



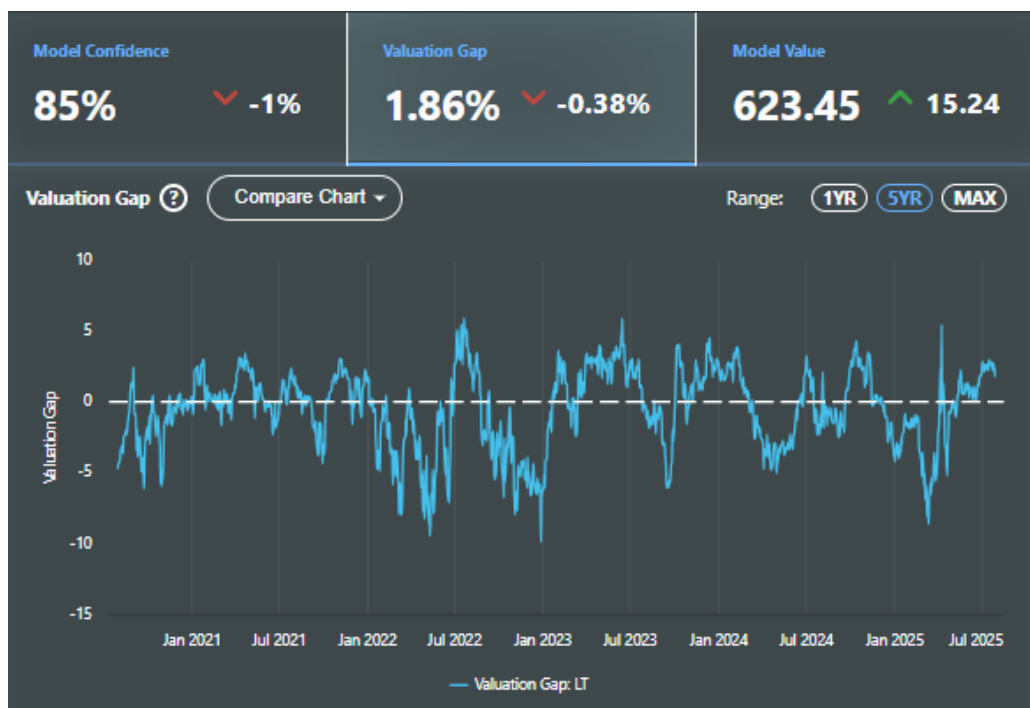
# MacroVantage

Uncover price dislocations, trade opportunities, regime shifts and sensitivity analysis across asset classes

1. **A turning point in the everything rally?**
2. **If Trade Wars Are Over, Is the CAC Too Cheap?**
3. **EURPLN – Another Chance for Poland Bulls**

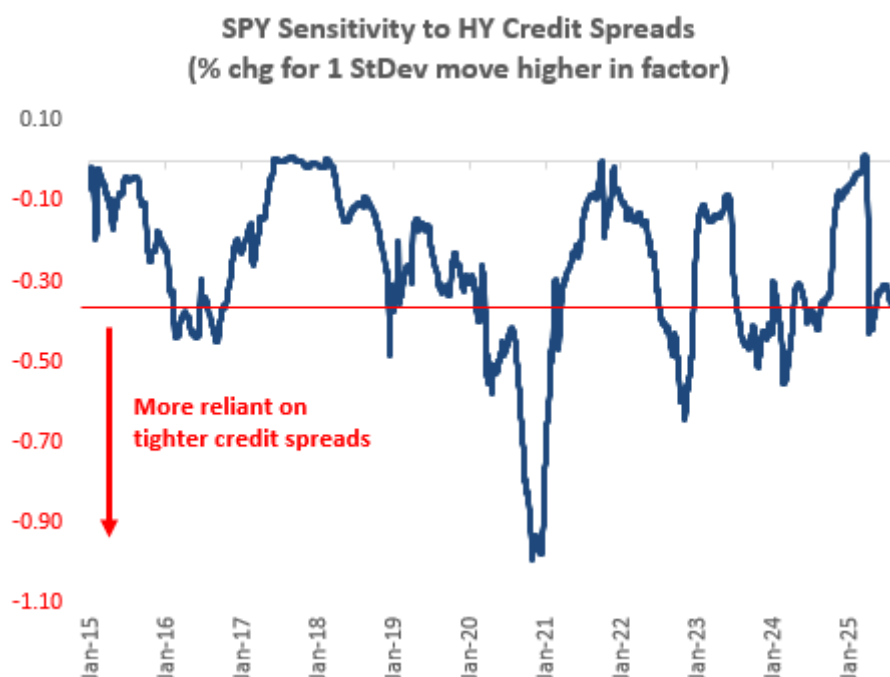
## 1. A turning point in the everything rally?

SPY spot is currently +0.5 sigma (~2%) above Qi model value – at the upper-end of its historical fair value gap range (see below). Indeed, 10 of the major 11 GICs sectors trade above Qi model value.

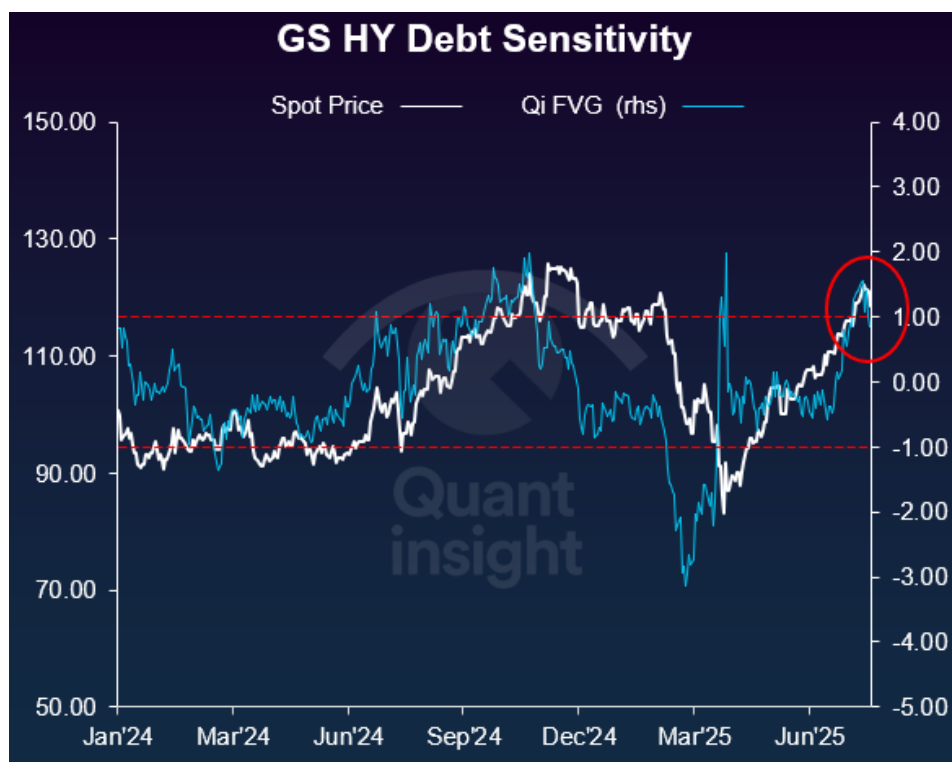


Further, a number of rich to model valuation gaps have opened up in lower quality / more speculative parts of the market.

The reliance on the tighter HY credit spread propeller is large. The negative Qi sensitivity of SPY to wider HY credit spreads is heading towards multi-year highs:



We highlight below a basket of high yield debt companies (GSXUDEBT) which is trading 0.85 sigma (~7%) above Qi model fair value – close to multi-year highs. The Qi FVG of this basket tracks the spot price well i.e. we should pay heed to the mean reversion potential after a 43% rally from the April lows.

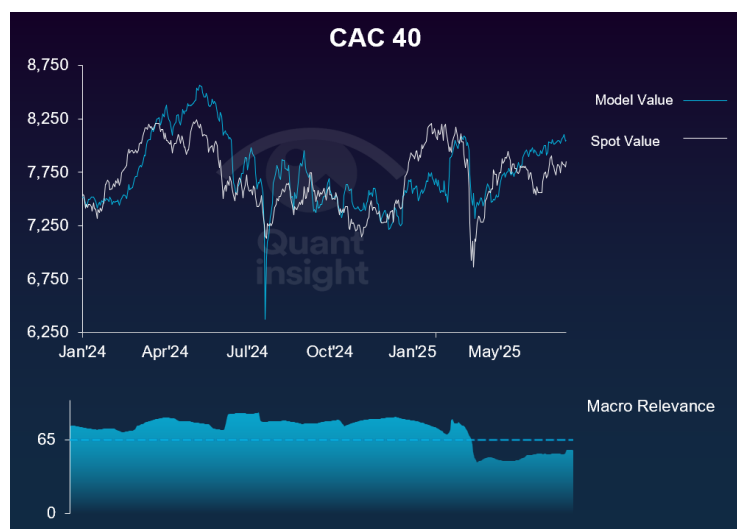


## 2. If Trade Wars Are Over, Is the CAC Too Cheap?

An optimistic view would suggest the US-EU trade deal removes policy uncertainty and therefore a big tail risk for risky assets. In which case, the hunt is on for cheap laggards.

European equity indices have enjoyed a strong start to 2025. The pan-European Euro Stoxx 50 is up around 10%; German, Italian and Spanish indices are all up around 20%. The CAC is the outlier up just ~6.5%.

On Qi, the CAC 40 screens as 0.9 sigma (3.45%) cheap to model fair value. Aggregate macro conditions continue to improve, but the CAC's progress has stalled.

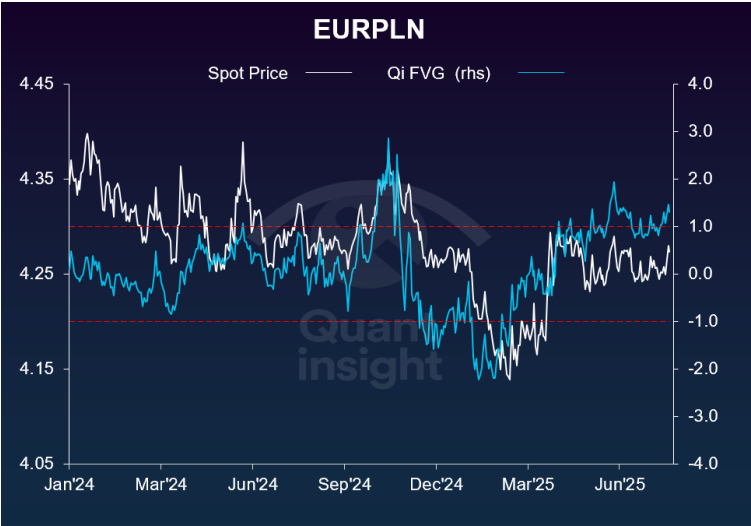


Model confidence is below our 65% threshold for a macro regime and therefore adds a health warning. Still, for those who believe the trade agreement was the least worst deal and markets can move on from trade wars, the CAC looks interesting.

## 3. EURPLN – Another Chance for Poland Bulls

Poland has been a star performer in 2025 – the WIG has risen 36%. Some profit-taking is inevitable and disappointment around the US-EU trade may be the catalyst for that.

But, in FX, the move in EURPLN is starting to move into extended territory – the cross sits 1.4 sigma (1.6%) rich to Qi model value. Again, there's an amber flag from low model confidence. However, it is worth noting decent correlation between spot EURPLN and Qi's FVG suggesting mean reversion has recently tended to occur via the market re-pricing to macro.



Furthermore, even when relaxing our model confidence constraint, back-tests suggest these are historically significant levels.

FVG\_Back\_Test(['EURPLN'],1.4,0.25,0,'2009-01-01','2025-07-29',['Short'],'Long Term')

✓ 7.8s

Results	
Hit Rate	80.769231
Avg. Rtrn	0.779337
Ann. Rtrn	12.777470
Median Rtrn	0.802082
Avg. Max Gain	1.342439
Avg. Max loss	-1.340341
Avg. Holding Period	16.269231
Median Holding Period	13.500000
No. of Trades	26.000000
Avg. Win	1.219349
Avg. Loss	-1.068711
Win/Loss	1.140952

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