latter leaving it immune to concerns about fiscal sustainability.

After two consecutive rate hikes the RBNZ is adopting a gradual approach to withdrawing stimulus. While this foot-dragging will be a near-term weight on the NZD, the RBNZ is underestimating upside risks to inflation and will be forced to re-accelerate rate hikes. NZ's agricultural export prices are strong and so far, El Niño is not weighing on local agricultural production.

The NOK continues to follow the ebb and flow in energy prices, while still being among the best G10 FX performers. A superior carry appeal and Norway's solid fundamentals should call for NOK appreciation to gradually continue despite some potential consolidation in the near term.

The SEK has struggled this year after outperforming in 2025. Risks of a wider policy gap between the Riksbank and the ECB could leave the SEK on the back foot in the near term, while more convincing evidence of Sweden's macro outperformance over the Eurozone calls for the SEK to reverse course later in the year.

We maintain a constructive long-term outlook on gold from current levels. Central banks still see XAU as a primary tool to reduce their exposure to the USD given the attempts by the US to weaponise the currency. They could thus resume gold purchases especially if global energy shock continues to fade. Concerns about fiscal dominance over the Fed could return as well, weigh on US real rates and help XAU recover.

G10 FX Portfolio

See below our model portfolio. A percentage representation of the positions' performance is applied for both FX spot and options trade ideas. A cap on individual position loss of 2% of notional is used. Other aspects of the performance calculation including position size, total overall position loss and cumulative portfolio performance are adjusted accordingly. Please see Our FX portfolio: performance of the past, adjustment for the future for further details. Please note that our G10 FX portfolio combines discretionary and systematically motivated trades, with the same risk management applied. For details on our systematic approach please see our FAST FX and Month-end Rebalancing Model fact sheets.

Open Spot Trades

Date	Time	Entry	Recommendation	Target	Stop	Last	P&L
15/06/2026	10:00 BST	4338.00	Buy XAU/USD	5240.00	3800.00	4334.09	**-0.01%**
21/05/2026	07:44 BST	1.2156	Sell AUD/NZD	1.16	1.2470	1.2290	**-1.27%**

Open Options Trades

Date	Time	Option cost **	Recommendation	Strike	Spot ref	Expiry	P&L*
29/05/2026	09:00 BST	-0.93%	Long GBP/USD 6M-1Y calendar put spread	1.33/1.33	1.3420	31/05/2027	**0.75%**

Closed Spot Trades

Open date	Time	Entry	Recommendation	Close date	Close time	Exit level	P&L
29/06/2026	13:51 BST	12.31	Sell CHF/NOK	22/07/2026	15:55 BST	11.80	**3.62%**

Closed Options Trades

Date	Time	Option cost **	Recommendation	Strike	Spot ref	Expiry	P&L*
08/12/2025	09:30 GMT	0.55%	Long EUR/JPY 6M put spread	176/172	181.13	08/06/2026	**-2.00%**
09/01/2026	08:00 GMT	0.33%	Long EURUSD 4M put spread	1.15/1.13	1.1650	11/05/2026	**-2.00%**

FAST FX (tactical) Portfolio***

Open Spot Trades

Date	Time	Entry	Recommendation	Target	Stop Loss	Last	P&L
07/09/2026	09:00 BST	180.8000	Buy EUR/JPY	186.819	176.8947	179.0700	**-0.87%**

Closed Spot Trades

Open date	Time	Entry	Recommendation	Close date	Close time	Exit level	P&L
31/08/2026	09:00 BST	10.8591	Buy EUR/NOK	10.9765	10.6506	10.7974	**-0.62%**
27/07/2026	09:00 BST	163.5000	Sell USD/JPY	31/07/2026	22:00 GMT	160.2521	**2.94%**
27/07/2026	09:00 BST	1.0063	Sell NOK/SEK	31/07/2026	22:00 GMT	1.0060	**0.03%**
20/07/2026	09:00 BST	1.0002	Sell NOK/SEK	24/07/2026	22:00 GMT	1.0144	**-1.65%**
29/06/2026	09:00 BST	1.1403	Buy EUR/USD	03/07/2026	22:00 GMT	1.1437	**0.33%**

G10 FX Positioning Index (tactical) Portfolio***

Open Spot Trades

Date	Time	Entry	Recommendation	Target	Stop Loss	Last	P&L
07/09/2026	09:00 BST	0.8099	Buy USD/CHF	0.8349	0.7979	0.8132	**0.62%**

Closed Spot Trade

Open date	Time	Entry	Recommendation	Close date	Close time	Exit level	P&L
24/08/2026	09:00 BST	1.3637	Sell GBP/USD	1.3091	1.3909	1.3534	**0.75%**
24/08/2026	09:00 BST	0.8017	Buy USD/CHF	0.8265	0.7899	0.8094	**1.02%**
17/08/2026	09:00 BST	1.3563	Sell GBP/USD	21/08/2026	22:00 BST	1.3644	**-0.60%**
10/08/2026	09:00 BST	1.3495	Sell GBP/USD	14/08/2026	22:00 BST	1.3534	**-0.29%**
13/07/2026	09:00 BST	0.6937	Buy AUD/USD	17/07/2026	22:00 GMT	0.6982	**0.88%**
29/06/2026	09:00 BST	1.3215	Buy GBP/USD	03/07/2026	22:00 GMT	1.3350	**1.02%**
29/06/2026	09:00 BST	0.6896	Buy AUD/USD	03/07/2026	22:00 GMT	0.6938	**0.82%**
15/06/2026	09:00 BST	0.7071	Buy AUD/USD	19/06/2026	22:00 GMT	0.7012	**-1.11%**

Month-end Rebalancing Model (tactical) Portfolio***

Open Spot Trades

Date	Time	Entry	Recommendation	Target	Stop Loss	Last	P&L

Closed Spot Trades

Open date	Time	Entry	Recommendation	Close date	Close time	Exit level	P&L

Portfolio Performance

Return on open trades	**-0.78%**
Return on closed trades (YTD)	**-15.02%**
Hit ratio (YTD)	**42.37%**
Total return (YTD)	**-13.76%**

**Returns calculated as %VaR with 2% risk allocation per trade*
***Cost is a percentage of the notional value traded*
Source all tables: Crédit Agricole CIB

FX Portfolio in 2025

Closed Spot Trades							
Open date	**Time**	**Entry**	**Recommendation**	**Close date**	**Close time**	**Exit level**	**P&L**
13/02/2026	7:50 GMT	1.1719	Sell AUD/NZD	02/03/2026	23:39 GMT	1.1950	**-2.07%**
01/08/2025	10:30 BST	184.40	Sell CHF/JPY	13/03/2026	02:16 BST	187.38	**-0.80%**
Closed Options Trades							
Open date	**Time**	**Option cost ****	**Recommendation**	**Strike**	**Spot ref**	**Expiry**	**P&L***
08/08/2025	15:50 BST	0.20%	Long EURGBP 3M put spread	0.86/0.85	0.8674	11/10/2025	**-2.00%**
13/08/2025	16:00 GMT	0.53%	Long EURAUD 3M put spread	1.70/1.65	1.7320	13/08/2025	**-2.00%**
08/04/2025	15:30 BST	0.35%	Long EURGBP 3M put spread	0.845/0.83	0.8540	08/07/2025	**-2.00%**
Closed FAST FX Spot Trades							
Open date	**Time**	**Entry**	**Recommendation**	**Close date**	**Close time**	**Exit level**	**P&L**
22/06/2026	09:00 BST	10.9844	Sell EUR/SEK	26/06/2026	22:00 GMT	11.0833	**-1.21%**
01/06/2026	09:00 BST	185.9100	Buy EUR/JPY	05/06/2026	22:00 GMT	184.6600	**-0.87%**
18/05/2026	09:00 BST	1.0132	Sell NOK/SEK	22/05/2026	22:00 GMT	1.0107	**0.38%**
11/05/2026	09:00 BST	1.0049	Sell NOK/SEK	14/05/2026	22:00 GMT	1.0171	**-2.00%**
27/04/2026	09:00 BST	0.9931	Sell NOK/SEK	01/05/2026	22:00 GMT	0.9940	**-0.15%**
20/04/2026	09:00 BST	0.9810	Sell NOK/SEK	23/04/2026	22:00 GMT	0.9920	**-2.00%**
16/03/2026	09:00 GMT	0.8637	Buy EUR/GBP	20/03/2026	22:00 GMT	0.8674	**0.96%**
09/03/2026	09:00 GMT	0.8659	Buy EUR/GBP	13/03/2026	22:00 GMT	0.8630	**-0.76%**
09/03/2026	09:00 GMT	0.9611	Buy NOK/SEK	10/03/2026	08:15 GMT	0.9466	**-1.99%**
23/02/2026	09:00 GMT	0.7084	Sell AUD/USD	27/02/2026	22:00 GMT	0.7118	**-0.48%**
23/02/2026	09:00 GMT	10.6743	Buy EUR/SEK	27/02/2026	22:00 GMT	10.6664	**-0.12%**
16/02/2026	09:00 GMT	153.3500	Buy USD/JPY	20/02/2026	22:00 GMT	155.0500	**0.95%**
16/02/2026	09:00 GMT	0.7094	Sell AUD/USD	20/02/2026	22:00 GMT	0.7081	**0.16%**
16/02/2026	09:00 GMT	10.5863	Buy EUR/SEK	20/02/2026	22:00 GMT	10.6730	**1.60%**
16/02/2026	09:00 GMT	181.9500	Buy EUR/JPY	20/02/2026	22:00 GMT	182.6800	**0.45%**
09/02/2026	09:00 GMT	0.7037	Sell AUD/USD	13/02/2026	22:00 GMT	0.7073	**-0.44%**
09/02/2026	09:00 GMT	10.6686	Buy EUR/SEK	12/02/2026	22:00 GMT	10.5781	**-2.00%**
02/02/2026	09:00 GMT	10.5684	Buy EUR/SEK	06/02/2026	22:00 GMT	10.6018	**1.96%**
02/02/2026	09:00 GMT	0.6947	Sell AUD/USD	06/02/2026	22:00 BST	0.7013	**-0.78%**
26/01/2026	09:00 GMT	10.5799	Buy EUR/SEK	30/01/2026	22:00 BST	10.5689	**-0.22%**
26/01/2026	09:00 GMT	0.5970	Sell NZD/USD	30/01/2026	22:00 BST	0.6021	**-0.58%**
19/01/2026	09:00 GMT	10.7286	Buy EUR/SEK	23/01/2026	22:00 BST	10.6396	**-1.99%**
Closed Positioning FX Trades							
Open date	**Time**	**Entry**	**Recommendation**	**Close date**	**Close time**	**Exit level**	**P&L**
30/03/2026	09:00 GMT	9.4929	Sell USD/SEK	03/04/2026	22:00 GMT	9.4296	**0.67%**
30/03/2026	09:00 GMT	0.7999	Buy USD/CHF	03/04/2026	21:00 BST	0.7988	**-0.10%**
23/03/2026	09:00 GMT	9.4157	Sell USD/SEK	27/03/2026	22:00 GMT	9.4698	**-0.57%**
23/03/2026	09:00 GMT	0.7907	Buy USD/CHF	27/03/2026	22:00 GMT	0.7989	**1.46%**
16/03/2026	09:00 GMT	1.3250	Buy GBP/USD	20/03/2026	22:00 GMT	1.3311	**0.46%**
16/03/2026	09:00 GMT	9.4227	Sell USD/SEK	20/03/2026	22:00 GMT	9.3545	**0.72%**
09/03/2026	09:00 GMT	9.2715	Sell USD/SEK	13/03/2026	22:00 GMT	9.4607	**-2.04%**
09/03/2026	09:00 GMT	1.3316	Buy GBP/USD	13/03/2026	22:00 GMT	1.3240	**-0.57%**
02/03/2026	09:00 GMT	9.1516	Sell USD/SEK	05/03/2026	22:00 GMT	9.3384	**-2.04%**
23/02/2026	09:00 GMT	9.5335	Buy USD/NOK	27/02/2026	22:00 GMT	9.5100	**-0.33%**
23/02/2026	09:00 GMT	9.035	Sell USD/SEK	27/02/2026	22:00 GMT	9.0292	**0.10%**
16/02/2026	09:00 GMT	9.5096	Buy USD/NOK	20/02/2026	22:00 GMT	9.5268	**0.24%**
02/02/2026	09:00 GMT	1.3689	Sell GBP/USD	06/02/2026	22:00 GMT	1.3610	**0.58%**
26/01/2026	09:00 GMT	1.3664	Sell GBP/USD	30/01/2026	22:00 GMT	1.3686	**-0.16%**
19/01/2026	09:00 GMT	0.6696	Sell AUD/USD	23/01/2026	22:00 GMT	0.6796	**-2.00%**
19/01/2026	09:00 GMT	1.3407	Sell GBP/USD	23/01/2026	22:00 GMT	1.3644	**-1.76%**
29/09/2025	09:00 BST	1.3448	Sell GBP/USD	03/10/2025	22:00 BST	1.3497	**-0.23%**
15/09/2025	09:00 BST	9.8502	Buy USD/NOK	19/09/2025	22:00 BST	9.9445	**1.28%**
08/09/2025	09:00 BST	1.3817	Sell USD/CAD	12/09/2025	22:00 BST	1.3844	**-0.33%**
18/08/2025	09:00 BST	1.35	Buy GBP/USD	22/08/2025	22:00 BST	1.35	**-0.09%**
11/08/2025	09:00 BST	1.3452	Buy GBP/USD	15/08/2025	22:00 BST	1.3556	**0.77%**
Closed Month-End FX Spot Trades							
Open date	**Time**	**Entry**	**Recommendation**	**Close date**	**Close time**	**Exit level**	**P&L**
24/11/2025	08:00 GMT	1.3091	Short GBP/USD	26/11/2025	15:00 GMT	1.3222	**-2.00%**
24/09/2025	08:00 BST	1.1788 / 0.8734	Long EUR vs USD & GBP basket	30/09/2025	17:00 BST	1.173 / 0.87283	**-0.76%**
25/07/2025	08:00 BST	1.1749/0.87101	Long EUR VS USD &GBP basket	28/07/2025	16:45 BST	1.1610 / 0.8668	**-2.00%**

**Returns calculated as %VaR with 2% risk allocation per trade*
***Cost is a percentage of the notional value traded*
Source all tables: Crédit Agricole CIB

FX Focus

This is a reproduction of SEK: mind the gaps *published 10 September 2026*

- **The SEK has gone from being by far the top G10 FX performer in 2025, to the bottom of the pile this year. Looking at a more granular level, it has been a gradual process throughout the year, rather than a sharp turnaround, while such a SEK pullback has not come without backing. In our view, the SEK rally into 2026 had gone too far too soon. Sweden faces a negative terms-of-trade shock from higher energy prices, the Riksbank has lagged the more hawkish shift of other central banks, while the SEK has also likely suffered from its nature as a high-beta EUR proxy.**

- **This last relationship has notably endured some asymmetry over the summer, with the SEK being unable to benefit from the EUR/USD rebound, to stay among the G10 FX laggards this quarter. A possible reason is that the SEK rate disadvantage to the EUR has resumed worsening over that period. Contained inflation in Sweden, even when stripping out this year's fiscal measures, has bought the Riksbank more time, although FX and the prospects of excessive SEK weakness usually carry a heavy weight in its reaction function.**

- **The peak in ECB-Riksbank divergence may thus not be too far away, especially if today's ECB stance is to underwhelm EUR money markets. Once reached, the SEK could then focus back on the more appealing domestic fundamentals relative to its EU peers. The Swedish economy is set to grow twice as fast as the Eurozone this year and next, while still enjoying much sounder public finances.**

- **The outcome of this weekend's general elections in Sweden should not alter that. Another coalition government looks on the cards, as opinion polls suggest that the race between the two main blocs has become too close to call. Key there is that the major parties on either side back fiscal discipline, continuing to fiscally support activity with no major tax overhaul. While the market expects no major shake-up anyway, just removing uncertainties could be enough to somewhat clear the SEK path.**

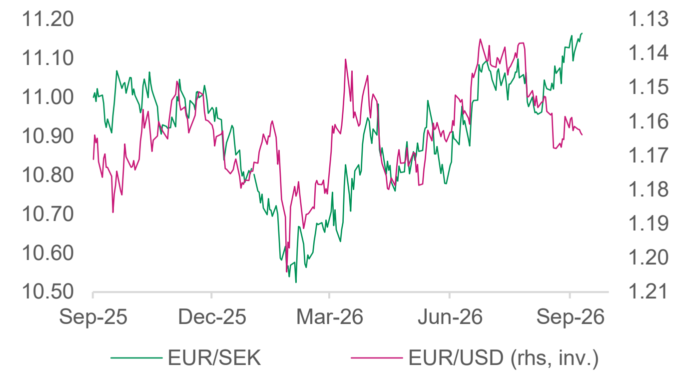
- **We thus continue to expect EUR/SEK to resume drifting lower later this year, albeit admittedly later than we had thought and from a more elevated base of one-year highs just shy of 11.20 at present.**

The SEK went into 2026 on the front foot, having outperformed all its G10 FX peers by at least 5% in 2025, even registering annual gains of 20% against the USD and almost 7% against the EUR. At the time, we warned that the rally had likely gone too far too soon, and therefore some consolidation could be on the cards. The SEK has since done a bit more than just taking a break, instead hitting one-year lows against the USD and the EUR as it has lagged all G10 FX so far this year. Increased geopolitical turmoil in the Middle East and its macro/financial ramifications could explain most of that. Just like most of Europe, the Swedish economy faces a negative terms-of-trade shock from higher energy prices, while it has also suffered from its nature as a high-beta EUR proxy with EUR/USD drifting lower. Furthermore, unlike the EUR, the SEK could not find any support from a not-so-hawkish Riksbank relative to most other central banks.

Record policy gap in sight

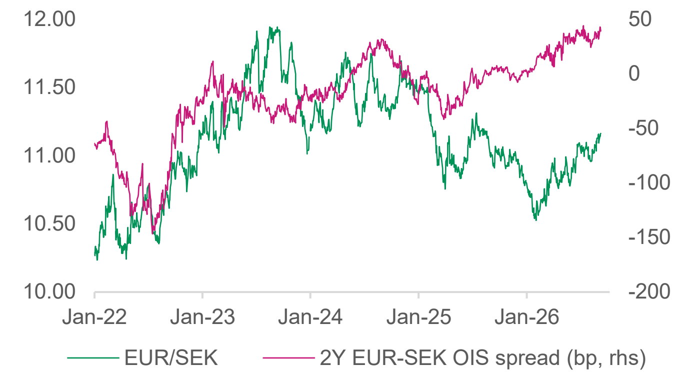
A notable development of the past month or so is that the SEK's high-beta proxy relationship to the EUR has faced some asymmetry, with the SEK being unable to benefit from the rebound in EUR/USD towards the middle of its range. A possible explanation is that the SEK rate disadvantage to the EUR has resumed worsening over the summer, with the Riksbank being set for a record lag in its policy rate relative to the ECB which is set to raise rates for a second time today. In a context of fairly contained realised volatility across FX markets, carry differential may matter even more and EUR bears may have thus switched to the SEK as an alternative at lower funding costs.

Fig 1. The SEK unable to benefit from being a high-beta EUR proxy amid EUR/USD rebound



Source: Crédit Agricole CIB, Bloomberg

Fig 2. Widening EUR-SEK rate differentials may have impeded the SEK



Source: Crédit Agricole CIB, Bloomberg

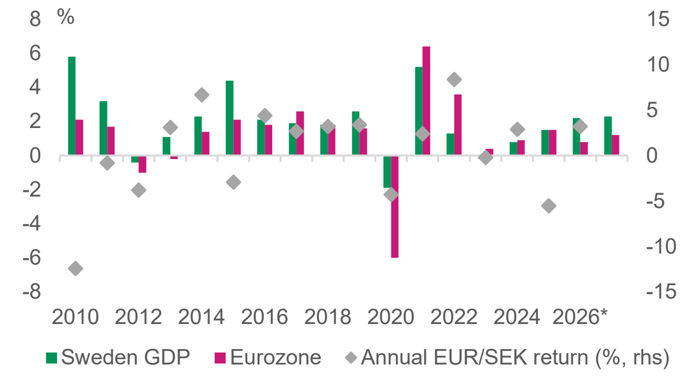
The Riksbank has indeed lagged behind the more hawkish turn followed by other central banks, albeit for good reasons. Swedish inflation has remained better behaved than most other developed economies, even when taking into account the fiscal measures that have come into effect through the year to soften the cost-of-living impact, and that have roughly depressed CPIF rates by about 1.5ppt. Stripping out such one-offs, both headline and core inflation would have remained close to the 2% handle, while August's flash figures have reduced the overshoot relative to the Riksbank's June forecast to almost nothing. In that context, the Riksbank could prolong its wait-and-see stance at the September meeting, although another prominent factor may get more attention. Despite being absent from the August minutes, undue SEK weakness could spur a prompt response from the Riksbank in order to swiftly mitigate the threats of stronger imported inflation, with the 2022-23 experience still very much in mind. As a result, with the Riksbank policy rate being poised to be 75bp below the ECB deposit rate for the first time ever after a likely hike today, and the 2Y EUR-SEK rate spreads still threatening to eye new highs near 50bp, peak policy divergence may not be too far down the road in our view.

More favourable comparison elsewhere

Once that is the case, the SEK could then focus on other factors where Sweden fares relatively much better than the rest of its EU peers: growth and public finances. Following years of at best at-par growth, Sweden is set to outperform significantly the Eurozone this year and next, with activity potentially expanding twice as fast over that period. The greater fiscal impulse delivered this year has undoubtedly helped to comparatively boost personal consumption, while at the same time a faster transmission of a more accommodative monetary policy has likely played its part. In the past, such periods of significant growth outperformance between Sweden and the Eurozone have usually brought some gradual SEK gains against the EUR and we would not expect anything much different this time around. This gear differential has only started to be visible in the Q226 data, and as a result extra months' worth of data may still be needed to confirm that the trend has become well entrenched, as the negative prints seen in the June-July GDP have been described more as a normalisation of the exceptionally strong May number.

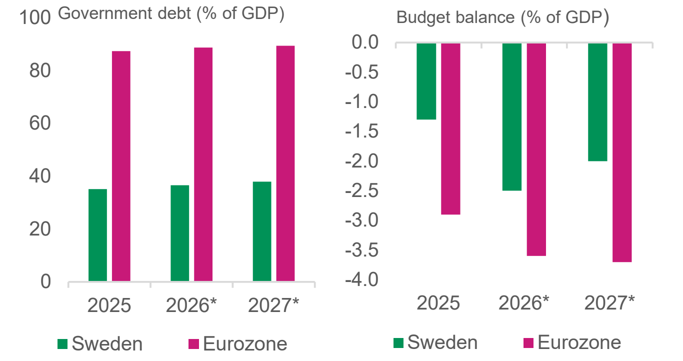
An area where Sweden's superior appeal should be hard to argue against is public finances. Despite making greater use of its fiscal headroom, the Swedish government should run a budget deficit well below the 3% of GDP mark before a return towards balanced books soon after. In any case that would leave the public debt metrics in a sound position below 40% of GDP, whereas many EU countries face a much bigger tally that is getting increasingly expensive to service. Therefore, in a context of growing fiscal concerns/surging long-term yields, the SEK should offer a good shelter relative to the EUR.

Fig 3. Relative growth outperformance usually brings SEK gains vs the EUR too



Source: Crédit Agricole CIB, Bloomberg, ECB, Riksbank
** Forecasts*

Fig 4. In a context of rising long-dated yields, Sweden's healthy public finance should shelter the SEK

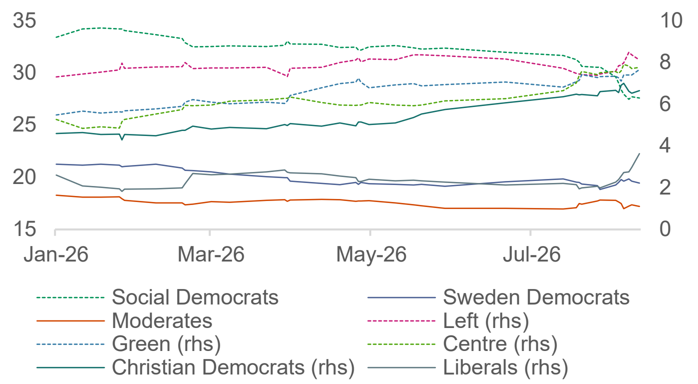


Source: Crédit Agricole CIB, ECB, Riksbank

Election too close to call

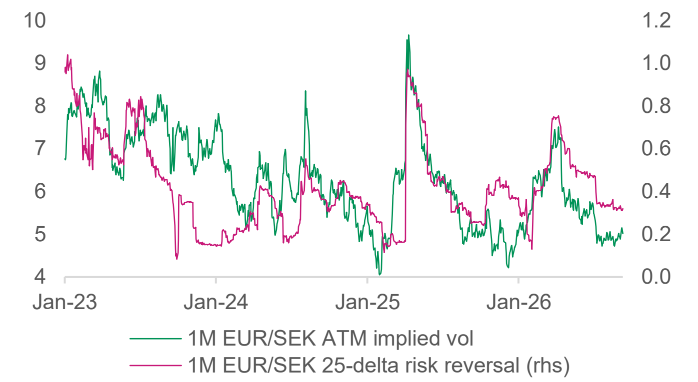
We do not expect Sweden's compelling fiscal stance to be threatened by the next general election this weekend. Until a month ago, the bloc led by the Social Democrats enjoyed a comfortable lead in the opinion polls, which has now fallen within the margins of errors. Yet, a deciding factor in terms of final seat allocation lies with whether the Liberals (which are presently part of the Tido alliance) could reach the 4% threshold at the national level. In any case, Sweden has been used to running with coalition governments for the past twenty years, and in some cases in a minority framework. Therefore, with the three largest polling parties not pledging to depart from some sort of fiscal discipline, risks of budget slippage appear fairly limited, even though some parties in the opposition have called for a greater tax overhaul. Furthermore, lengthy negotiations to secure a coalition agreement already occurred in the past without shaking up domestic markets and/or the SEK in the process. In that context, FX option markets have again not embedded any major risk around that event, and therefore, Sunday's outcome should not be too consequential for the SEK which may still enjoy some uncertainties being cleared off the table, if at all.

Fig 5. The gap has closed for the opposition bloc in the latest opinion polls ahead of Sunday's election



Source: Crédit Agricole CIB, Wikipedia

Fig 6. As usual, FX options do not price in any major risk around that event



Source: Crédit Agricole CIB, Bloomberg

Conclusion

Despite reaching fresh one-year highs just shy of 11.20, we still expect EUR/SEK to resume drifting lower later this year. Peak policy divergence between the Riksbank and the ECB may need to be reached for that, as the focus may then shift back to Sweden's more appealing feature relative to the Eurozone on the growth and fiscal fronts

FX Focus recent publications

Release	Publication	Link
10/09/2026	FX Focus	SEK: mind the gaps
02/09/2026	FX Focus	Still bearish on EUR/USD, for now
26/09/2026	FX Focus	XAU: Goldilocks market amid USD-debasement fears
06/08/2026	FX Focus	JPY: intervention against the odds… again
28/07/2026	FX Focus	US trip notes: bullish is in the eye of the beholder
10/07/2026	FX Focus	USD/JPY: Known unknowns
08/07/2026	FX Volatility Monitor	Anything left to sell?
01/07/2026	FX Focus	The downtrodden: revising our JPY, AUD, NZD & CAD forecast
23/06/2026	FX Focus	USD: party like its 1999? Not quite
15/06/2026	FX Focus	Still bearish EUR/USD, albeit less so than before
10/06/2026	FX Focus	CAD: when the world watches
02/06/2026	FX Volatility Monitor	EUR/USD vol: a sure rise?
27/05/2026	FX Focus	Trading UK political risks: from betting odds to GBP vol spreads
20/05/2026	FX Focus	The political drama in Westminster and the GBP: not another Mini-Budget
07/05/2026	FX Focus	AUD: the Australian budget- lipstick on a pig?
30/04/2026	FX Focus	USD: flow wars
28/04/2026	FX Volatility Monitor	JPY vols run to the lows
15/04/2026	FX Volatility Monitor	Flying under the radar?
30/03/2026	FX Presentation	2026 FX market outlook: “Things can only get better?”
30/03/2026	FX Focus	The Iran War and out FX forecasts: winners and losers
16/03/2026	FX Focus	The war in Iran and EUR/USD – assessing the impact
10/03/2026	FX Focus	CHF: Surrendering Neutral Bliss
04/03/2026	FX Focus	Introducing Crédit Agricole CIB’s FX gamma calendar
02/03/2026	FX Volatility Monitor	Contained escalation
26/02/2026	FX Focus	AUD: dancing on the ceiling and our forecast
17/02/2026	FX Volatility Monitor	Too much steepness in G10 FX vols?
13/02/2026	FX Focus	EUR: more expensive than you think
10/02/2026	FX Focus	Japan’s election, Sanaenomics unbound & our JPY forecasts
04/02/2026	FX Focus	No ‘sell America trade’ but some short-USD hedging
27/01/2026	FX Focus	Upgrading our gold outlook
22/01/2026	FX Focus	The election, Sanaenomics and the JPY
21/01/2026	FX Volatility Monitor	Not ceding to Liberation Day like turmoil
02/12/2025	FX Presentation	2026 FX outlook: things can only get better
02/12/2025	FX Focus	2026 FX outlook: things can only get better
10/11/2025	FX Focus	JPY: Sanaenomics & our forecast
03/11/2025	FX Focus	GBP: near-term forecast downgrade but outlook remains more constructive for 2026
15/10/2025	FX Volatility Monitor	En garde, still?
07/10/2025	FX Focus	JPY: Takaichi’s win & our forecasts
30/09/2025	FX Presentation	FX market outlook: “The USD is down but not out”
29/09/2025	FX Focus	CHF and NZD forecast update
23/09/2025	FX Focus	JPY: the LDP presidential election & our forecasts
18/09/2025	FX Focus	XAU: Forecast upgrade amid Goldilocks
11/09/2025	FX Focus	Diversification flows out of the US and the USD revisited
03/09/2025	FX Focus	French politics: scenarios and market impact
28/08/2025	FX Focus	AUD: Australia’s productivity puzzle & our forecasts
14/08/2025	FX Volatility Monitor	Fighting the summer lull
08/08/2025	FX Focus	JPY: geopolitics, politics and our forecasts
16/07/2025	FX Focus	GBP outlook update: pounded
10/07/2025	FX Focus	CAD, CHF, NOK, NZD and SEK forecast update
01/07/2025	FX Focus	JPY: a July jump?
25/06/2025	FX Focus	EUR: outlook upgrade for the ‘anti-dollar’

Week ahead: key themes & trades

EUR: after the ECB. The ECB hiked rates by 25bp in September but remained non-committal to future rate hikes, opting not to validate the aggressively hawkish market rate expectations. The updated staff economic projections further signalled that the ECB expects Eurozone inflation to remain elevated for longer while growth to prove somewhat more resilient. During her press conference ECB President Christine Lagarde also let slip that the Governing Council did not discuss future rate hikes, highlighting the data-dependency of the ECB monetary policy.

Eurozone rates and EGB yields remained supported in the wake of the ECB meeting, suggesting that investors continue to expect the bank to hike rates further in the coming month. All this left the EUR relative rate appeal little changed, however, given that rates and bond yields have been drifting higher across G10 on the back of the continuing rally in global energy prices fuelled by persistent geopolitical risks. EUR/USD continued to trade in a tight range as a result.

Looking ahead into next week, the Eurozone data calendar is relatively light with only the German ZEW for September and the final Eurozone CPI print for August on the docket. In addition, we will get the usual coterie of policymakers making media appearances in the wake of the ECB policy meeting: Piero Cipollone, Olli Rehn, Philip Lane and Gaston Reinesch. We think that the path of EUR/USD in the near term would continue to depend on the broad USD moves across the board. The latter in turn, will depend on the outcome of the September Fed policy meeting and the resilience of market risk sentiment.

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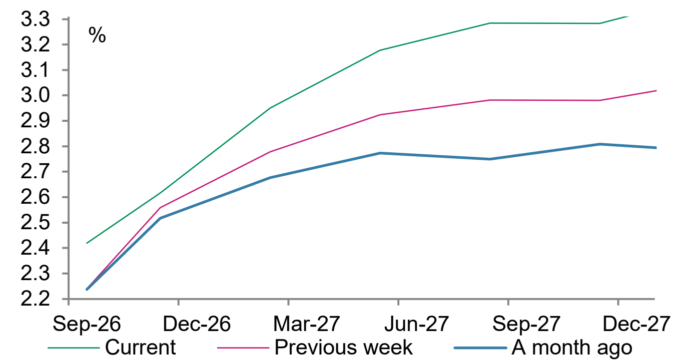
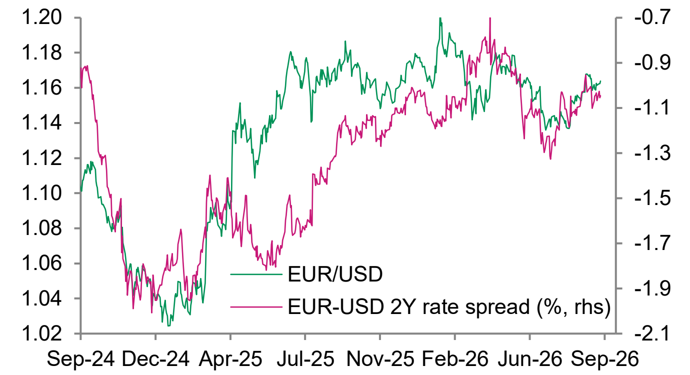
Investors have turned more hawkish on the ECB of late



Source: Crédit Agricole CIB, Bloomberg

EUR/USD vs EUR-USD 2Y rate spread



Source: Crédit Agricole CIB, Bloomberg

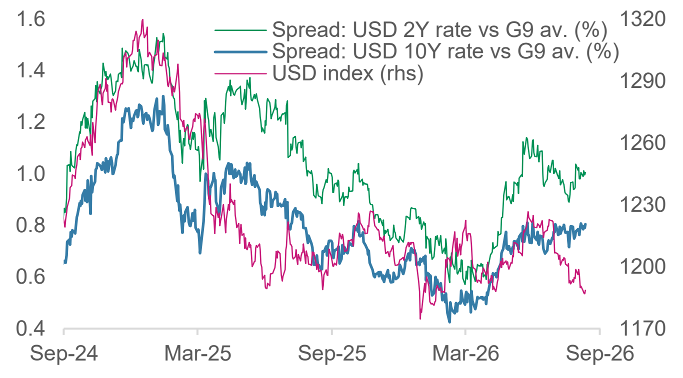
USD: Fed to the rescue? The selloff in global fixed income markets persists as growing inflation worries lead to further frontloading of central bank rate hikes. The USD saw its rate and yield appeal vs the rest of G10 improve as a result but was unable to benefit from it. The apparent 'decoupling' between the USD and UST yields could reflect market fears about weakening foreign demand for US public debt – stoked by the US Treasury's attempts to curb long-dated UST yields as well as recent media reports that Japan's GPIF and Norway's Sovereign Wealth Fund could reduce their vast UST holdings. The 'Sell-America' trade from Q225 is an extreme example of how negative correlation between UST yields and the USD could result in what has been described as the 'anti-USD-smile' or 'USD-frown'.

Fears about the US fiscal outlook and its impact on foreign appetite for USTs could linger but we also note that fixed-income international flows have become less of a USD driver than in the past. As the FX price action in H225 signalled, unhedged equity inflows in the US helped prop up the USD even as investors reigned in their UST exposure. And the share of US stocks and credit in foreign-held long-term assets is now dwarfing that of USTs, according to the latest TIC data. In turn, this means that the still robust US equity market rather than any worries about the UST outlook should be a key driver of the USD long-term outlook.

We believe that the risk of a hike and/or a hawkish hold has increased ahead of the FOMC meeting next week, in view of sticky energy prices and the recent steps by the US Treasury to cap long-end UST yields. If confirmed, a more hawkish Fed could support the USD. Ahead of that, today, FX investors will scrutinise the CPI data for August

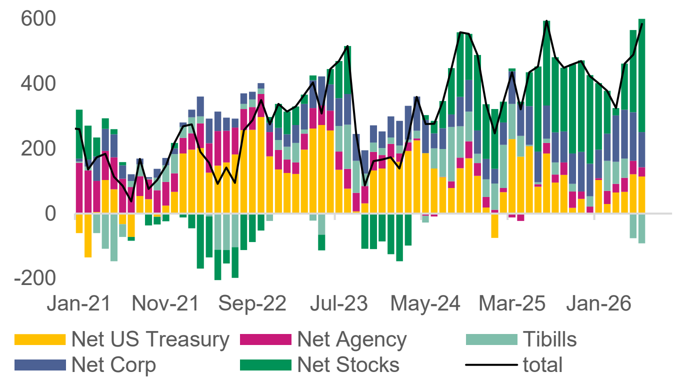
Its weaker correlation with US rates notwithstanding, the USD outlook could remain a function of the relative Fed outlook as market focus shifts to the outcome of the September FOMC policy meeting next week. Ahead of that, today, FX investors will scrutinise the CPI data for August. We believe that the risk of a hike and/or a hawkish hold has increased, in view of sticky energy prices and the latest US Treasury's UST buybacks which can ease US financial conditions. A more hawkish Fed next week could support the USD.

The USD has decoupled from its growing rate and yield appeal vs G9



Source: Crédit Agricole CIB, Bloomberg

Foreign holdings of long-term US assets are dominated by US stocks and credit rather than USTs (TIC data)



Source: Crédit Agricole CIB, Bloomberg

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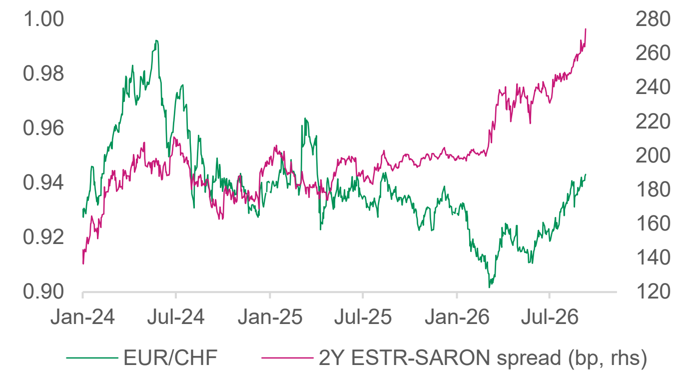
The CHF has weakened further, although more acute risks could also bring the tipping point closer for safe-haven demand to return in earnest

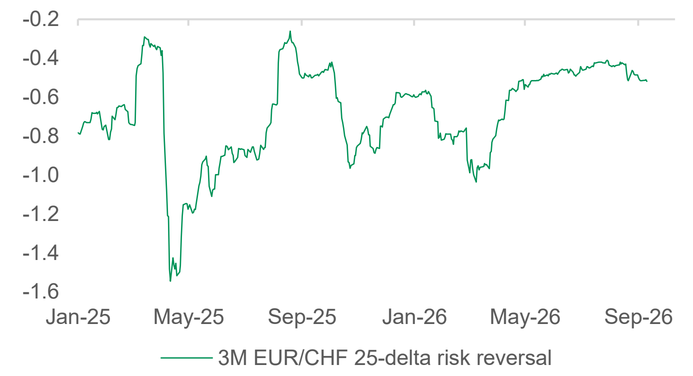
CHF: still bearing the costs. The CHF has remained on the back foot this week, with EUR/CHF pushing for fresh one-year highs towards 0.9450. The market keeps focusing on the growing CHF disadvantage in a context of higher rates across the curve due to rising energy prices, as the negative knock-on impact on broad market sentiment has so far proved fairly muted. Yet, it may not require much for the balance to tip the other way and for the CHF to benefit from more acute risks on the global stage. Such a caution seems to prevail in the FX option space, as OTM CHF calls have not cheapened on a relative basis vs equivalent puts, despite CHF spot losses and the slight rise in volatility. Aside from global considerations, more compelling domestic fundamentals could soon start to play in the hands of the CHF too. The bar may be high for Thursday's Swiss external trade figures to post another record monthly surplus in August, but that would already contrast starkly with the Eurozone balance being under the threat of flipping to regular deficit. On another front, Swiss regulators recently announced that electricity prices for Swiss households will on average fall by 4% next year. More than the fact that it would mean no base effect in CPI from January onwards (vs 0.1ppt this year), Swiss consumers would then be spared from the likely sharp erosion in purchasing power stemming from energy bills in the Eurozone, as many governments will not be able to resort to the same fiscal support as in 2022-23.

EUR/CHF pushes one-year highs towards 0.9450, as rate spreads widened at the CHF's expense



Source: Crédit Agricole CIB, Bloomberg

Caution still prevails in FX option markets, as safe-haven flows could return any time soon



Source: Crédit Agricole CIB, Bloomberg

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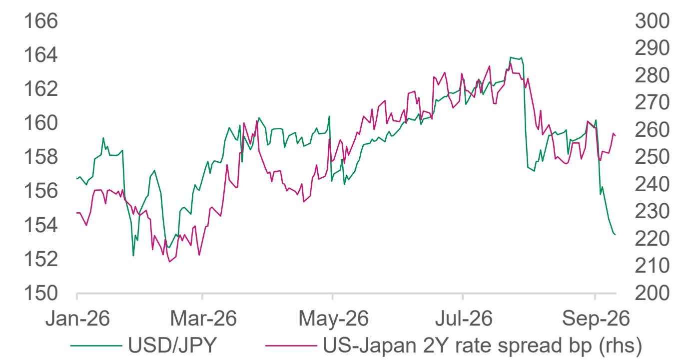
JPY: a potentially tough treble. The JPY has continued its rally being urged on by USD/JPY breaking the important technical support level at 155, which about marked the bottom of the exchange rate's decline during the joint US-Japan intervention. This level now forms the strong upside resistance in USD/JPY. In the coming week, the Fed and BoJ meetings as well as US CPI data later today and US retail sales data ahead of the Fed next week will be important for the JPY. Japan's inflation data out just ahead of the BoJ meeting outcome will follow higher Tokyo inflation cementing the need for a rate hike.

For the JPY to maintain its rally the BoJ will have to raise rates next week, the vote for the hike would have to be unanimous and Ueda would also have to sound hawkish in his press conference. A potentially tough treble

The BoJ and FOMC meetings have the potential to generate significant volatility in the JPY. The markets are about 70% priced for a Fed rate hike and the FOMC is also releasing its new dot plot forecasts. Japan's rates market is nearly fully priced for a BoJ rate hike next week and another by December. This pricing has been encouraged by hawkish talk from BoJ officials including hawks Kazuyuki Masu and Hajime Takata as well as Governor Kazuo Ueda and Deputy Governor Ryozo Himino. US Treasury Scott Bessent has also strongly encouraged hawkish pricing for next week's BoJ meeting by saying he has asymmetric information relative to FX traders suggesting he knows that the BoJ will make a hawkish shift next week.

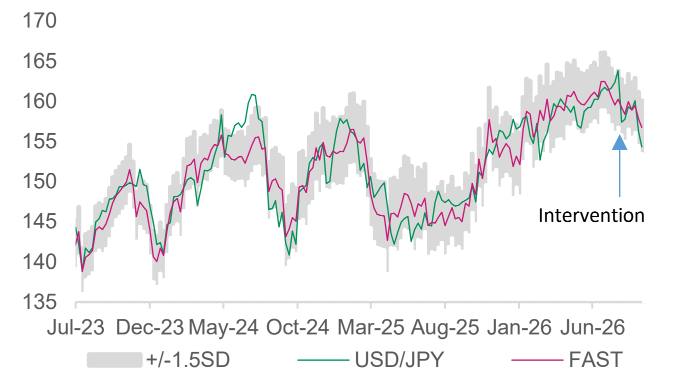
So for the JPY to maintain its rally the BoJ will have to raise rates next week, the vote for the hike would have to be unanimous and Ueda would also have to sound hawkish in his press conference. A potentially tough treble.

The US-Japan rates spread needs to shift to justify the move in USD/JPY



Source: Bloomberg, Crédit Agricole CIB

USD/JPY looking a bit undervalued



Source: Bloomberg, Crédit Agricole CIB

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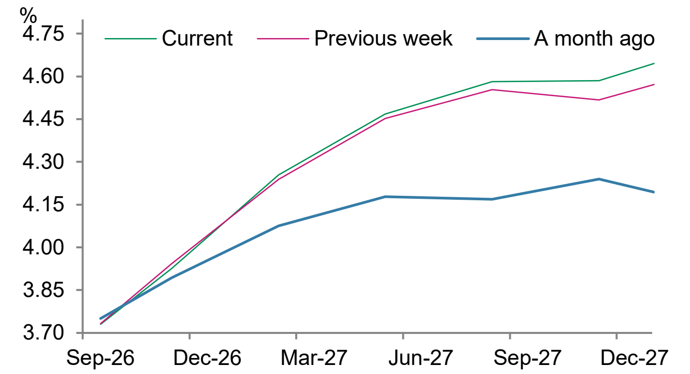
The BoE should keep its rates unchanged next week. The updated forward guidance could further suggest that the BoE remains undecided on the need to tighten further and thus deal a blow to the very hawkish market expectations. If confirmed, a dovish hold next week could erode the GBP rate appeal

GBP: all eyes on BoE. Ahead of the September BoE policy meeting, UK rate investors expect the BoE to keep rates unchanged but to ultimately deliver monetary tightening to the tune of almost 100bp in the next twelve months. The move represents a significant acceleration of the buildup of BoE rate hike bets in recent weeks. The correction has impacted both the short and long end of the UK yield curve and can be explained by the upward adjustment of inflation expectations as approximated by 5Y breakeven inflation. In turn, the inflation market has responded to the recent rally of global energy prices fuelled by the conflicts in the Middle East and Ukraine.

Ahead of the BoE meeting therefore, focus will be on the new MPC voting split and the updated forward guidance. Given that three policymakers dissented in favour of a hike in August, the latest market developments could suggest that FX investors would look for indications that the hawkish camp has grown further in September. That said, we still think that there remains a solid majority at the MPC that continues to (1) see little evidence of second-round effects in the UK economy and (2) expect that the persistent softness of UK labour markets could become a more dominant drag on inflation from here.

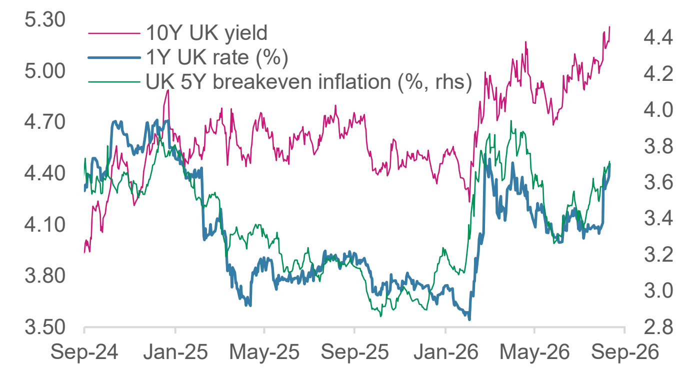
As a result, the updated forward guidance could continue to suggest that the BoE remains undecided on the need to tighten further and thus deal a blow to the very hawkish market expectations. If confirmed, a dovish hold next week could erode the GBP rate appeal across G10. Next to the BoE, focus in the coming days will be on UK CPI and retail sales for August as well as the latest labour market data.

Investors have boosted their BoE rate hike expectations



Source: Crédit Agricole CIB, Bloomberg

Inflation worries pushing up UK rates and gilt yields



Source: Crédit Agricole CIB, Bloomberg

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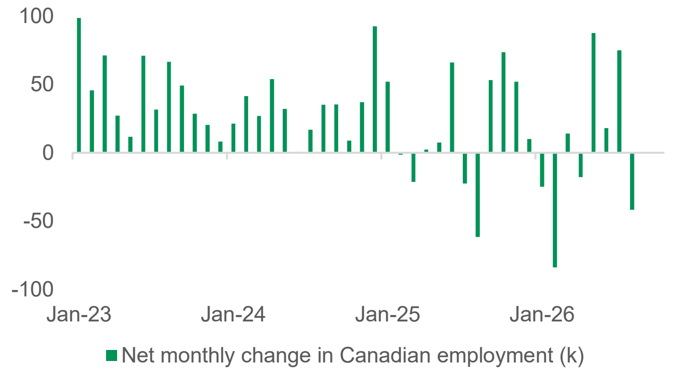
The CAD has withstood softer Canadian macro data and the escalating trade war between the US and Canada, which may still reinforce downside risks to the CAD

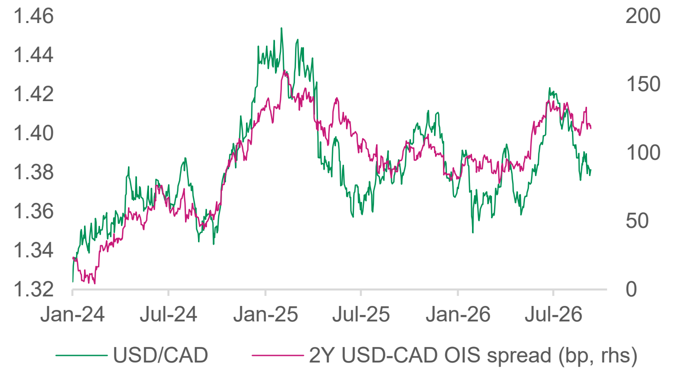
CAD: no backing off yet. USD/CAD has quietly consolidated near 1.38 over the past week, having shrugged off any potential setback. Downbeat Canadian jobs data for August contrasted with a blockbuster US labour report, as of special note Canadian employment surprisingly fell by -42k last month (vs 15k expected). Later on, after Canada's counter-tariffs came into force on Tuesday, the US President announced some more retaliatory measures to begin on 29 September, with a ban on some dairy and alcoholic products and higher tariffs on a small range of goods. This escalating step may nonetheless not be as far-reaching in terms of economic impact for Canada as the prior salvo, while Canadian authorities are yet to decide on further action. Meanwhile, Canada and the EU have agreed to deepen their economic and defence partnership, with a summit being scheduled for late October, while we would still caution that the CETA is not fully ratified and implemented almost a decade after its signature. All in all, concerns over potentially longer-lasting and bigger damages in the US-Canada relationship should keep the balance of risks tilted to the downside for the CAD in the near term. In that context, Canada's CPI release for August could be put on the backburner, as long as there is no evidence yet of a pick-up in the core inflation metrics. That should nonetheless not offset the fact that risks to the inflation outlook are clearly skewed to the upside due to higher energy prices and tariffs, although the main takeaway of the last BoC meeting was perhaps the relative lack of worries regarding activity prospects. Wednesday's BoC minutes could be scrutinised for any complementary details on how the bank assesses and ponders these two points, while we would repeat that short rate spreads presently appear more consistent with USD/CAD closer to the upper bound of its 1.35/1.40 range, rather than towards the middle.

The CAD has dodged an unfavourable comparison between the Canadian and US jobs report



Source: Crédit Agricole CIB, Bloomberg

Rate spreads should still pull USD/CAD at around 1.40, as well as heightened US-Canada trade war



Source: Crédit Agricole CIB, Bloomberg

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RBA rhetoric will have to stay hawkish to support the AUD, especially in the face of the FOMC meeting outcome

AUD & NZD: sentiment and relative rates. The AUD remains supported by a hawkish RBA as well as strong copper and oil prices. But the currency's rally is waning a little as the rise in oil prices begins weighing on investor sentiment. Upside in the NZD remains limited by a less hawkish RBNZ as well as rising oil prices (a negative terms-of-trade shock for NZ) and softening sentiment. But the currency remains supported by surging agricultural commodity prices due to rising risks of a super El Nino. Agricultural production so far remains firm in NZ. Higher food and oil prices could also force the RBNZ to become more hawkish on rates.

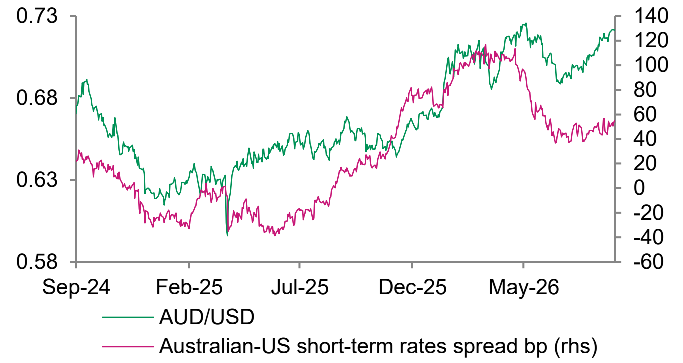
Sentiment and relative rates will be the key drivers of the Antipodean currencies in the coming week. With the Australian rates market already priced nearly 80% for hikes in September and December, the RBA's rhetoric will have to remain hawkish to support the AUD, especially relative to the pricing for the Fed. This week RBA Deputy Governor Andrew Hauser and Assistant Governor and Chief Economist Sarah Hunter signalled that the RBA's internal recommendation to the MPB will likely be to raise rates in September. Hauser being a member of the Board will likely vote for a hike and Governor Michele Bullock, when she appears before the House Economics Committee next week, will probably also signal she favours raising rates. Bullock will be appearing with other senior members of the RBA. Hunter will also be appearing at a conference on regional economies.

The RBNZ expects NZ real GDP growth to have stalled and recorded no growth in Q2. The central bank expects falling consumption and investment as households and businesses became more cautious due to higher oil prices on the back of the US-Iran war. Significant growth would reduce the RBNZ's estimate of the spare capacity in the economy and give the NZD a boost.

The US CPI data reading later today, US retail sales data and the FOMC meeting outcome will likely be the strongest drivers of the Antipodean currencies in the coming week. With the market about 70% priced for a Fed rate hike next week, there is potentially significant volatility in the USD from these events, especially with the release of updated FOMC dot plots.

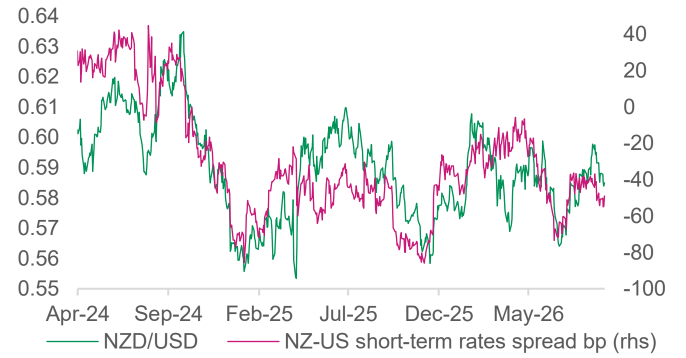
Our China economist looks for China's cyclical data next week to point to stabilisation at low levels. Her forecasts for retail sales, IP and FAI of 0.9% YoY, 4.8% YoY and -7.1% YTD YoY are about in line with the market consensus.

The Australian-US short-term rates spread is creeping higher helping AUD/USD



Source: Bloomberg, Crédit Agricole CIB

The less hawkish RBNZ has weighed on the NZ-US short-term rates spread and NZD/USD



Source: Bloomberg, Crédit Agricole CIB

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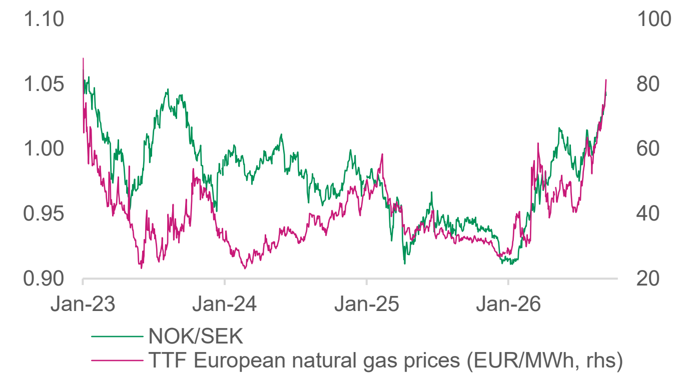
Higher energy prices have widened the chasm between the NOK and the SEK, with new highs in the former and new lows in the latter

NOK & SEK: breaking away? NOK/SEK has extended its rally above 1.04 for the first time in almost three years, as a direct consequence of rising energy prices in the wake of heightened tensions in the Middle East. Using the EUR as a transitory variable, EUR/NOK has fallen to three-year lows sub-10.70 whereas EUR/SEK has reached fresh one-year highs above 11.25. Meanwhile on the domestic front, this week's newsflow has not proved particularly supportive for the Scandinavian currencies. In Sweden, growth and inflation surprised to the downside. The miss was bigger in the July GDP figures (-0.8% MoM vs -0.1% consensus), although not calling into question the fact that annual growth continues to run above trend, with activity still being set to grow twice as fast as in the Eurozone. The CPIF flash estimate for August came out 0.2ppt below the market expectations, but crucially it brings core inflation back in line with the Riksbank's central case after a 0.4ppt overshoot in July. With Swedish inflation ex-fiscal measures still close to 2%, chances of a September move have been trimmed, although a weaker SEK and higher energy prices have in the meantime arguably reinforced the prospects of a more frontloaded tightening by the Riksbank further down the line. With peak policy divergence between the ECB and the Riksbank not moving out of sight, the SEK still contemplates more compelling fundamentals for a potential turnaround later in the year, while the outcome of Sunday's election is unlikely to alter materially the course of the SEK.

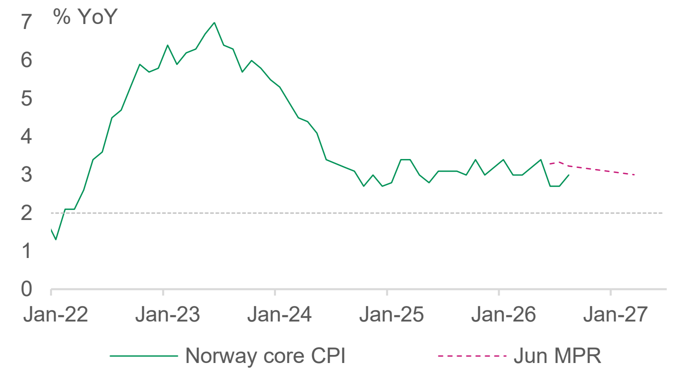
In Norway, August's CPI data came out in line with market expectations, posting a 0.3ppt rebound in both headline and core annual inflation (to 3.3% and 3.0% YoY respectively). Nevertheless, that was only due to the rolling out of a negative base effect of that exact same magnitude (linked to childcare costs), as ultimately underlying inflation undershot the Norges Bank's average forecast for Q326 by 0.3ppt. NOK money markets have thus flipped the chances of a September hike from 60% to 40%, especially as continued NOK strength and rising long-term yields have also provided some tightening of their own, although back in May similar circumstances did not prevent the central bank from frontloading its tightening. Until the 24 September meeting, the eventuality of a September move could still be revived by any empirical evidence of buoyant wages growth, frothier capex plans and stronger growth momentum in next week's Regional Survey. At this stage a last 25bp hike remains on the cards for this year, enough to leave the NOK among the highest short carries in the G10 space, but not necessarily sufficient to boost the NOK from current levels. For that, energy prices would have to rise further without derailing global risk appetite much, while the NOK should not be emboldened by a larger trade surplus out of Norway in August.

Higher energy prices have increased the NOK-SEK divide



Source: Crédit Agricole CIB, Bloomberg

Slight undershoot in Norway core inflation seems to push back the delivery of its last rate hike



Source: Crédit Agricole CIB, Bloomberg, Norges Bank

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FX Positioning Update

This is our weekly update published 07 September 2026

For more information please refer to the FX Focus – [Introducing G10 FX PIX: our new G10 FX Positioning Index]

- **The EUR saw fresh buying interest last week, predominantly driven by Risk Reversals flows. Our FX flow data points at banks, hedge funds and real money investors inflows as well as corporates outflows.**

- **The USD remains the biggest long in the G10 FX at present and experienced fresh selling interest last week, predominantly driven by Tactical flows. Our FX flow data points at corporates and hedge funds inflows as well as banks and real money investors outflows.**

- **The JPY enjoyed new buying interest last week, predominantly driven by Tactical flows. Our FX flow data points at hedge funds and real money investors inflows as well as banks and corporates outflows.**

- **The CHF faced fresh selling interest last week, predominantly driven by IMM flows. Our FX flow data points at real money investors inflows as well as banks, corporates and hedge funds outflows. All in all, the CHF remains in overbought territory.**

- **The GBP faced fresh selling interest last week, predominantly driven by IMM flows. Our FX flow data points at corporates and hedge funds inflows as well as banks and real money investors outflows. All in all, the GBP is no longer in overbought territory.**

- **The AUD saw some buying interest last week, predominantly driven by Crédit Agricole CIB flows. Our FX flow data points at real money investors inflows as well as banks, corporates and hedge funds outflows.**

- **The CAD enjoyed some buying interest last week, predominantly driven by IMM flows. Our FX flow data points at corporates and hedge funds inflows as well as banks and real money investors outflows.**

- **The NZD remains the largest short in the G10 FX at present and faced some selling interest last week, predominantly driven by Risk Reversals flows. Our FX flow data points at hedge funds and real money investors inflows as well as banks and corporates outflows.**

- **The NOK saw fresh buying interest last week, predominantly driven by Tactical flows. Our FX flow data points at hedge funds inflows as well as banks, corporates and real money investors outflows.**

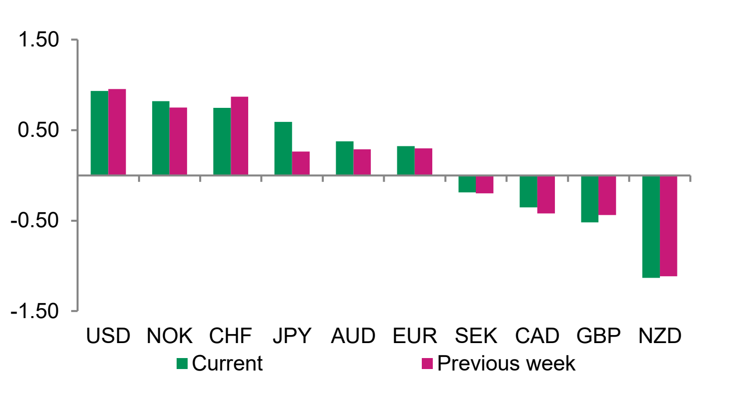
- **The SEK saw new buying interest last week, predominantly driven by Risk Reversals flows. Our FX flow data points at banks, corporates, hedge funds and real money investors outflows.**

Fig 1. New G10 FX PIX 3.0 trades this week

Time Stamp	Entry	Trade	Direction	Spot at entry	Take Profit	Stop Loss
09:00 BST	07/09/2026	USD/CHF	Long	9am London fix	3.00%	-1.50%

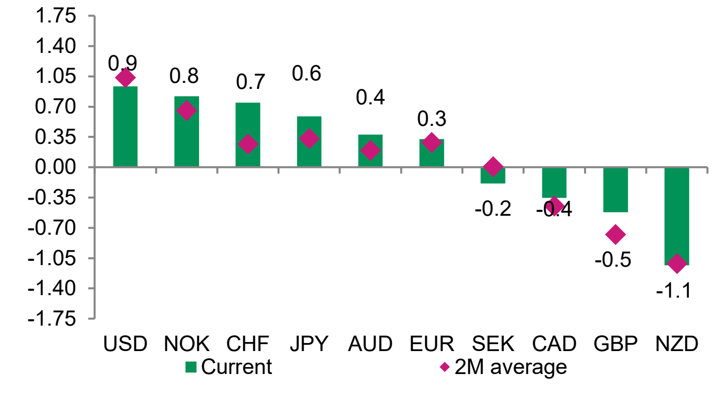
Source: Crédit Agricole CIB

Fig 2. G10 FX positioning at a glance



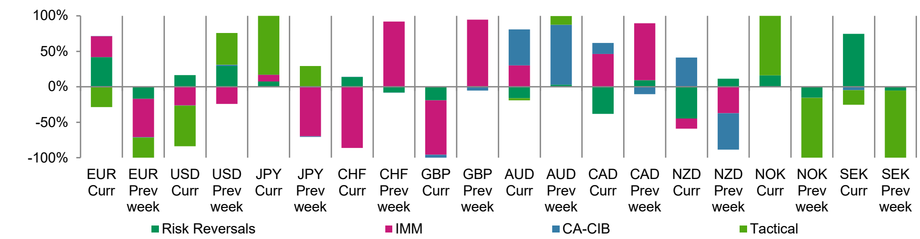
Source: Crédit Agricole CIB

Fig 3. G10 FX positioning – current vs 2M average



Source: Crédit Agricole CIB

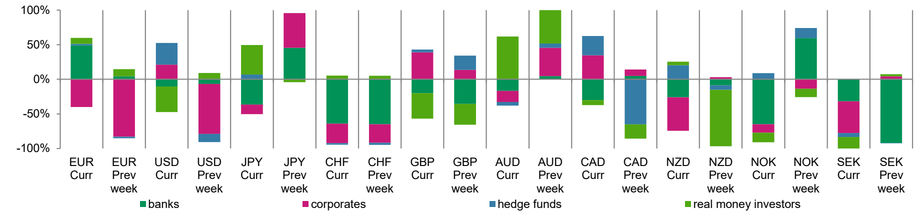
Fig 4. Current vs previous week weighted contributions of positioning sub-indices



Note: A negative (positive) z-score could mean that the change in the underlying positioning data is below (above) its long-term average

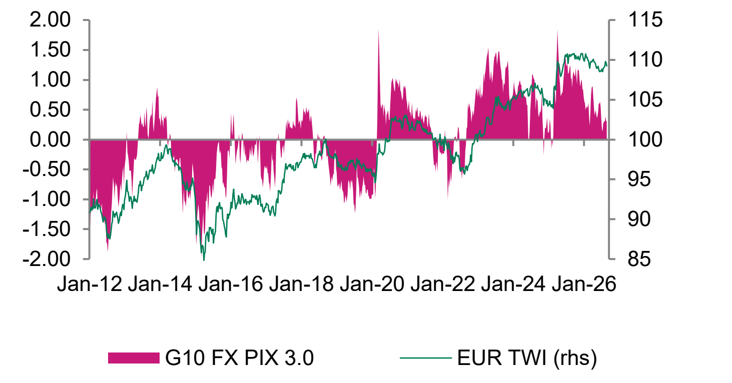
Source: Crédit Agricole CIB

Fig 5. Current vs previous week FX flows



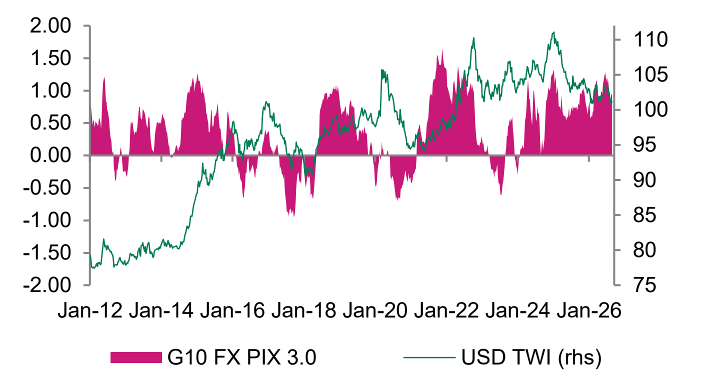
Source: Crédit Agricole CIB

Fig 6. G10 FX PIX 3.0 for EUR



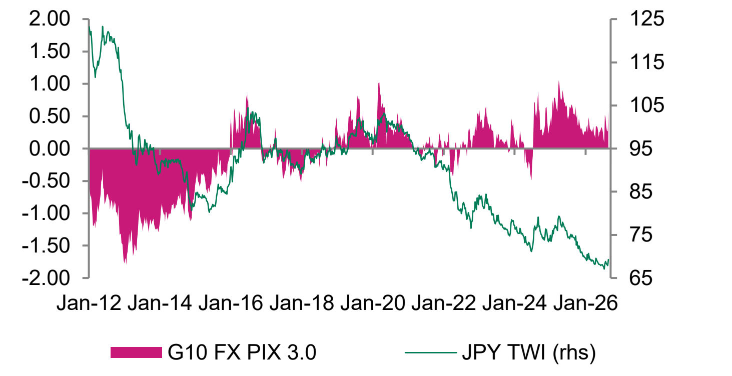
Source: Crédit Agricole CIB, Bloomberg

Fig 7. G10 FX PIX 3.0 for USD



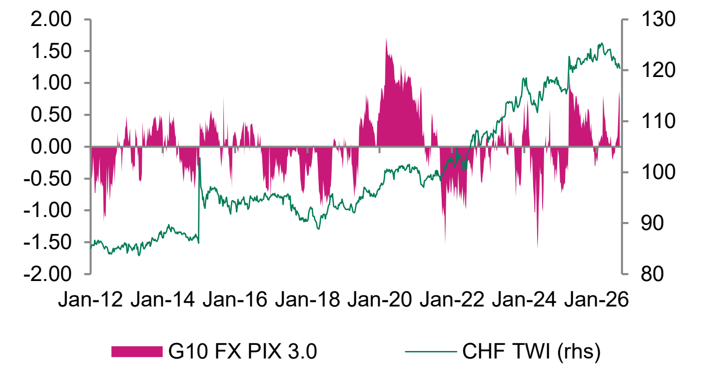
Source: Crédit Agricole CIB, Bloomberg

Fig 8. G10 FX PIX 3.0 for JPY



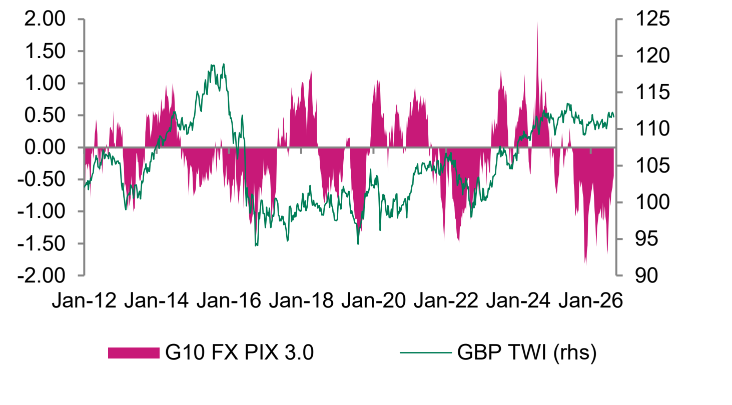
Source: Crédit Agricole CIB, Bloomberg

Fig 9. G10 FX PIX 3.0 for CHF



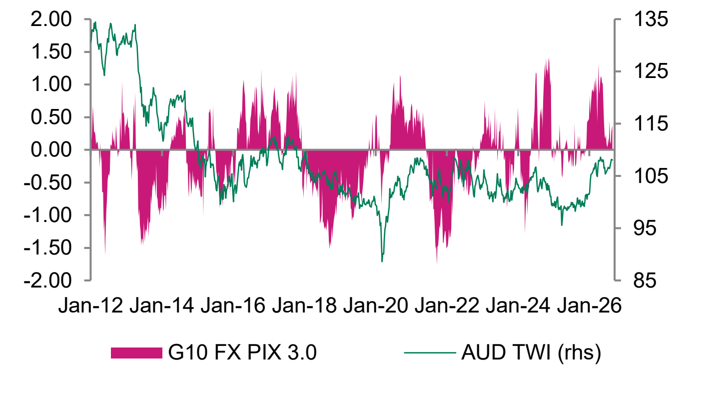
Source: Crédit Agricole CIB, Bloomberg

Fig 10. G10 FX PIX 3.0 for GBP



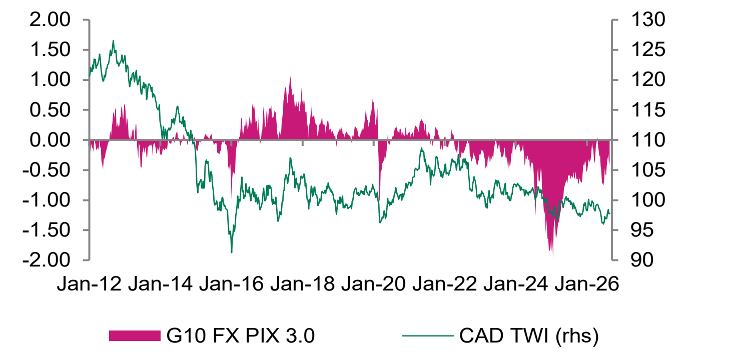
Source: Crédit Agricole CIB, Bloomberg

Fig 11. G10 FX PIX 3.0 for AUD



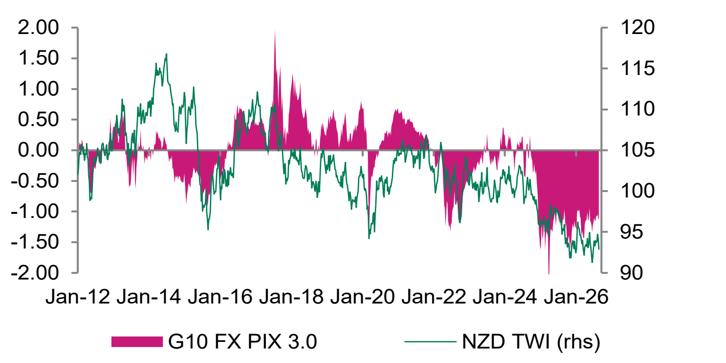
Source: Crédit Agricole CIB, Bloomberg

Fig 12. G10 FX PIX 3.0 for CAD



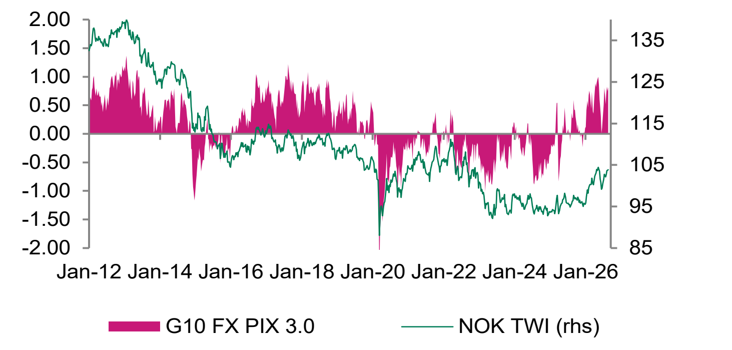
Source: Crédit Agricole CIB, Bloomberg

Fig 13. G10 FX PIX 3.0 for NZD



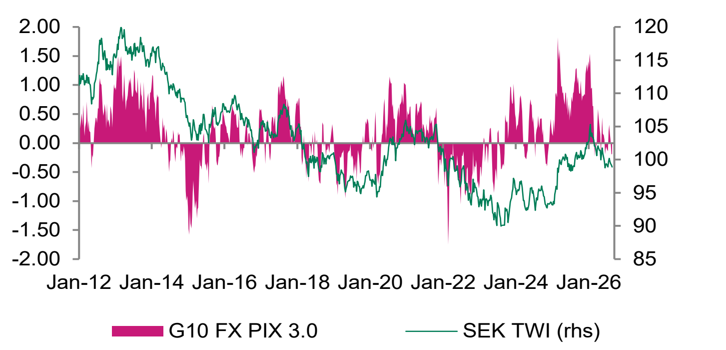
Source: Crédit Agricole CIB, Bloomberg

Fig 14. G10 FX PIX 3.0 for NOK



Source: Crédit Agricole CIB, Bloomberg

Fig 15. G10 FX PIX 3.0 for SEK



Source: Crédit Agricole CIB, Bloomberg

FAST FX Fair Value Model Update

This is our weekly update published 07 September 2026

For more information please refer to the FX Focus – Introducing our FAST FX fair value model

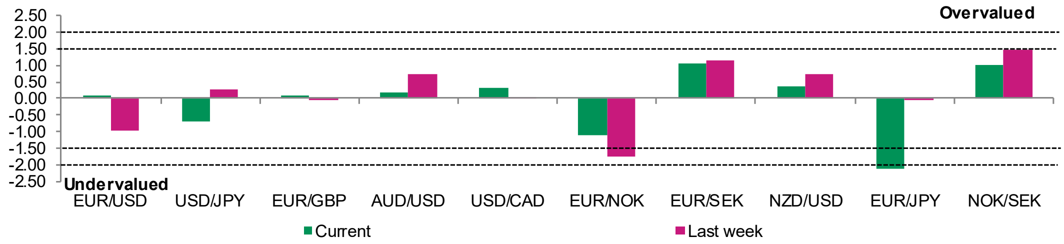
- **The FAST FX model lost -0.49% last week being long EUR/NOK. The model gauges that the JPY's rapid appreciation last week has made the currency overvalued and has triggered a long EUR/JPY trade this week.**
- **EUR/JPY's fair value increased from 185.6288 to 186.8190 due to rises in the Eurozone-Japan box yield spread and the Eurozone-Japan commodities terms-of-trade ratio as well as a fall in the peripheral EGB yield spread to Bunds. EUR/JPY's fall has caused the exchange rate to become more than 1.5 standard deviations undervalued. The FAST FX model has triggered a long EUR/JPY trade with a stop-loss of -2.16% and a take-profit level of 186.8190.**
- **EUR/NOK's fair value fell from 10.9765 to 10.8821 due to a fall in the Eurozone-Norway box yield spread as well as rises in energy prices and global equities, which was partly offset by a rise in the Eurozone-Norway short-term rates spread. EUR/NOK remains undervalued, but this undervaluation is now short of the 1.5 standard deviations required to trigger a buy trade.**
- **EUR/SEK's fair value fell from 10.9267 to 10.9263. EUR/SEK is lagging the fall in its fair value becoming overvalued. This overvaluation is short of the 1.5 standard deviations required to trigger a sell trade.**

New trades this week

Time Stamp	Entry	Pair	Direction	Spot at entry	Take Profit	Stop Loss
09:00BST	07/09/2026	EUR/JPY	BUY	9am London fix	186.8190	-2.16%

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

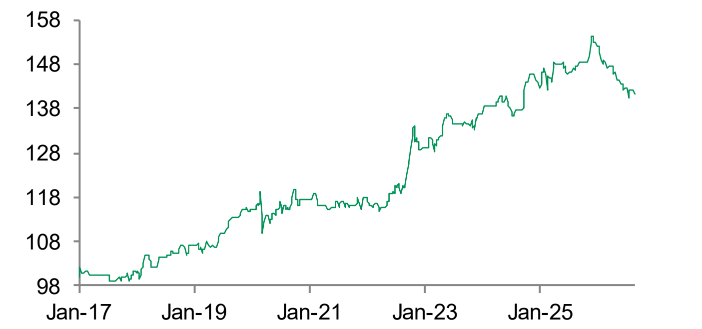
	FX spot (Friday NY close)	Fair value estimate	Under /over valuation	Z-score	Stability filter
EUR/USD	1.1614	1.1606	0.07%	0.10	unstable
USD/JPY	156.26	157.80	-0.97%	-0.69	stable
EUR/GBP	0.8590	0.8585	0.05%	0.09	stable
AUD/USD	0.7203	0.7192	0.16%	0.19	unstable
USD/CAD	1.3837	1.3816	0.15%	0.31	unstable
EUR/NOK	10.8094	10.8821	-0.67%	-1.13	stable
EUR/SEK	11.1146	10.9263	1.72%	1.07	stable
NZD/USD	0.5882	0.5843	0.67%	0.39	stable
EUR/JPY	181.46	186.82	-2.87%	-2.12	stable
NOK/SEK	1.0292	1.0165	1.24%	1.02	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.

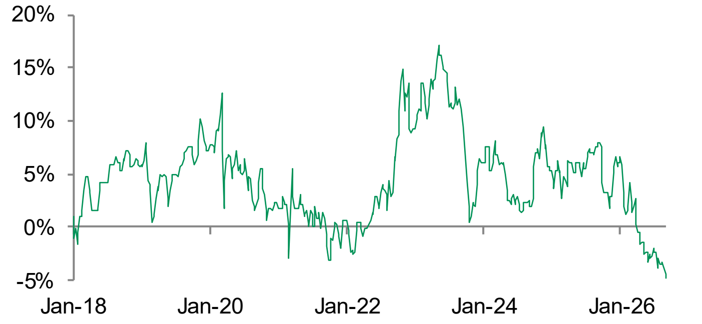
Source: Bloomberg, Crédit Agricole CIB

Short-term fair value charts

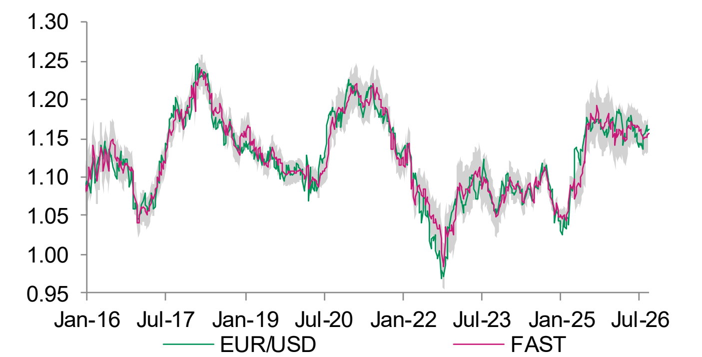
FAST FX Model performance since 2017



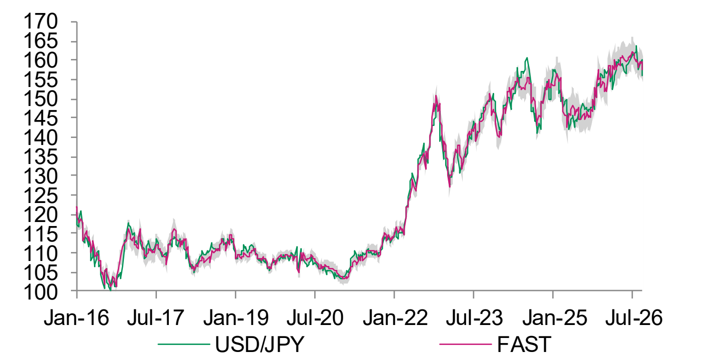
Annual Return since 2018



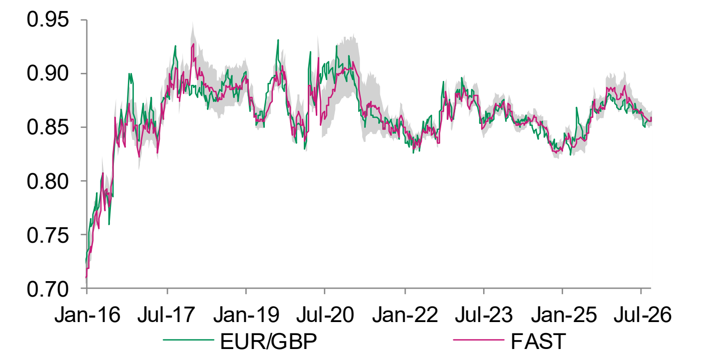
EUR/USD



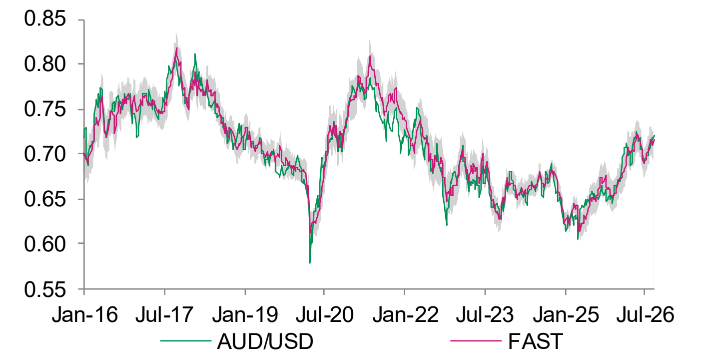
USD/JPY



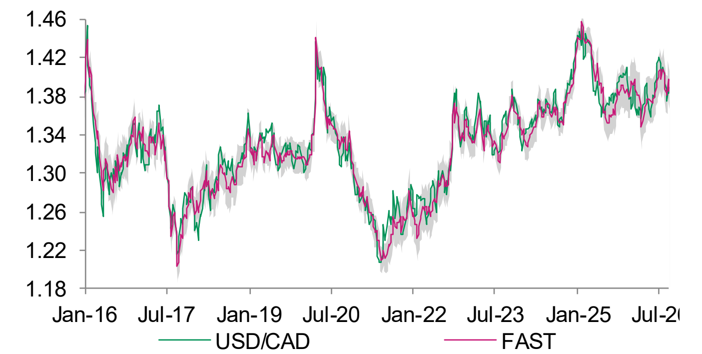
EUR/GBP



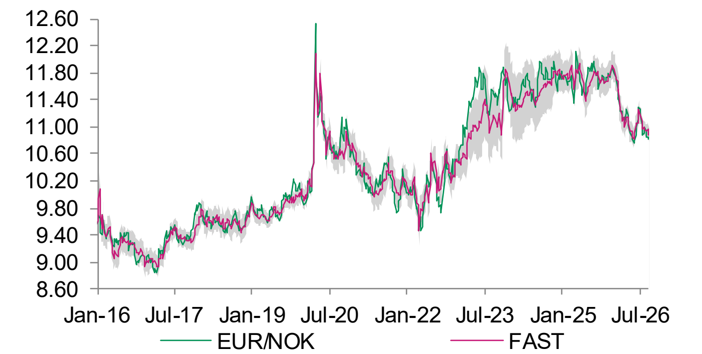
AUD/USD



USD/CAD



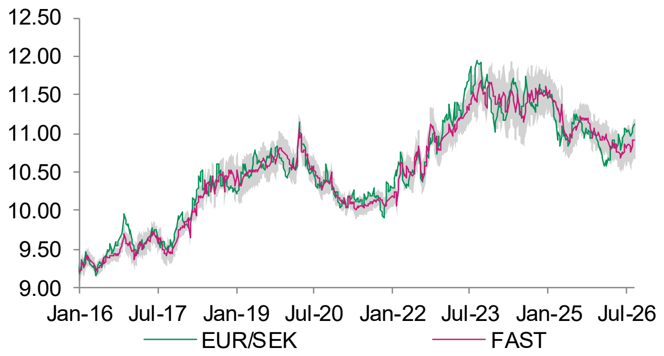
EUR/NOK



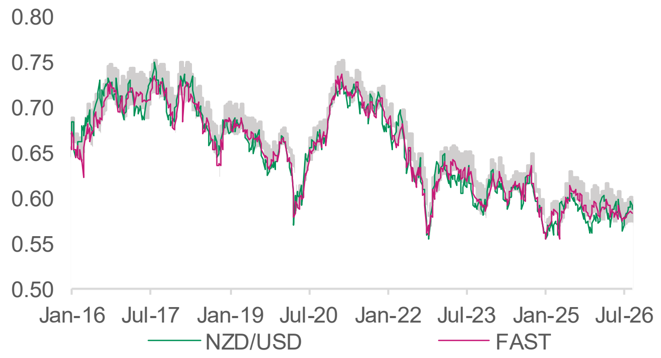
Note: Shaded area represents 1.5 standard deviation bands

Source all charts: Crédit Agricole CIB, Bloomberg

EUR/SEK

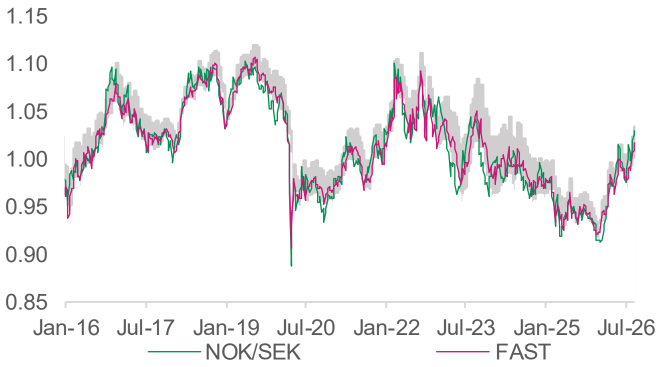


NZD/USD



EUR/JPY

NOK/SEK



Note: Shaded area represents 1.5 standard deviation bands

Source all charts: Crédit Agricole CIB, Bloomberg

FX Fair Value Model Update

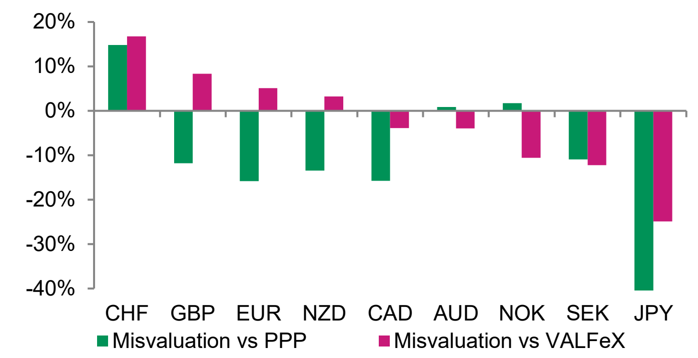
This is our latest update published 07 September 2026

For more information please refer to the FX Focus – [Introducing CACIB's FX fair value model: G10 VALFeX]

- **While the Iran war and its impact on global commodity terms of trade and central bank rate expectations dominated the [G10 VALFeX FX fair values in Q126], Q226 was characterised by less homogenous developments of G10 FX fundamentals that further had conflicting effects on our fair value estimates. The two common trends in Q226 were: (1) a rebound of the USD real rate and yield advantage vs most G10 currencies bar the GBP, AUD and JPY, as investors reassessed their Fed policy outlook; and (2) a renewed deterioration of the commodity terms of trade for energy exporters, after subsiding geopolitical risks started deflating the oil price rally. We further saw notable relative productivity gains in the case of the AUD, GBP and CHF, but also losses in the case of the NOK and SEK.**

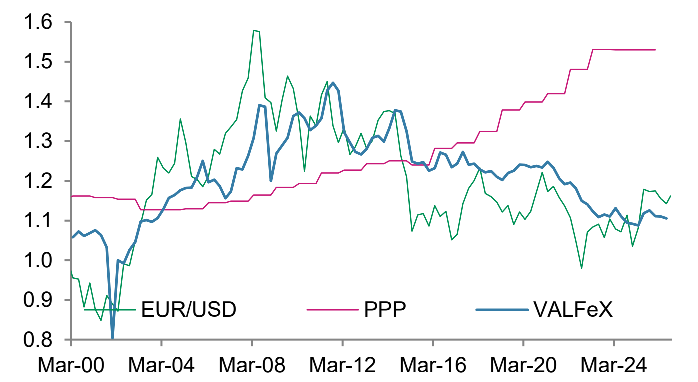
- **As a result, the USD's long-term fair value eked out 0.08% on average in Q226 while the USD gained 2.4% on average in FX spot over the same period. At present, the USD looks (1) overvalued vs the JPY, NOK, AUD, CAD and SEK; and (2) cheap vs the CHF, GBP, NZD and EUR. AUD/USD, GBP/USD and NZD/USD saw their fair values climb to 0.7510, 1.2480 and 0.5690 in Q226 from 0.7467, 1.2445 and 0.5671 in Q126, respectively. In contrast, USD/JPY and USD/CHF fair values dipped to 116.93 and 0.9470 in Q226, from 118.89 and 0.9600 in Q126. The fair values of USD/CAD, USD/SEK and USD/NOK increased to 1.332, 8.42 and 8.31 in Q226 from 1.322, 8.24 and 8.19 in Q126, respectively. Finally, EUR/USD saw its fair value remaining broadly stable at 1.1050 in Q226 vs 1.1099 in Q126.**

The USD misvaluation according to VALFeX and PPP



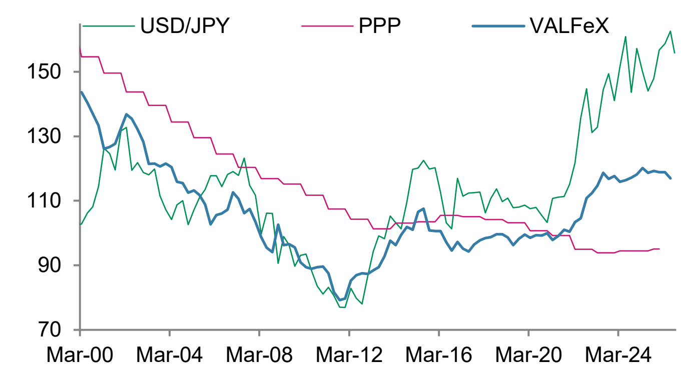
Source: Crédit Agricole CIB, Bloomberg

The EUR is expensive according to VALFeX but not PPP



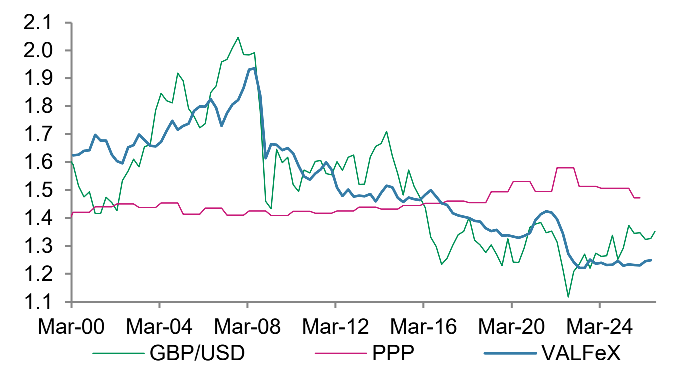
Source: Crédit Agricole CIB, Bloomberg

The JPY looks undervalued relative to VALFeX and PPP



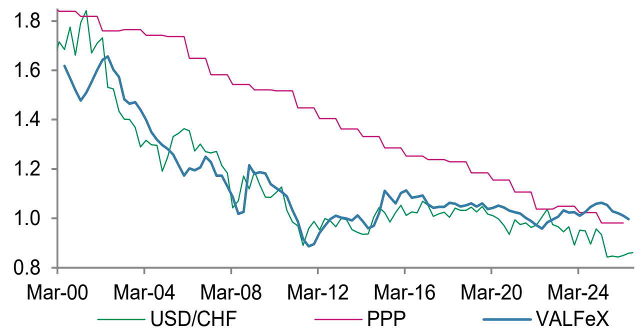
Source: Crédit Agricole CIB, Bloomberg

The GBP is expensive according to VALFeX but not PPP



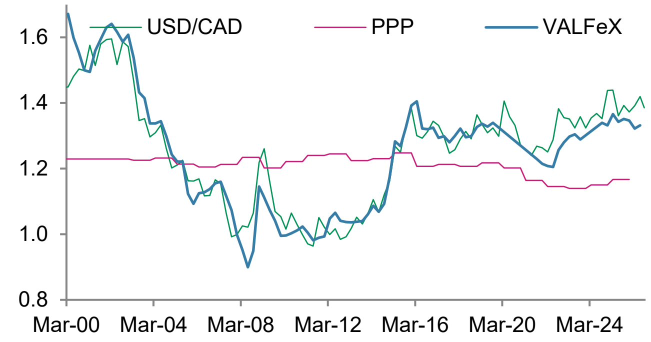
Source: Crédit Agricole CIB, Bloomberg

The CHF looks overvalued relative to PPP and VALFeX



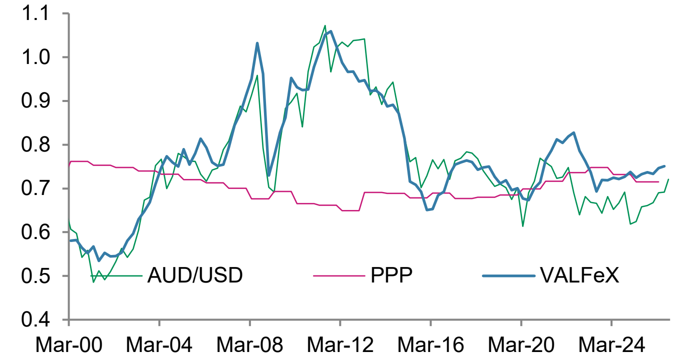
Source: Crédit Agricole CIB, Bloomberg

The CAD looks undervalued relative to VALFeX and PPP



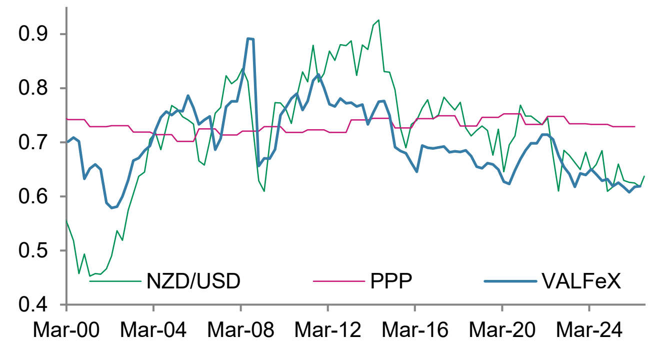
Source: Crédit Agricole CIB, Bloomberg

The AUD is undervalued according to VALFeX but not PPP



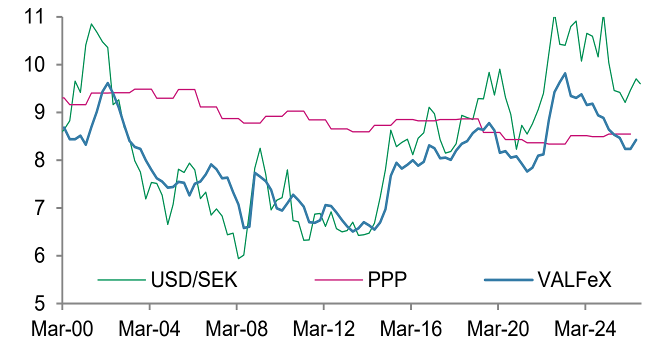
Source: Crédit Agricole CIB, Bloomberg

The NZD looks undervalued relative to PPP but looks expensive relative to VALFeX



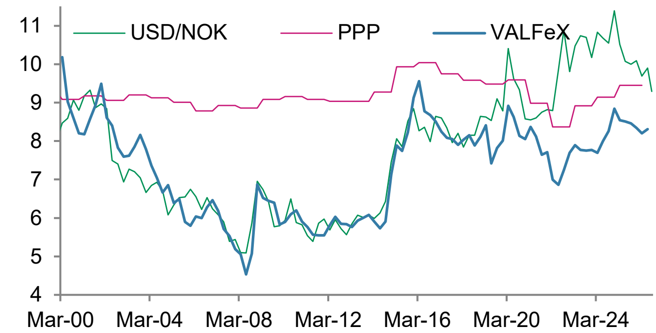
Source: Crédit Agricole CIB, Bloomberg

The SEK looks undervalued relative to VALFeX and PPP



Source: Crédit Agricole CIB, Bloomberg

The NOK is undervalued according to VALFeX but not PPP



Source: Crédit Agricole CIB, Bloomberg

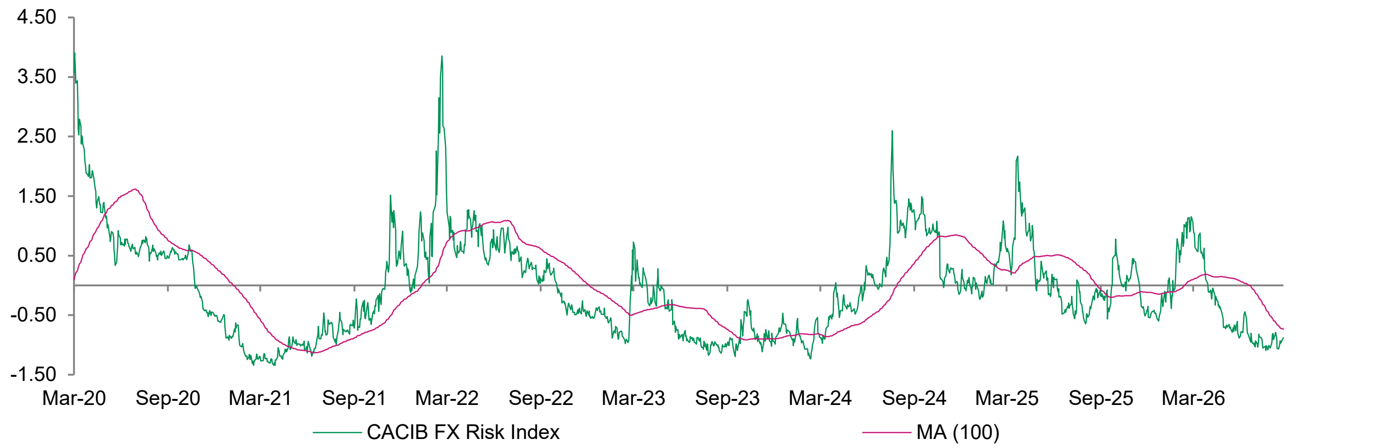
FX Risk Index

This is our weekly update published 09 September 2026

For more information please refer to the FX Focus – Introducing the new CACIB FX risk index

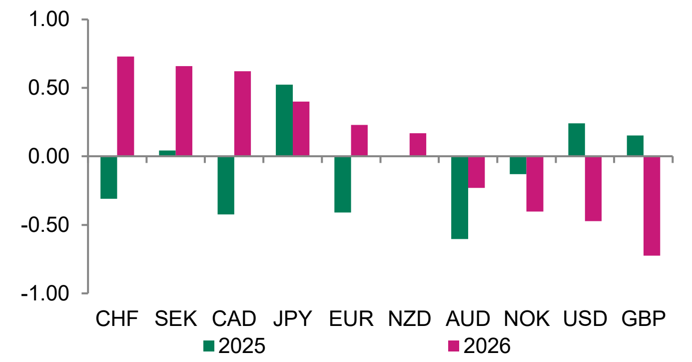
- **At -0.8782 (vs -1.0349 last week) our Risk Index has moved modestly higher signalling investors are becoming a bit less risk seeking. The trend in the Index has flattened but remains deep in optimistic territory. The current Risk Index reading and its trend are closer to crossing over potentially signalling a sustained decline in risk sentiment.**
- **Rising oil, food and copper prices are pushing global yields higher as investors factor in higher inflation and tighter monetary policy. This price action is putting the brakes on investors' risk-seeking behaviour. While investors are not yet exiting risk-correlated trades, they are currently not adding significantly to them either.**
- **Eyes will remain on the Middle East. While President Donald Trump has committed to economic sanctions against Iran, the two sides continue to exchange tit-for-tat military strikes signalling to investors there is unlikely to be a resolution to the closure of the Strait of Hormuz anytime soon. This scenario will keep oil prices elevated.**
- **Meanwhile growing risks of a super El Nino are pushing food prices higher and supply-side constraints as well as the threat of US tariffs on refined copper imports are pushing copper prices higher threatening growing costs in the AI build out. Investors will be eyeing the US CPI reading later this week to gauge the risk of higher rates in the US.**
- **Rising global yields are unfriendly to risk, especially when investors have been piling into AI-related companies that rely on future earnings to justify elevated valuations. Higher discount rates hurt the mathematics of these trades. The unwinding of JPY-funded carry trades is further evidence that investors are reconsidering their risk allocations amid higher global yields.**
- **Rising FX volatility, commodity prices and private credit spreads along with the outperformance of cyclical stocks by defensive stocks pushed our Risk Index higher over the past week. Falling equity market volatility and EM-sovereign spreads capped the Index's gains.**
- **Among G10 currencies, only the CHF, CAD and SEK have significant positive correlations with our Risk Index. The JPY's positive correlation with the Index continues rising which signals a return of some of its safe-haven status. The GBP and USD have significant negative correlations with the Index.**

CACIB FX Risk Index



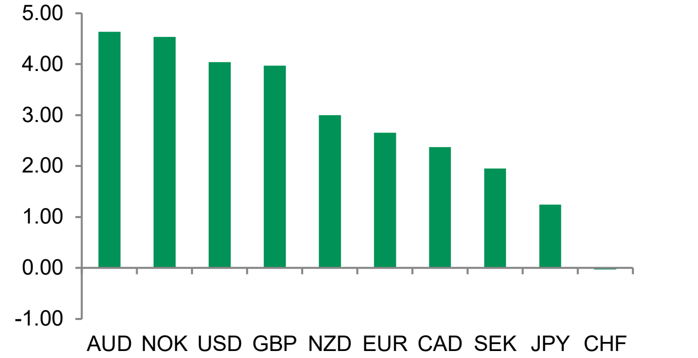
Source: Crédit Agricole CIB

Currency sensitivity



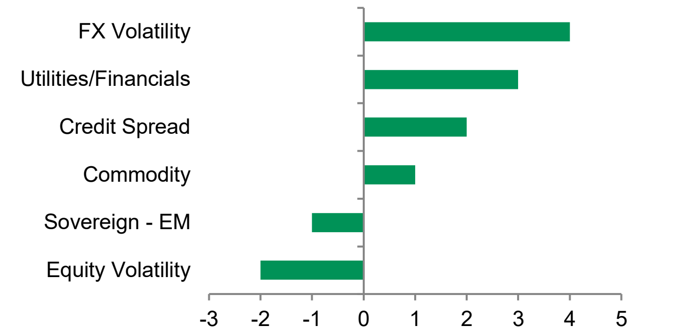
Source: Bloomberg, Crédit Agricole CIB

Yield advantage



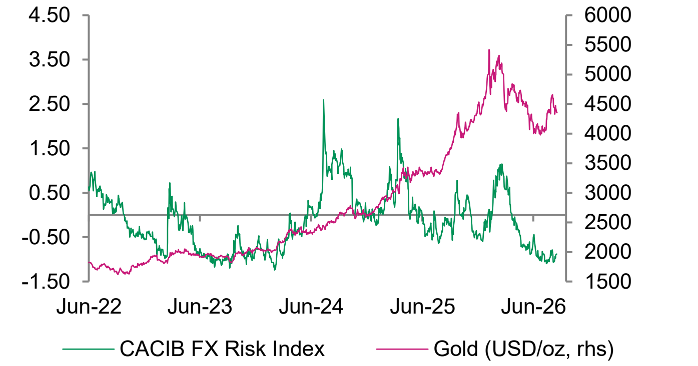
Source: Bloomberg, Crédit Agricole CIB

Contribution of components



Source: Bloomberg, Crédit Agricole CIB

Gold & Risk Index



Source: Bloomberg, Crédit Agricole CIB

Key releases in the week ahead

GMT		Indicator/Event	For	Cons.	Prev.	Comment
Monday 14 September						
03:30	AU	RBA's Hunter fireside chat				
05:30	JN	Industrial Production YoY	Jul		4.10%	
05:30	JN	Capacity Utilization	Jul		4.08%	
07:00	SW	**CPIF YoY**	Aug	0.90%	0.70%	
07:30	SZ	PPI YoY	Aug		-2.10%	
13:30	CA	CPI YoY	Aug		3.00%	
Tuesday 15 September						
	EZ	ECB's Reinesch speaks in Luxembourg				
03:00	CH	Industrial Production YTD YoY	Aug		5.30%	
03:00	CH	Retail Sales YoY	Aug	0.60%	0.60%	
05:30	JN	Tertiary Industry Idx MoM	Jul		-0.20%	
07:00	NO	External Trade Balance	Aug		84.33 B	
07:00	UK	Claimant Count	Aug		4.30%	
07:00	UK	**Jobless Claims Change**	Aug		-11.0 K	
07:45	FR	CPI YoY	Aug		2.70%	
08:00	SP	CPI YoY	Aug		4.50%	
09:00	IT	Trade Balance	Jul		4232 M	
10:00	CA	Home Sales	Aug		0.50	
10:00	EZ	Trade Balance NSA	Jul		8574 M	
Wednesday 16 September						
00:00	JN	Tokyo Dpt Store Sales YoY	Aug		9.00%	
00:50	JN	Machine Orders YoY	Jul		16.90%	
00:50	JN	Trade Balance	Aug		-638 B	
01:30	AU	Westpac Leading Index	Aug		0.03%	
07:00	UK	**CPI YoY**	Aug		2.90%	
07:00	UK	RPI YoY	Aug		3.20%	
09:00	IT	CPI	Aug		3.20%	
09:00	IT	Italian HICP MoM	Aug		0.10%	
10:00	EZ	Industrial Production MoM	Jul		0.00%	
13:15	EZ	ECB's Vujcic speaks in Frankfurt				
13:15	CA	Housing starts	Aug		229 K	
13:30	CA	Building permits MoM	Jul		18.50%	
13:30	US	**Retail Sales Advance MoM**	Aug	0.80%	-0.60%	
13:30	US	Import Price MoM	Aug		-0.40%	
15:00	US	NAHB Housing Market	Sep		35.00	
15:00	US	Business Inventories	Jul		0.00%	
19:00	US	**Fed Funds Target**	Sep	3.75%	3.75%	
21:00	US	TIC	Jul		172.73 B	
23:45	NZ	GDP	2Q		0.80%	
00:00	JN	Tokyo Dpt Store Sales YoY	Aug		9.00%	
Thursday 17 September						
07:00	SZ	Trade Balance	Aug		8.73 B	
10:00	EZ	CPI YoY	Aug		3.30%	
11:00	EZ	ECB's Rehn speaks in London				
12:00	UK	**BoE**	Sep		3.75%	
13:15	EZ	ECB’s Lane speaks in Frankfurt				
13:30	US	Philly Fed	Sep	0.00	47.40	
13:30	US	Housing Starts	Aug	1322 K	1239 K	
13:30	CA	Intl Transactions	Jul		40.83 B	
15:00	US	Pending Home Sales	Aug		-2.33%	
23:45	NZ	Food Prices MoM	Aug		0.10%	
23:45	NZ	Import	Aug		9340 M	
23:45	NZ	Merchand. Export	Aug		7391 M	

GMT		Indicator/Event	For	Cons.	Prev.	Comment
23:45	NZ	Trade Balance	Aug		-1949 M	
Friday 18 September						
00:01	UK	Consumer Confidence	Sep	0.00	-14.00	
00:30	AU	RBA's Bullock-Testimony				
00:30	JN	National CPI YoY	Aug	0.00%	1.90%	
00:50	JN	**BOJ Target Rate**	Sep-18		1.00%	
07:00	GE	PPI YoY	Aug	0.00%	3.00%	
07:00	UK	**Retail Sales YoY**	Aug	0.00%	2.30%	
09:00	EZ	Current Account Balance	Jul	0.00 B	35.12 B	
10:00	EZ	Construction Activity	Jul	0.00%	-0.70%	
14:15	US	Capacity Utilization	Aug	76.50%	76.29%	
14:15	US	Industrial Production MoM	Aug	0.30%	0.20%	

Source: Bloomberg, Crédit Agricole CIB

Exchange rate forecasts

		9-Sep	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
USD Exchange rate							
Industrialised countries							
Euro	EUR/USD	1.16	1.13	1.13	1.14	1.16	1.17
Japan	USD/JPY	153.5	163.0	162.0	161.0	158.0	156.0
United Kingdom	GBP/USD	1.35	1.31	1.32	1.34	1.37	1.39
Switzerland	USD/CHF	0.81	0.84	0.84	0.83	0.81	0.80
Canada	USD/CAD	1.38	1.38	1.36	1.34	1.33	1.32
Australia	AUD/USD	0.72	0.69	0.70	0.70	0.72	0.73
New Zealand	NZD/USD	0.58	0.58	0.60	0.61	0.62	0.63
Euro Cross rates							
Industrialised countries							
Australia	EUR/AUD	1.61	1.64	1.61	1.63	1.61	1.60
Canada	EUR/CAD	1.6	1.559	1.537	1.528	1.543	1.544
Japan	EUR/JPY	178.61	184.19	183.06	183.54	183.28	182.52
New Zealand	EUR/NZD	2.0	1.948	1.883	1.869	1.871	1.857
Norway	EUR/NOK	10.69	10.70	10.50	10.40	10.30	10.20
Singapore	EUR/SGD	1.5	1.435	1.435	1.436	1.462	1.463
Sweden	EUR/SEK	11.16	10.60	10.50	10.60	10.50	10.40
Switzerland	EUR/CHF	0.94	0.95	0.95	0.95	0.94	0.94
United Kingdom	EUR/GBP	0.86	0.86	0.86	0.85	0.84	0.84
Asia							
China	USD/CNY	6.71	6.62	6.60	6.60	6.55	6.50
Hong Kong	USD/HKD	7.84	7.81	7.82	7.82	7.82	7.80
India	USD/INR	95.10	96.00	94.00	94.00	92.00	92.00
Indonesia	USD/IDR	17500	17600	17500	17500	17250	17250
Malaysia	USD/MYR	4.07	4.02	4.00	3.98	3.96	3.95
Philippines	USD/PHP	62.4	61.2	61.0	60.8	60.5	60.0
Singapore	USD/SGD	1.26	1.27	1.27	1.26	1.26	1.25
South Korea	USD/KRW	1340	1385	1400	1390	1380	1360
Taiwan	USD/TWD	31.5	31.6	31.5	31.5	31.4	31.2
Thailand	USD/THB	32.9	33.0	33.0	32.8	32.5	32.0
Vietnam	USD/VND	25904	26250	26200	26200	26100	26000
Latin America							
Brazil	USD/BRL	5.11	5.25	5.30	5.35	5.40	5.45
Chile	USD/CLP	927.21	920.00	910.00	900.00	890.00	880.00
Colombia	USD/COP	3096.97	3550.00	3600.00	3650.00	3700.00	3750.00
Mexico	USD/MXN	16.89	18.00	18.25	18.50	18.75	19.00
Peru	USD/PEN	3.35	3.45	3.50	3.55	3.60	3.65
Africa							
South Africa	USD/ZAR	16.03	15.50	15.50	15.50	15.50	15.50
Emerging Europe							
Poland	USD/PLN	3.71	3.76	3.74	3.69	3.61	3.56
Russia	USD/RUB	85.07	77.00	80.00	81.00	82.00	83.00
Turkey	USD/TRY	48.48	51.50	52.50	53.50	54.10	55.00
Central Europe							
Czech Rep.	EUR/CZK	24.25	23.60	23.40	23.10	22.80	22.60
Hungary	EUR/HUF	362	346	345	344	342	340
Poland	EUR/PLN	4.31	4.25	4.23	4.21	4.19	4.17
Romania	EUR/RON	5.25	5.23	5.23	5.28	5.28	5.28
Precious Metals							
Gold	XAU/USD	4391	5000	5200	5300	5400	5500

Source: Crédit Agricole CIB

Economic forecasts

	Real GDP (YoY. %)			CPI (YoY. %)			Current Account (% GDP)		
	25	26	27	25	26	27	25	26	27
USA	**2.1**	**2.1**	**2.0**	**2.7**	**3.4**	**2.5**	**-3.8**	**-3.5**	**-3.4**
JAPAN	**1.1**	**0.3**	**0.5**	**3.0**	**2.0**	**0.9**	**4.0**	**3.0**	**2.0**
EUROZONE	**1.5**	**0.2**	**0.9**	**2.1**	**2.7**	**2.2**	**1.7**	**1.3**	**1.3**
Belgium	1.0	0.7	0.7	3.0	2.7	1.9	-0.4	-1.9	-2.1
France	0.9	0.6	0.8	0.9	1.9	1.5	0.1	-0.3	0.1
Germany	0.3	0.6	0.9	2.3	2.6	2.3	5.8	4.5	3.9
Italy	0.7	0.5	0.6	1.6	2.6	1.7	1.1	1.1	1.0
Netherlands	1.8	1.0	1.0	3.0	2.7	2.6	9.1	7.9	7.7
Spain	2.8	2.1	1.6	2.7	3.6	3.1	3.2	2.9	1.7
Other developed countries									
Australia	2.1	2.2	2.3	3.3	3.0	2.6	-2.1	-2.3	-2.6
Canada	1.1	1.5	1.8	2.0	2.1	2.0	-0.8	-1.0	-1.7
New Zealand	1.9	2.4	2.6	2.2	2.1	2.1	-3.6	-3.4	-3.4
Norway	1.7	1.2	1.5	3.0	3.3	2.5	13.8	16.5	11.5
Sweden	1.7	1.8	2.3	2.6	0.9	2.7	6.1	4.4	4.8
Switzerland	1.0	1.3	1.1	0.1	0.6	0.7	7.0	7.0	7.1
United Kingdom	1.4	1.1	1.1	3.4	3.1	2.6	-2.4	-4.1	-3.8
Asia	**5.2**	**5.1**	**4.8**	**1.0**	**2.5**	**2.3**	**3.2**	**2.9**	**3.0**
China	5.0	4.5	4.5	0.0	1.0	1.2	3.7	4.0	3.9
Hong Kong	3.2	3.1	3.0	1.5	1.8	2.0	13.5	11.2	9.5
India	7.0	6.5	6.7	2.6	5.2	4.5	-1.0	-2.9	-2.1
Indonesia	5.0	5.2	5.0	2.0	3.2	2.8	-0.1	-1.9	-1.7
Korea	1.0	3.5	2.7	2.1	2.9	2.3	6.6	12.0	11.8
Malaysia	4.2	4.5	4.3	2.0	2.2	2.0	1.9	1.8	1.8
Philippines	4.7	4.7	6.0	1.7	6.3	4.1	-2.3	-1.3	-2.3
Singapore	5.0	4.3	2.7	0.9	2.2	2.0	16.7	17.2	17.0
Taiwan	8.4	11.3	3.8	1.7	2.2	1.8	20.0	23.6	22.5
Thailand	2.0	2.1	2.0	-0.1	2.6	2.4	2.8	-4.5	-3.5
Vietnam	6.9	6.9	6.6	3.3	3.5	3.3	5.1	5.3	6.0
Latin America	**2.5**	**2.0**	**2.0**	**3.5**	**3.2**	**3.2**	**-0.5**	**-0.7**	**-0.9**
Brazil	2.3	1.9	2.0	5.2	4.5	4.1	-3.0	-2.1	-2.2
Chile	2.3	1.8	2.1	4.2	3.4	3.4	-2.3	-1.6	-1.5
Colombia	2.6	2.8	1.9	5.1	4.8	4.6	-2.4	-2.5	-2.2
Mexico	0.6	0.9	1.2	3.7	3.9	3.5	-0.5	-0.5	-0.6
Peru	3.4	2.4	2.2	1.5	2.0	2.2	3.1	1.2	0.5
Emerging Europe	**1.5**	**1.8**	**1.8**	**7.0**	**5.3**	**4.9**	**0.4**	**0.2**	**0.2**
Czech Republic	2.6	2.4	2.3	2.5	2.5	2.5	0.7	0.3	0.2
Hungary	0.4	2.0	2.3	4.4	3.8	3.4	1.5	0.3	0.5
Poland	3.6	3.7	3.0	3.6	3.3	3.7	-0.8	-1.3	-1.3
Romania	0.7	0.1	1.8	7.3	7.5	3.9	-8.0	-7.5	-7.0
Russia	1.0	1.4	1.4	8.7	6.0	5.8	1.8	1.7	1.6
Turkey	3.4	3.4	3.7	36.0	24.0	19.0	-1.5	-1.5	-2.0
Africa & Middle East	**3.3**	**0.8**	**3.5**	**4.9**	**4.5**	**4.1**	**1.0**	**0.1**	**0.2**
Algeria	3.8	3.1	2.9	1.5	6.0	5.5	-3.0	-3.0	-3.8
Egypt	4.4	4.6	4.0	20.9	13.3	12.0	-4.4	-5.0	-3.9
Iran	-	-	-	-	-	-	-	-	-
Kuwait	2.5	-8.5	9.0	2.3	2.4	2.3	22.6	18.0	19.0
Morocco	4.6	4.1	4.2	0.7	3.5	2.0	-2.5	-2.6	-2.6
Qatar	2.9	-14.5	11.0	0.6	2.6	2.9	15.5	8.0	8.0
Saudi Arabia	4.5	1.4	4.2	2.1	2.3	2.4	-2.6	-0.8	-1.4
South Africa	1.1	1.0	1.2	3.2	4.4	4.2	-0.5	-0.9	-1.2
Tunisia	2.5	1.8	1.6	5.4	7.5	6.0	-2.8	-3.5	-3.2
United Arab Emirates	6.2	-0.9	6.0	1.3	3.0	1.8	15.3	7.5	9.0
Total	**3.1**	**2.7**	**2.9**	**3.1**	**3.4**	**2.9**	**0.9**	**0.7**	**0.6**
Industrialised countries	**1.7**	**1.2**	**1.4**	**2.6**	**2.9**	**2.2**	**-0.6**	**-0.8**	**-0.9**
Emerging countries	**4.3**	**3.9**	**4.0**	**3.6**	**3.8**	**3.4**	**2.0**	**1.8**	**1.8**

Notes:
(1) CPI – for UK: HICP; for Brazil: IPCA
(2) India – fiscal year ending in March

Source: Crédit Agricole CIB

Interest rate forecasts – developed countries

	09-Sep	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
EUR						
Refi rate	2.40	2.90	2.90	2.90	2.65	2.65
Depo rate	2.25	2.75	2.75	2.75	2.50	2.50
ESTR	2.19	2.70	2.70	2.70	2.45	2.45
3M Euribor	2.63	2.85	2.85	2.65	2.50	2.30
Germany						
2Y	3.05	2.79	2.73	2.59	2.55	2.52
5Y	3.16	2.93	2.91	2.80	2.77	2.76
10Y	3.43	3.21	3.23	3.19	3.22	3.27
30Y	3.88	3.71	3.83	3.83	3.85	3.91
France						
2Y	3.25	2.96	2.89	2.69	2.65	2.60
5Y	3.69	3.32	3.30	3.05	3.01	2.97
10Y	4.33	3.95	3.99	3.78	3.80	3.83
30Y	5.07	4.75	4.89	4.75	4.77	4.81
Italy						
2Y	3.28	2.95	2.87	2.71	2.66	2.61
5Y	3.69	3.34	3.27	3.12	3.08	3.02
10Y	4.28	3.96	3.93	3.85	3.92	3.88
30Y	5.00	4.74	4.82	4.79	4.84	4.83
Spain						
2Y	3.10	2.85	2.78	2.64	2.60	2.56
5Y	3.38	3.14	3.10	2.97	2.94	2.91
10Y	3.88	3.65	3.65	3.59	3.62	3.66
30Y	4.51	4.35	4.45	4.43	4.44	4.48
Belgium						
10Y	4.02	3.80	3.77	3.72	3.75	3.79
Ireland						
10Y	3.55	3.40	3.42	3.38	3.40	3.45
Portugal						
10Y	3.79	3.59	3.59	3.54	3.56	3.60
Finland						
10Y	3.74	3.60	3.61	3.56	3.58	3.62
Greece						
10Y	4.12	3.95	3.93	3.85	3.88	3.90
Sweden						
Repo		1.75	2.00	2.00	2.00	2.00
Norway						
Deposit	4.25	4.25	4.25	4.25	4.00	4.00
EUR swaps						
2Y	3.27	2.93	2.85	2.70	2.65	2.60
5Y	3.34	3.02	2.97	2.85	2.80	2.78
10Y	3.45	3.18	3.16	3.08	3.10	3.13
30Y	3.47	3.30	3.35	3.30	3.30	3.35
GBP						
Bank Rate	0.00	3.75	3.75	3.75	3.50	3.25
Sonia	0.00	3.50	3.50	3.50	3.50	3.50

Note: 3M rates are interbank, 2Y and 10Y rates are government bond yields

Source: Crédit Agricole CIB

Interest rate forecasts – developed countries (cont.)

	09-Sep	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
USD						
FF target	3.75	3.75	3.75	3.50	3.50	3.50
FF effective	3.63	3.61	3.61	3.36	3.36	3.36
SOFR	3.64	3.63	3.63	3.38	3.38	3.38
USTs						
2Y	4.42	4.05	4.00	3.85	3.95	4.00
5Y	4.62	4.20	4.15	4.05	4.15	4.20
10Y	4.85	4.55	4.55	4.45	4.50	4.50
30Y	5.31	5.10	5.10	5.05	5.05	5.00
USD swaps						
2Y	4.28	3.92	3.87	3.72	3.82	3.87
5Y	4.33	3.94	3.89	3.80	3.90	3.96
10Y	4.45	4.16	4.17	4.08	4.14	4.15
30Y	4.61	4.39	4.40	4.36	4.37	4.33
JPY						
Call rate	0.00	1.00	1.25	1.25	1.50	1.50
JGBs						
2Y	1.85	1.65	1.75	1.75	1.90	1.90
5Y	2.25	2.10	2.15	2.20	2.35	2.40
10Y	2.91	2.70	2.75	2.75	2.75	2.75
30Y	4.01	3.95	4.00	4.00	4.00	4.00
Canada						
Overnight	0.00	2.25	2.25	2.25	2.25	2.25

Note: 3M rates are interbank, 2Y and 10Y rates are government bond yields

Source: Crédit Agricole CIB

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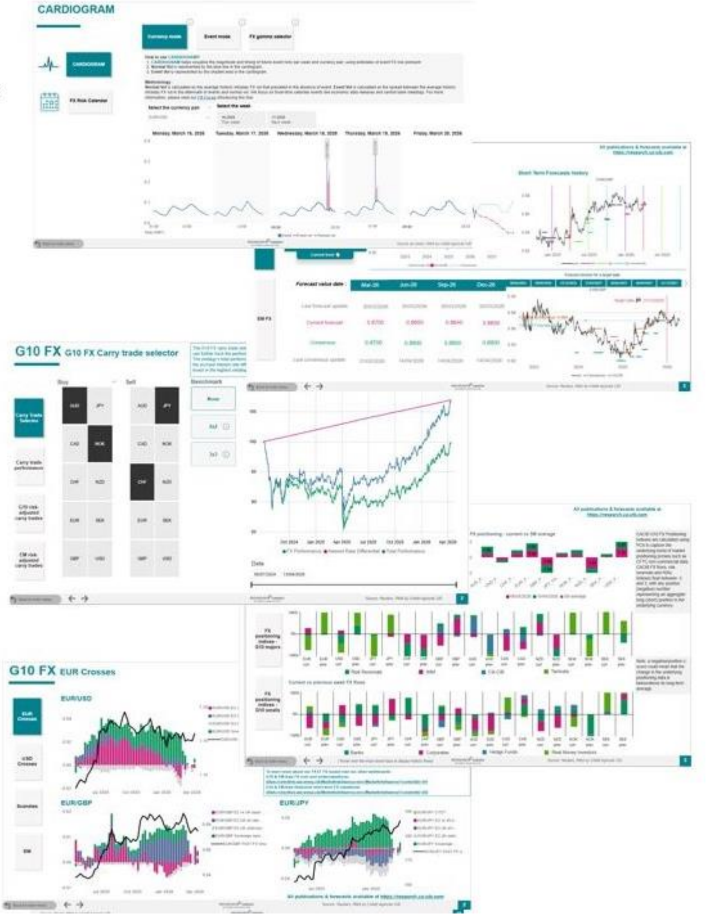
Relative Value:
What is the EUR fair value vs the USD, JPY and GBP? Are commodity currencies cheap or expensive?
What are the best FX carry trades?
How to build a tailored FX carry trade and track its performance over time?

FX Flows and positioning:
What are the biggest longs and shorts in the FX markets?
How are FX corporates positioned?
What are hedge funds and real money buying and selling?

FX fundamentals:
What are the key FX drivers at present – relative rate spreads or market risk sentiment?
Are the FX markets in risk-on or risk-off mood?
What's the latest on de-dollarisation?



Source: RMA by Crédit Agricole CIB

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