Quant insight

MacroVantage

1. US Metals & Mining

Cheap to macro and back in regime. But fair value is still sliding, not yet a signal.

2. China vs. India

China (FXI) has run rich to India (INDA). A fresh bearish signal as the AI-leadership trade stretches.

3. NZDCHF

NZDCHF is +2.3σ rich on a hawkish RBNZ. Stretched this far only twice since 2009, both reversed.

23rd July 2026

MacroVantage

1. US Metals & Mining

Metals and mining has been hit hard, and XME now screens 1.12σ (11.6%) cheap against a Qi model value of 112.66. Macro is firmly in charge, with model confidence at 74% and rising after briefly dropping out of regime in April. The big picture is reasserting itself just as the sector looks washed out.

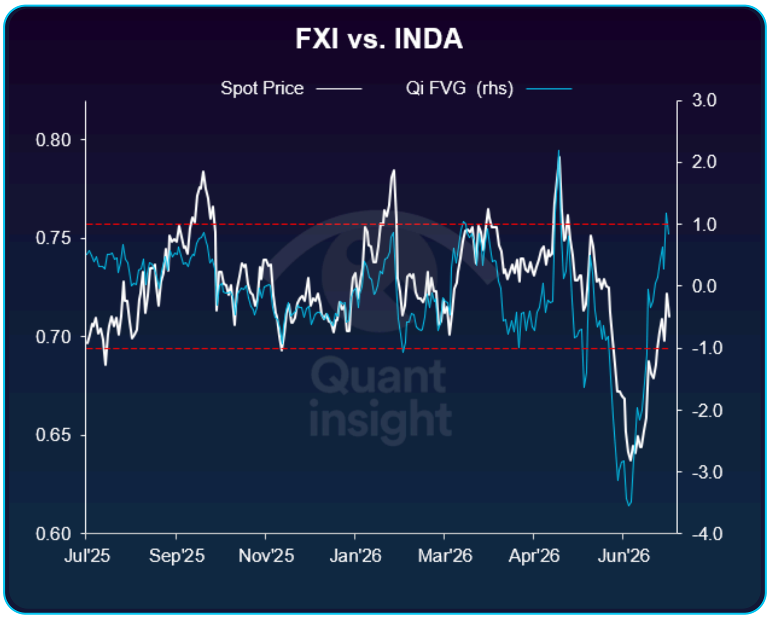
The catch is that fair value itself is eroding. Qi model value has fallen over 5% in the past month, dragged by rising real rates, hawkish central bank policy expectations and a firmer dollar, with a softer metals complex adding to the pressure and only inflation expectations offering support. That is why this is not yet a confirmed signal: the gap is cheap, but against a falling target.

The setup does have form, though. Buying XME at 1σ cheap with macro in regime has historically closed the gap 75% of the time.

2. China vs. India

After years of strong performance, Indian equities have endured a tough run. Rich valuations bumped into a sense that India's large IT services sector was among the most vulnerable to AI. The result was international investors trimmed exposure.

South Korea & Taiwan were clear beneficiaries but, for many allocators, the choice is between the two emerging superpowers – China & India.



Qi's model for the RV between China (FXI) & India (INDA) has just moved back into regime (67% model confidence) & an interesting divergence is starting to emerge.

FXI has outperformed strongly in July, but Qi model value is hovering near recent lows. The result is China screens as 3.3% rich to India. That triggered a +1 std dev Fair Value Gap – enough for a new bearish signal. We also note strong correlation between spot & Qi FVG; suggesting the mean reversion process occurs via the market re-pricing to macro.

So, if the AI trade is mature & set to pivot again, we have a situation where India has de-rated, Chinese tech is having a Moonshot moment &, relative to macro, valuations are starting to look stretched.

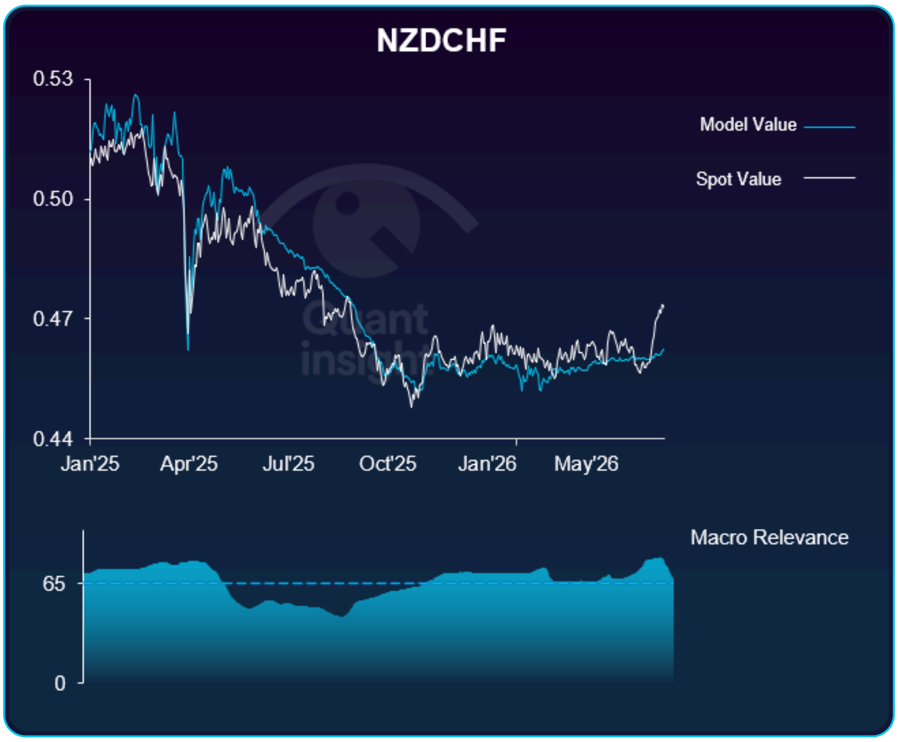
3. NZDCHF

The RBNZ is arguably the most hawkish G10 central bank right now – it's already resumed hiking & has a clear policy bias towards fighting inflation & additional rate increases.

On Qi, NZDCHF is the clear outlier amongst Kiwi fx crosses sitting 2.3 sigma (2.0%) rich to macro fair value. Bond market shifts matter – interest rate differentials & relative yield curve shape are the two biggest drivers. RBNZ rate hikes & subsequent bear flattening of the curve are lifting Qi's macro fair value.

But the market has overshot & is in rarified territory. Qi's FVG has only been north of 2 sigma & in a macro regime (RSq > 65%) twice since 2009. Both times the gap closed by the market catching down to macro fundamentals.

In short, such an extended FVG creates a rare & efficient entry level for anyone thinking today's inflation narrative soon shifts to fears of disinflation.



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