Quant insight

MacroVantage

1. Homebuilders: Oversold, or Fairly Warned?

Macro momentum points to XHB downside but spot has overshot. Strong convergence odds suggest any benign reaction from the bond market to tonight's Fed and XHB's cheap FVG could look attractive.

2. Bond Bears, Pick Your Curve

EUR 10s30s sits 1.1σ too flat to macro conditions, offering a cleaner way to express renewed long-end vulnerability.

3. Brazil: Spot Outruns the Macro

Brazilian equities have surged to the top of their macro range, with Qi fair value falling even as spot rallies, leaving IBOV stretched.

16th September 2026

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1. Homebuilders: Oversold, or Fairly Warned?

The SPDR S&P Homebuilders ETF has fallen further than the macro backdrop justifies. Spot has dropped below a Qi fair value of 102.43, a gap of -0.72σ (4.25%), back toward the cheaper end of its one-year range. That matters because XHB has a strong tendency to re-converge; historically it has been spot, not fair value, that closes a gap this wide.

The caveat is the anchor itself. Over the past month Qi model value has fallen close to 5%, dragged lower by the bond market: higher rate vol, firmer inflation and tighter central bank policy expectations. Model confidence, at 63%, also sits just below the threshold where macro dominates price action.

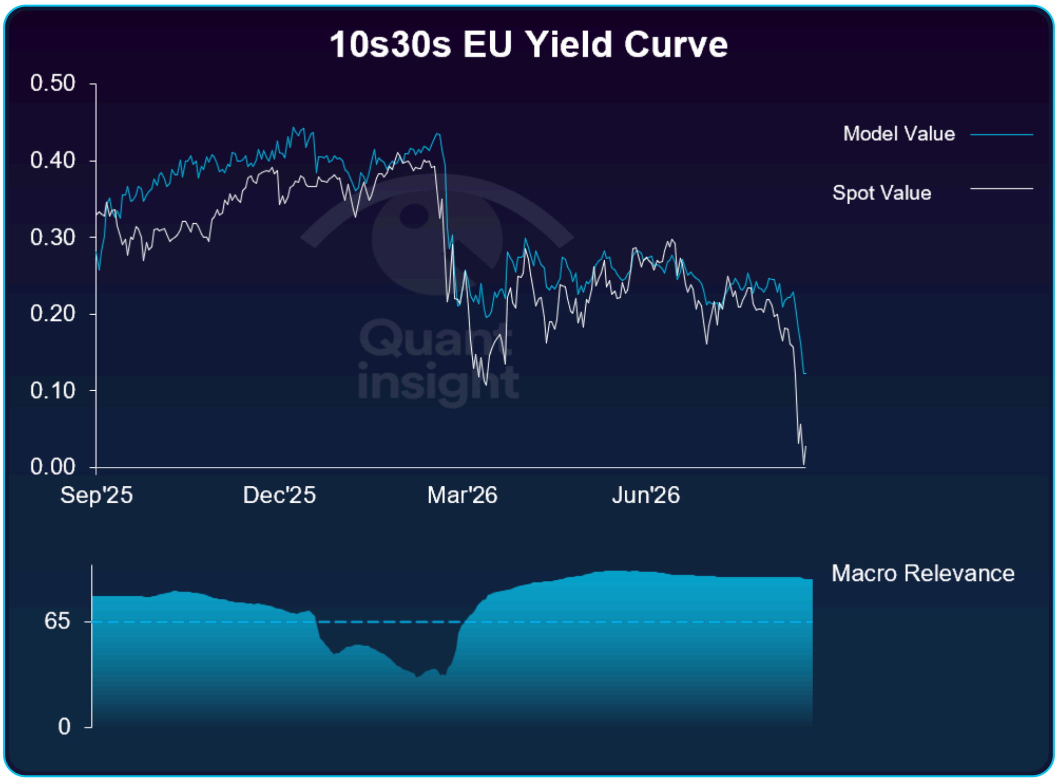
Net, the sell-off looks overdone against the macro Qi tracks, and the odds favour convergence. The key will obviously be tonight's Fed but, if **Warsh can placate the bond market, XHB offers decent risk-reward.**

2. Bond Bears, Pick Your Curve

For months the focus for bond bears was on the back end with 30y yields rising globally. That's changed of late as markets price in a more aggressive policy response with rate hikes from the ECB (delivered) and the Fed, BoJ, BoE (expected) prompting a sharp bear flattening of the yield curve.

For those thinking the long end remains the most vulnerable area but are wary that, in absolute terms, yields have now risen to elevated levels, the **hunt is on for the best curve steepening trades**.

On Qi, EUR 10s30s is now one of the cheapest Fair Value Gaps amongst our models for G7 yield curves. It sits 1.1σ (9.5bp) too flat relative to aggregate macro conditions.



Qi model value is falling, thanks mainly to rate vol. Current patterns show high rate vol flattens the curve. In the last week, rate vol has stopped rising but the yield curve has continued to flatten.

Hence the FVG and potential opportunity for bond bears who see limited scope for Central Banks to hike into a supply shock, but a long end driven by inflation, fiscal, crowding out concerns.

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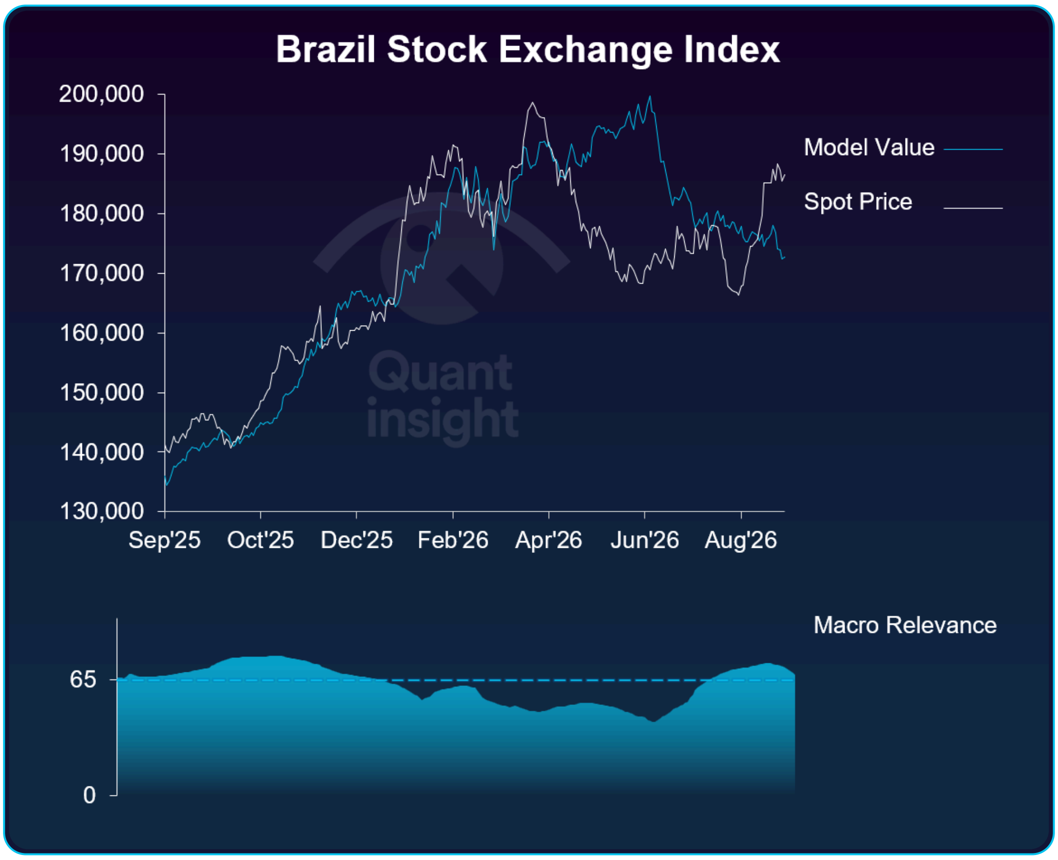
3. Brazil: Spot Outruns the Macro

Brazil's Ibovespa has been one of the year's standout performers, and the past month extended the run, with spot up more than 11% on election de-risking, firmer commodity heavyweights and hopes of easier domestic policy.

Qi's model has not followed. Over the same window Qi fair value has fallen close to 3%, leaving spot roughly +1.40σ (7.4%) above a model value near 172,700. That FVG is toward the top of its one-year range.



The forces behind that falling model value are global macro rather than local: inflation scares and the idea G7 Central Banks hike rates in response.

In the long term, the bull case for Brazil is strong. This is more a **cautionary flag suggesting these aren't optimal levels to chase.**

68% model confidence means global macro is the dominant lens right now, but that R-Squared number is falling. A move below our 65% threshold would suggest investors re-focus away from global macro and towards local drivers.

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