Quant insight

MacroVantage

1. Gold Miners: Macro Re-engages

Gold miners hinge on real rates, and Warsh's hawkish turn has flipped that lever against the trade.

2. Value Rotation: Too Far, Too Fast?

A sharp Value rotation now screens stretched on Qi, with rising inflation the likely trigger for reversal.

3. European Credit: Value Building?

European investment grade credit screens rarely cheap on Qi, with a falling fair value the one health warning.

2nd September 2026

MacroVantage

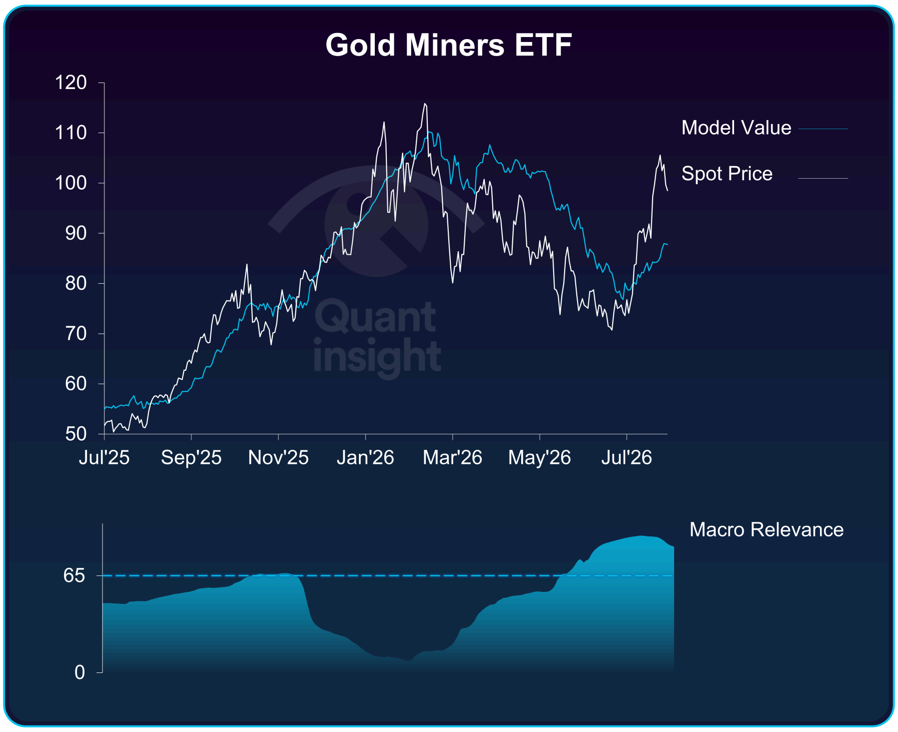
1. Gold Miners: Macro Re-engages

Gold miners have ripped higher, and Qi has macro firmly back in charge of GDX: model confidence sits at 84%. The question after a near-vertical rally is whether the macro that drove it still supports the move.

The single biggest lever is GDX's negative exposure to US real rates: when real rates fall, Qi fair value rises. Through August that helped, as softer data pulled real rates down, alongside firm metals and record official-sector demand. Qi model value climbed roughly 11% in four weeks, tracking the rally higher.

That lever has just flipped. Warsh's Jackson Hole message, that inflation is not easing and financial conditions are not restrictive, has revived September hike expectations and pushed real rates back up, knocking gold off its late-August high. A higher real-rate path now threatens Qi fair value, and the premium has already halved from a +1.94σ peak on the 25th to +0.94σ (10.03%).

Net: the dominant driver, real rates, has turned against the trade. A rich signal into rising real rates leaves the risk-reward skewed to further unwind, with the September FOMC the swing factor.



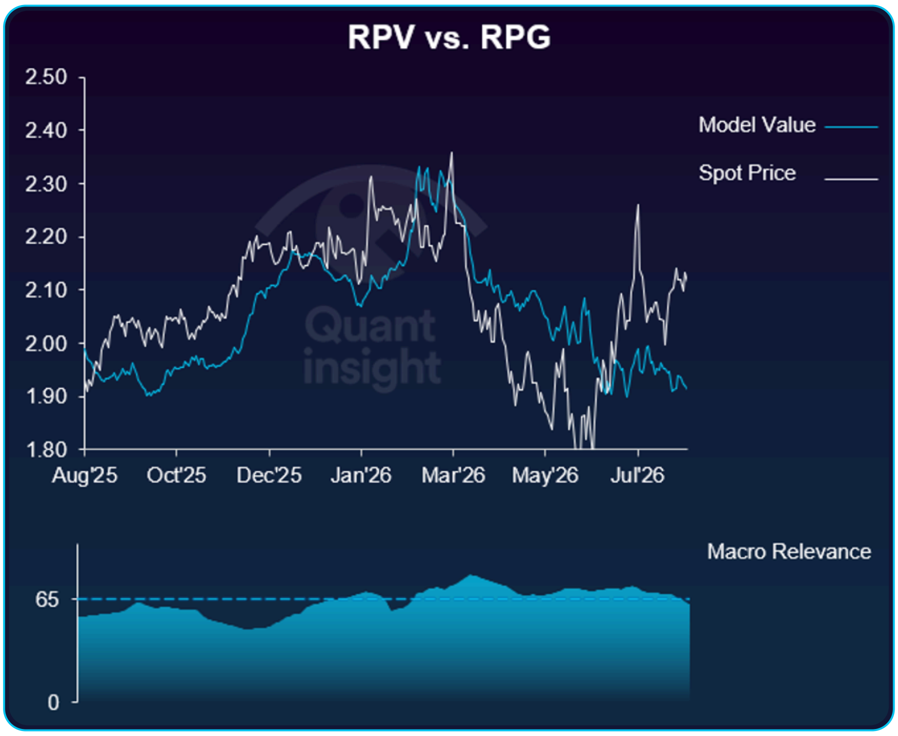
2. Value Rotation: Too Far, Too Fast?

The rotation to Value over Growth has been particularly sharp quarter to date: RPV (Invesco S&P 500 Pure Value ETF) has outperformed RPG (Pure Growth) by almost 20% over this period, helped by higher yields, broader earnings leadership and crowded positioning penalising Growth.

However, RPV vs. RPG is now 1.5σ (9.56%) above Qi model fair value, at the upper end of its 5-year range. Macro explanatory power has also remained consistently high at around 60% through this year.

According to Qi, the Achilles' heel of Value outperformance over Growth is higher inflation. Value likes reflation, but if inflation expectations climb too far, margins may come under pressure in more capital-intensive industries.

With RPV/RPG already stretched versus Qi model value, the bar for further Value outperformance looks increasingly high. If inflation expectations continue to rise, the macro backdrop could start working against a trade that has already moved a long way, leaving current Value leadership vulnerable to some mean reversion.



MacroVantage

3. European Credit: Value Building?

IBCX is the iShares ETF that provides exposure to Large Cap Investment Grade credit in Europe. It's now 1.6σ (0.88%) cheap on Qi, a Fair Value Gap that's rarely seen.

Qi's model has only been in regime and this cheap to aggregate macro conditions four times before. Even dropping our model confidence constraint, such FVGs have only been seen seven times before since 2009.

That suggests decent risk-reward for credit bulls. There is, however, one health warning that needs monitoring.

Qi's macro-warranted fair value has fallen to 123.78. That's perilously close to July 23rd's local low of 123.75. A break below would suggest macro momentum is inflecting lower.

That would shift the conclusion from macro is treading water and the market is oversold, to the market has front run a deterioration in macro conditions. The former speaks to a potential buy-the-dip idea; the latter suggests a more prudent watch-and-wait stance.

Disclaimer

This document is being sent only to investment professionals (as that term is defined in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 ("FPO")) or to persons to whom it would otherwise be lawful to distribute it. Accordingly, persons who do not have professional experience in matters relating to investments should not rely on this document. The information contained herein is for general guidance and information only and is subject to amendment or correction.

This document is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This document is provided for information purposes only, is intended for your use only, and does not constitute an invitation or offer to subscribe for or purchase any securities, any product or any service and neither this document nor anything contained herein shall form the basis of any contract or commitment whatsoever. This document does not constitute any recommendation regarding any securities, futures, derivatives or other investment products. The information contained herein is provided for informational and discussion purposes only and is not and may not be relied on in any manner as accounting, legal, tax, investment, regulatory or other advice. Information and opinions presented in this document have been obtained or derived from sources believed to be reliable, but Quant Insight Limited (QI) makes no representation as to their accuracy or completeness or reliability and expressly disclaims any liability, including incidental or consequential damages arising from errors in this publication. No reliance may be placed for any purpose on the information and opinions contained in this document. No representation, warranty or undertaking, express or implied, is given as to the accuracy or completeness of the information or opinions contained in this document by any of QI, its employees or affiliates and no liability is accepted by such persons for the accuracy or completeness of any such information or opinions.

Any data provided in this document indicating past performance is not a reliable indicator of future returns/performance. Nothing contained herein shall be relied upon as a promise or representation whether as to past or future performance. This presentation is strictly confidential and may not be reproduced or redistributed in whole or in part nor may its contents be disclosed to any other person under any circumstances without the express permission of Quant Insight Limited.

+44 2037519400
info@quant-insight.com
www.quant-insight.com

Quant Insight Limited
Dawson House, 5 Jewry Street
London, EC3N 2EX