

MacroResearchBoard

mrb** partners**

Independent Investment Strategy

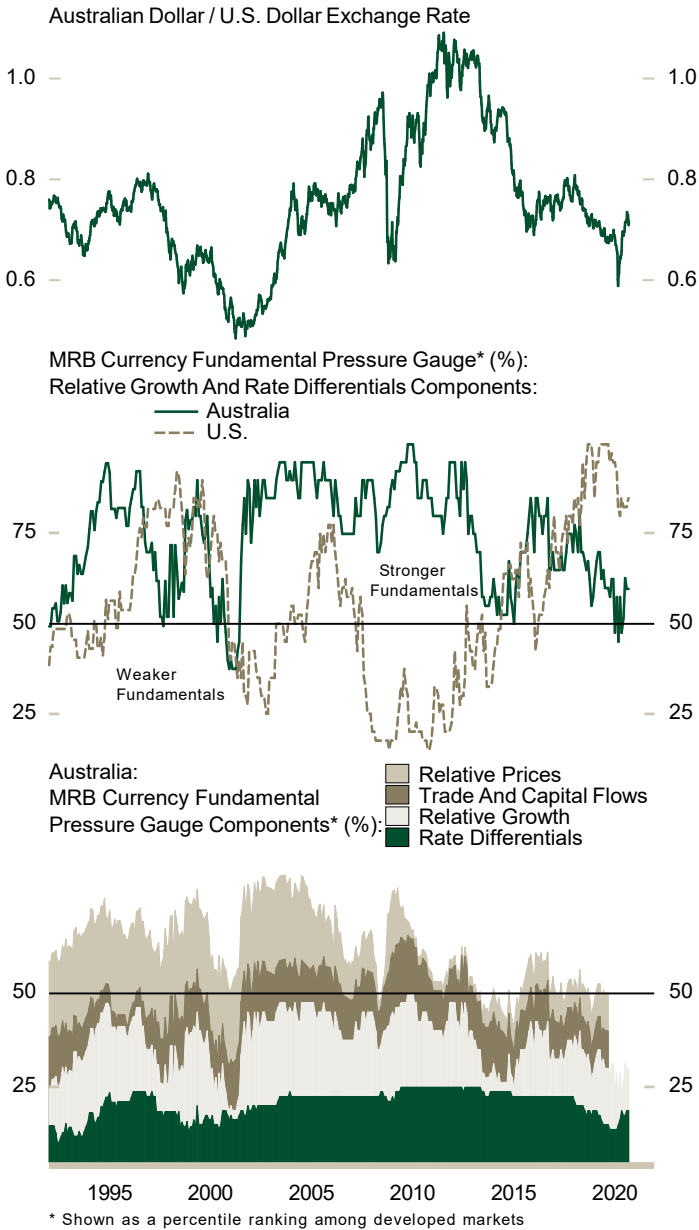
Foreign Exchange Indicators

October 2020

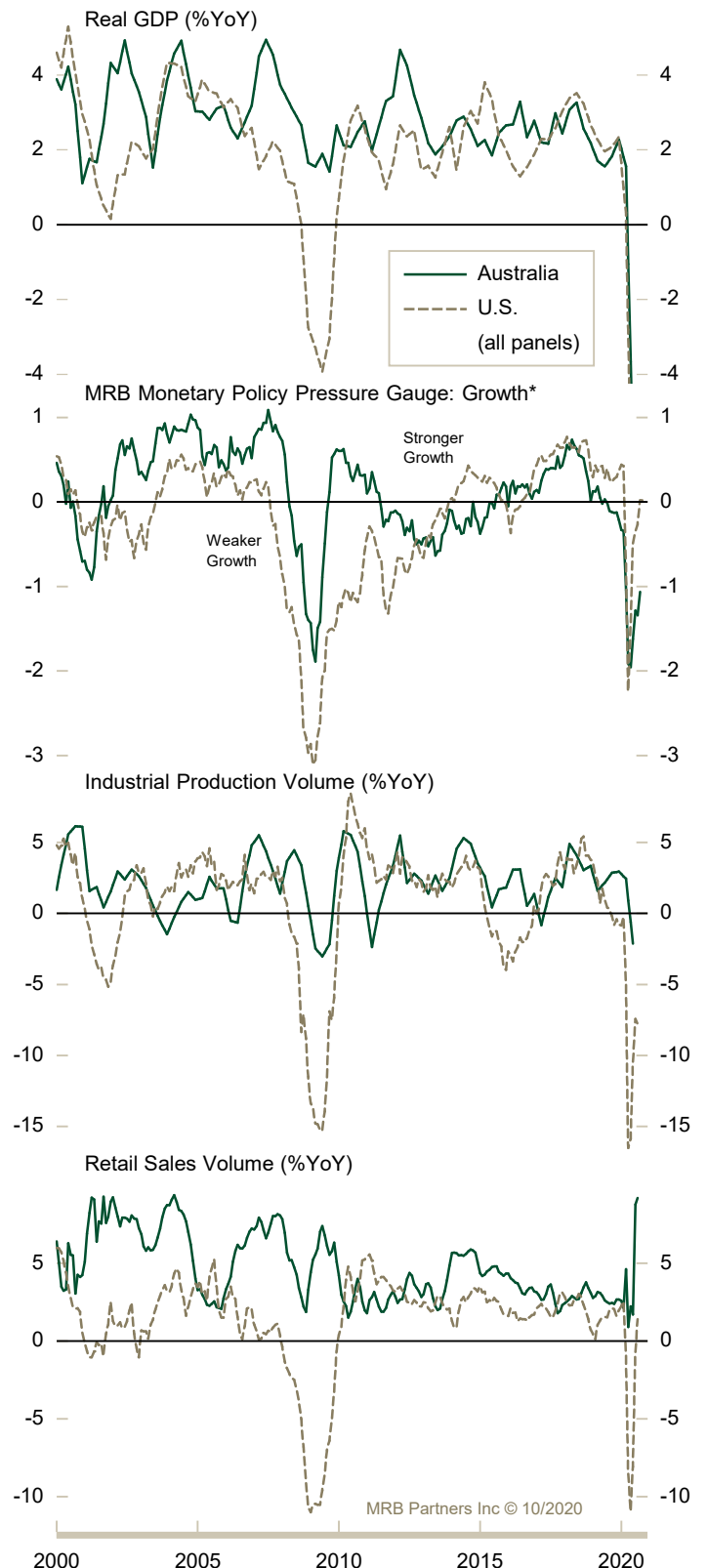
Australia	2
Canada	4
Euro Area	6
Japan	8
New Zealand	10
Norway	12
Singapore	14
Sweden	15
Switzerland	17
U.K.	19
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U.S.	22

Australia: Underweight

Fundamental Pressures

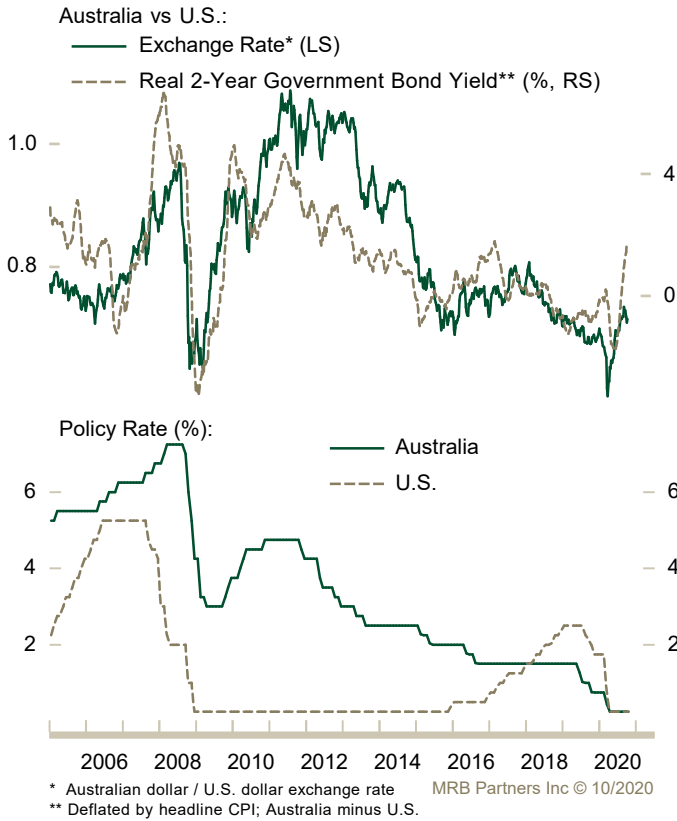


Relative Growth

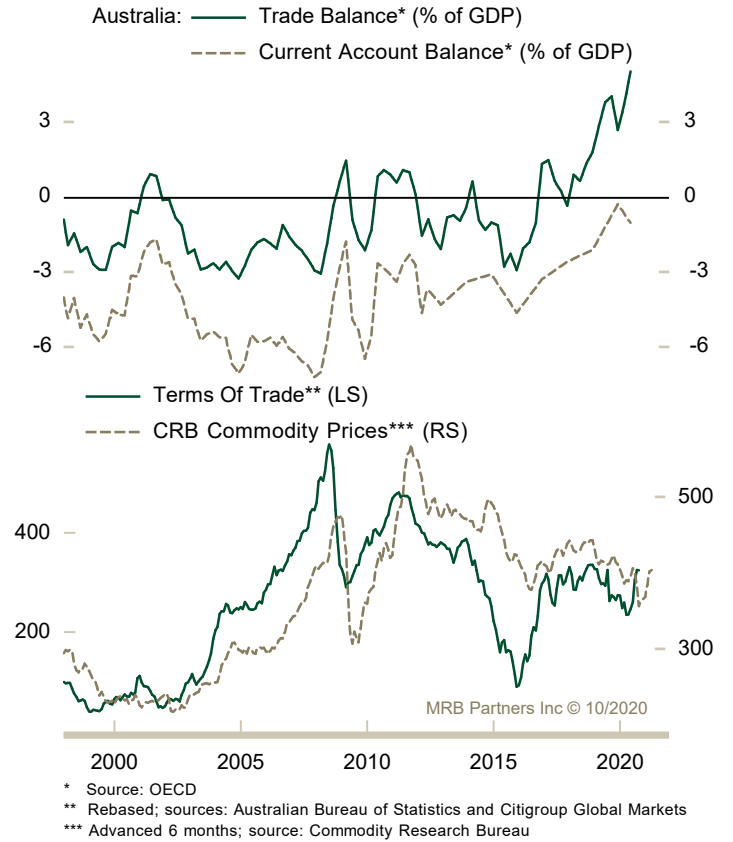


* Includes business & consumer sectors, labor market & financial conditions; standardized

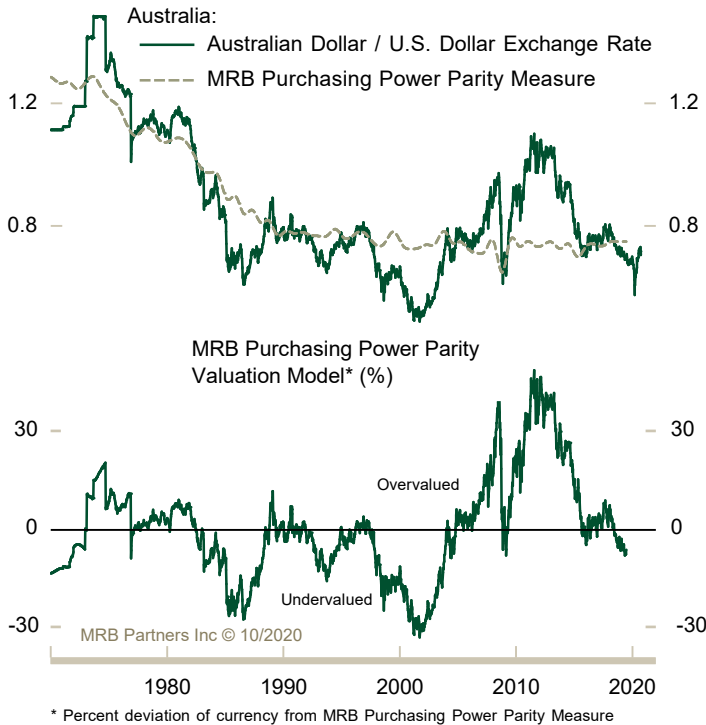
Policy/Rate Differentials



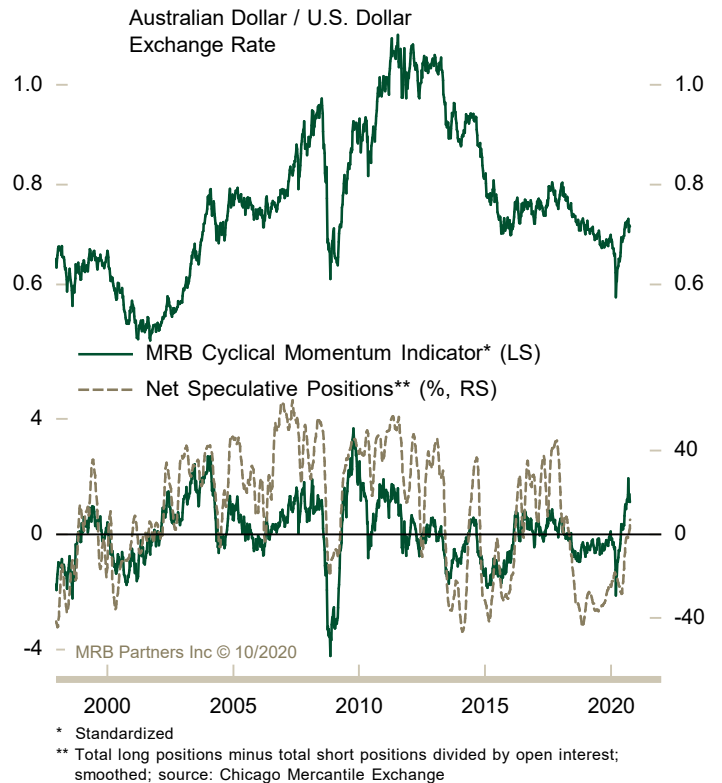
Trade/Capital Flows



Valuation



Technical

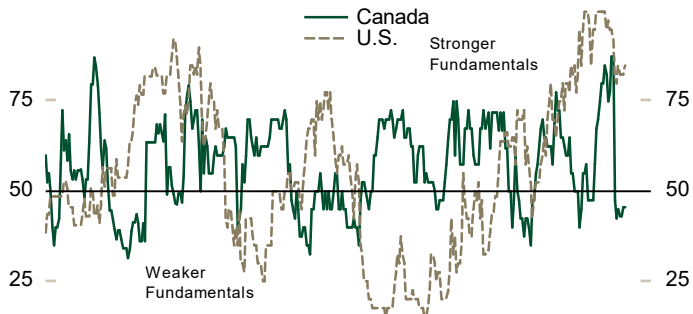


Canada: *Underweight*

Fundamental Pressures

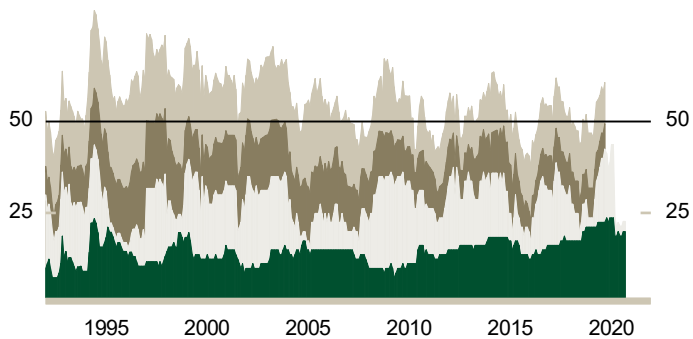


MRB Currency Fundamental Pressure Gauge* (%):
Relative Growth And Rate Differentials Components:



Canada: MRB Currency Fundamental Pressure Gauge Components* (%)

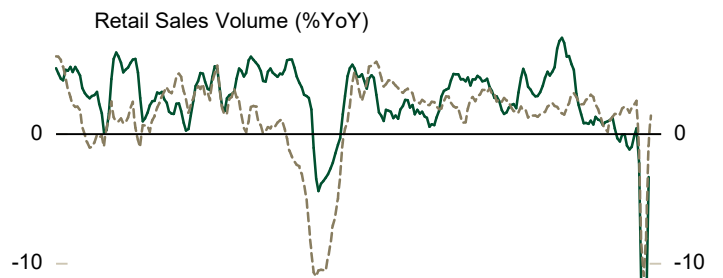
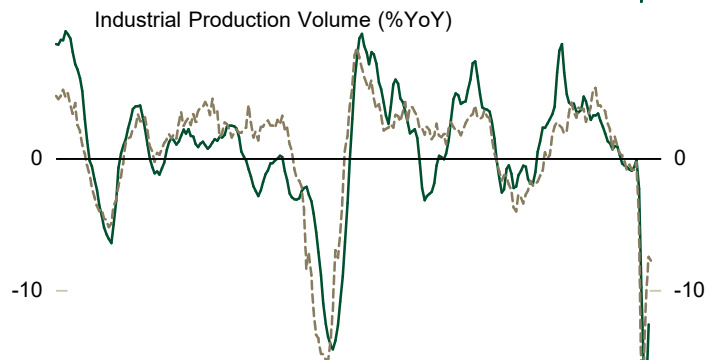
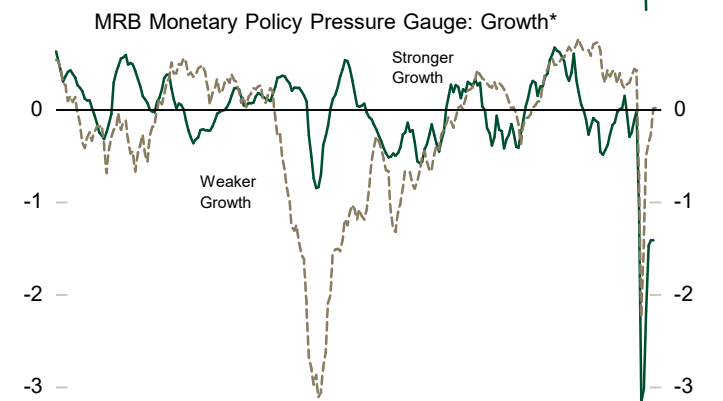
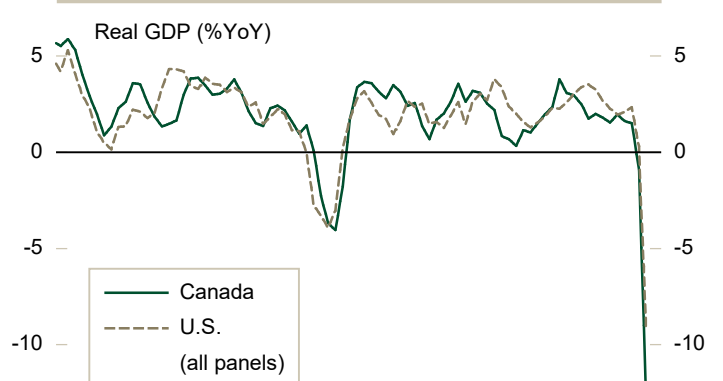
- Relative Prices
- Trade And Capital Flows
- Relative Growth
- Rate Differentials



* Shown as a percentile ranking among developed markets

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Relative Growth

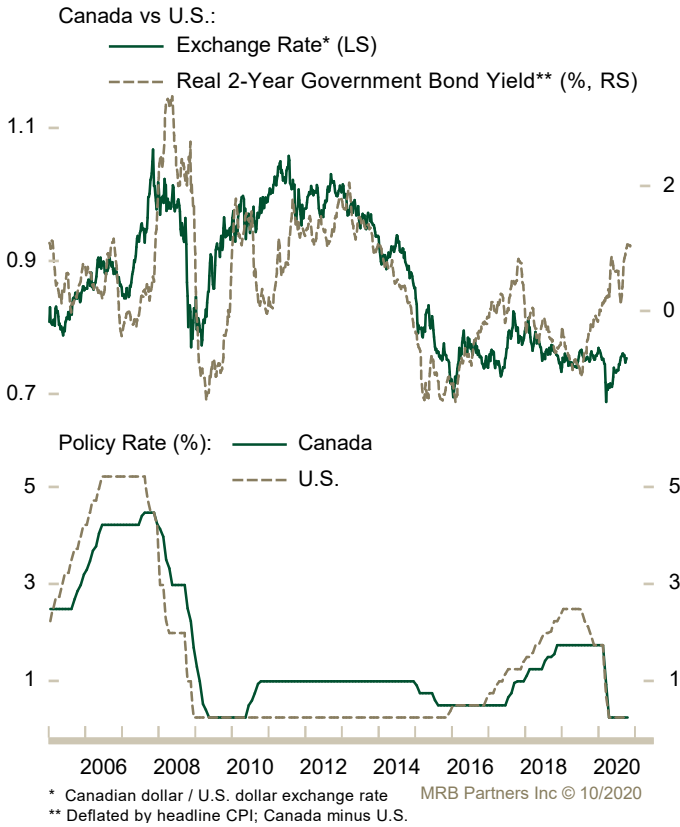


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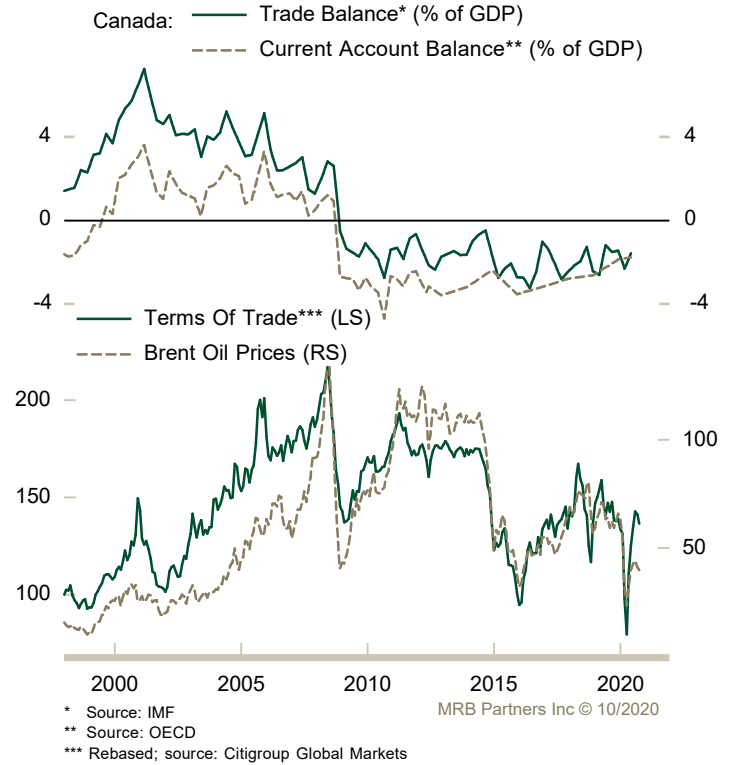
2000 2005 2010 2015 2020

* Includes business & consumer sectors, labor market & financial conditions; standardized

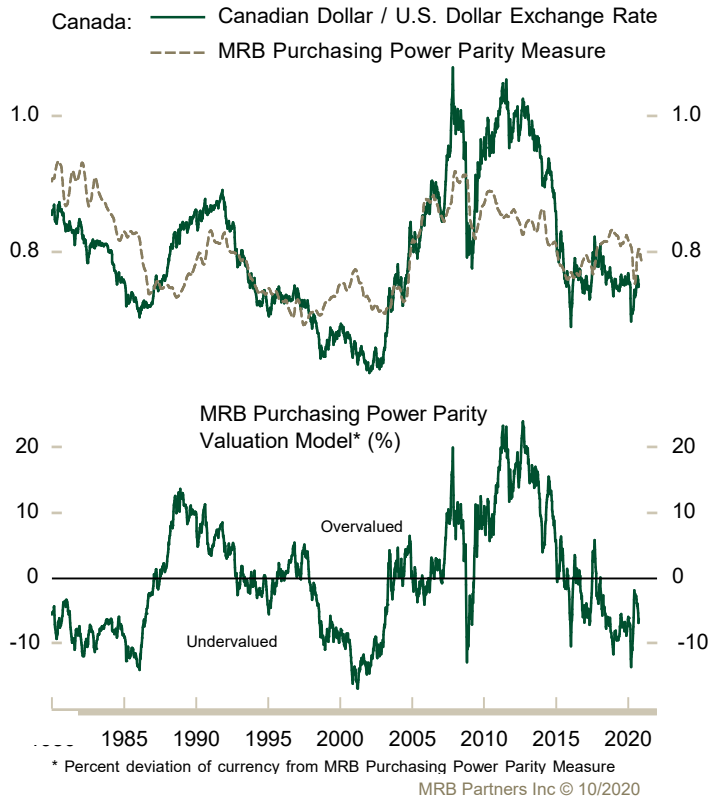
Policy/Rate Differentials



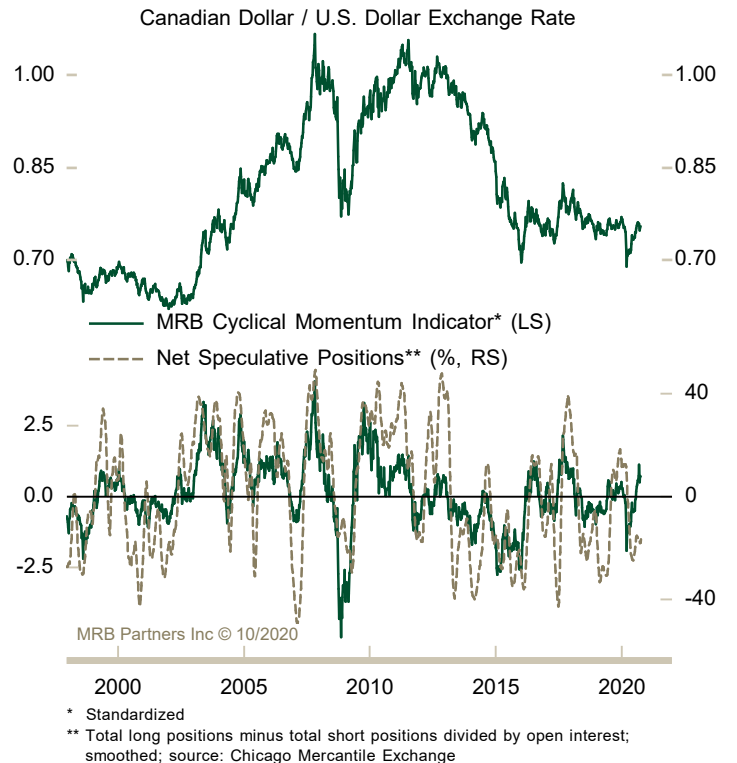
Trade/Capital Flows



Valuation



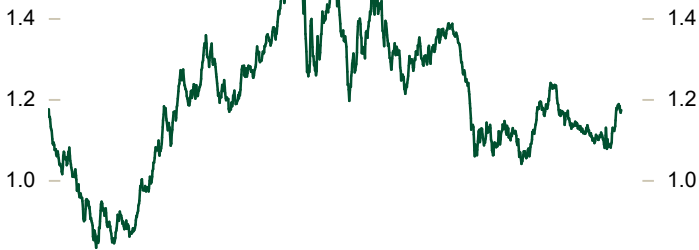
Technical



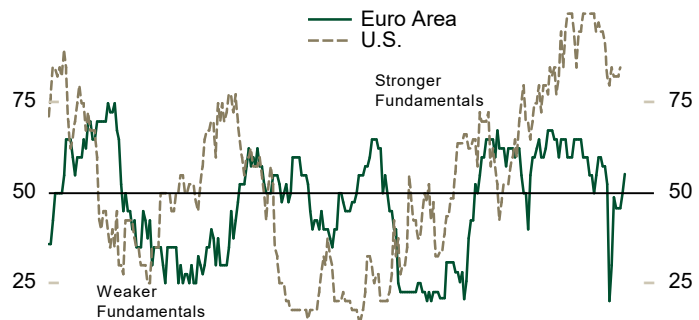
Euro Area: Overweight

Fundamental Pressures

Euro / U.S. Dollar Exchange Rate

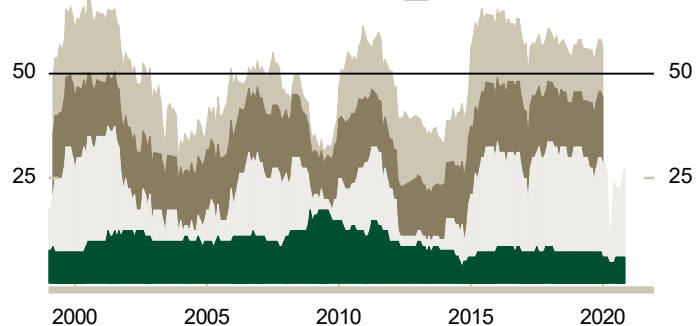


MRB Currency Fundamental Pressure Gauge* (%):
Relative Growth And Rate Differentials Components:



Euro Area: MRB Currency Fundamental Pressure Gauge Components* (%)

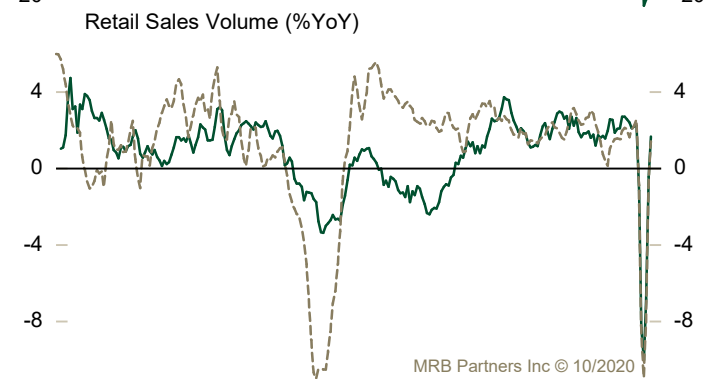
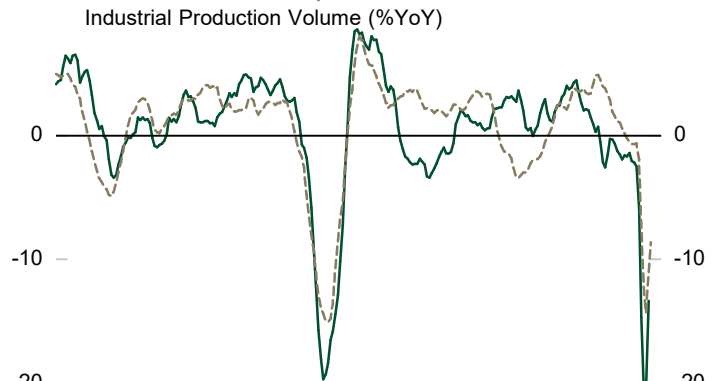
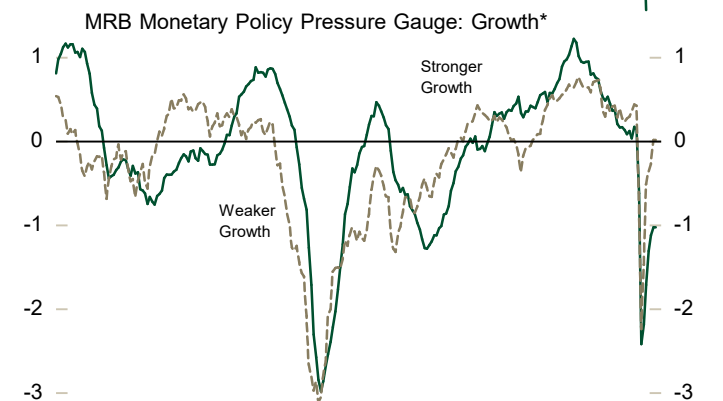
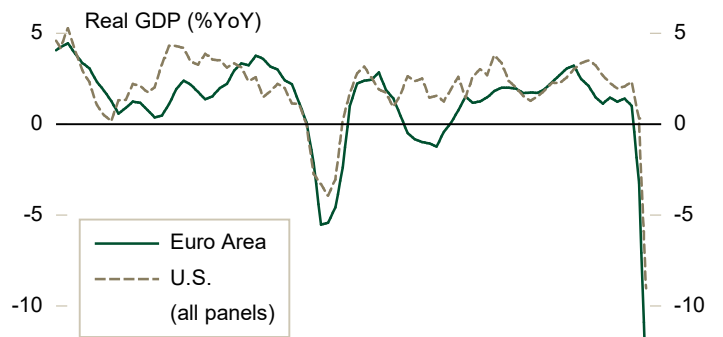
- Relative Prices
- Trade And Capital Flows
- Relative Growth
- Rate Differentials



* Shown as a percentile ranking among developed markets

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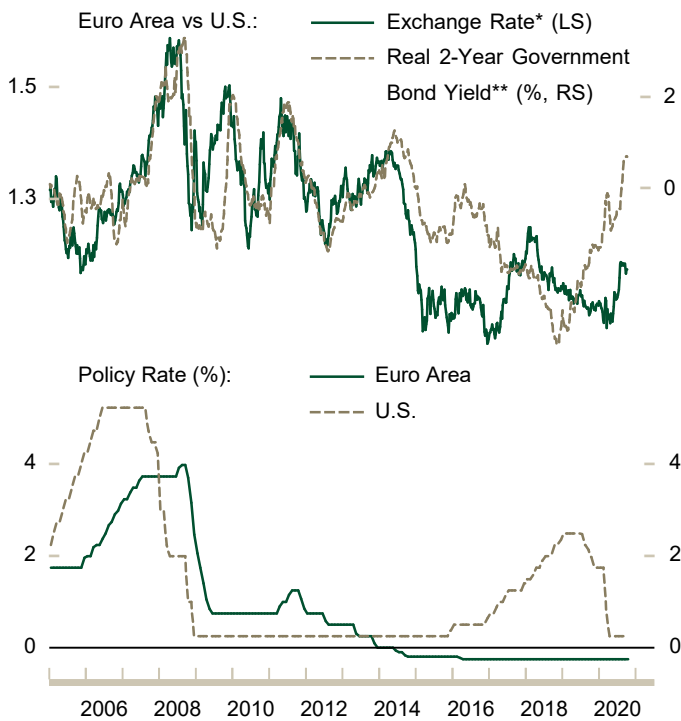
Relative Growth



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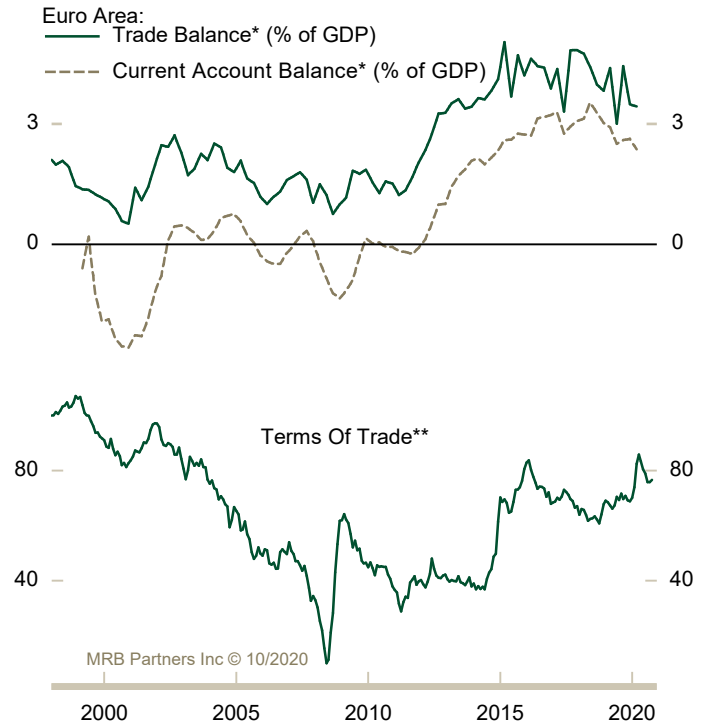
* Includes business & consumer sectors, labor market & financial conditions; standardized

Policy/Rate Differentials



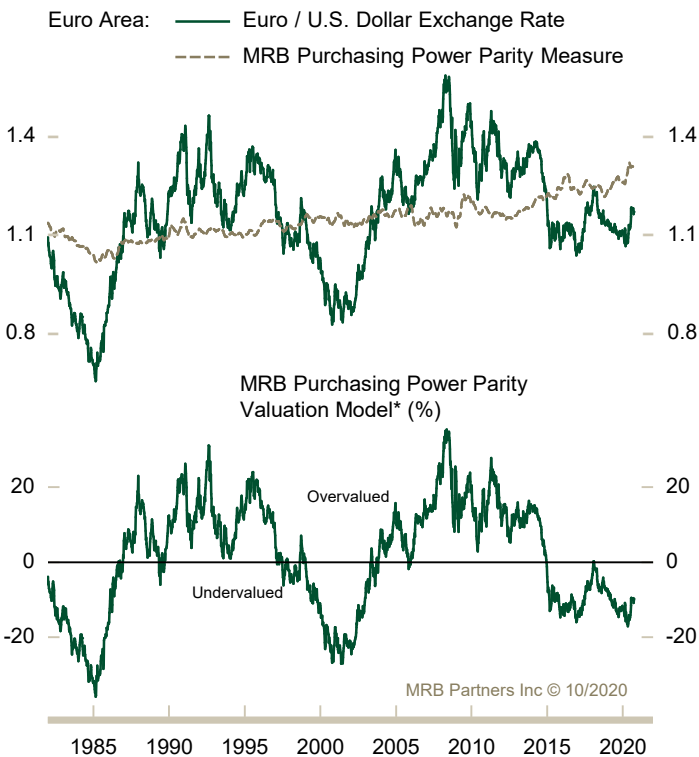
* Euro / U.S. dollar exchange rate
 ** Deflated by headline CPI; Germany minus U.S.
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Trade/Capital Flows



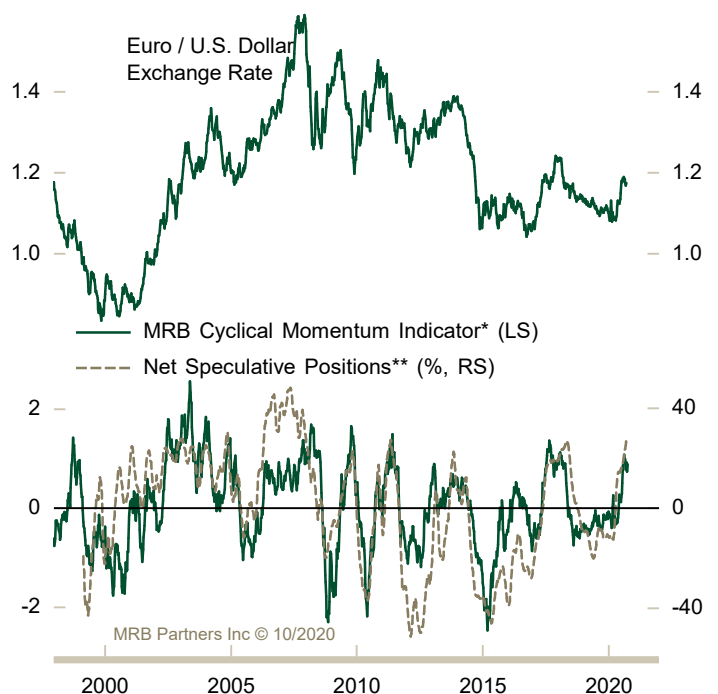
* Source: OECD
 ** Rebased; source: Citigroup Global Markets
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Valuation



* Percent deviation of currency from MRB Purchasing Power Parity Measure
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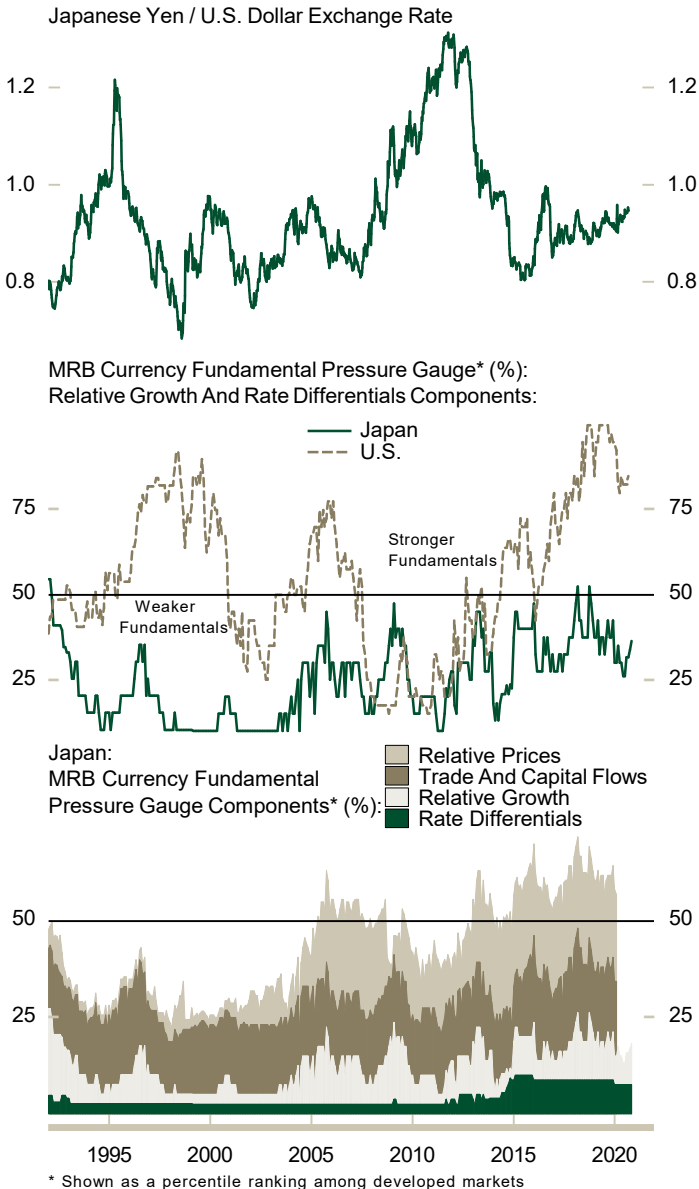
Technical



* Standardized
 ** Total long positions minus total short positions divided by open interest; smoothed; source: Chicago Mercantile Exchange
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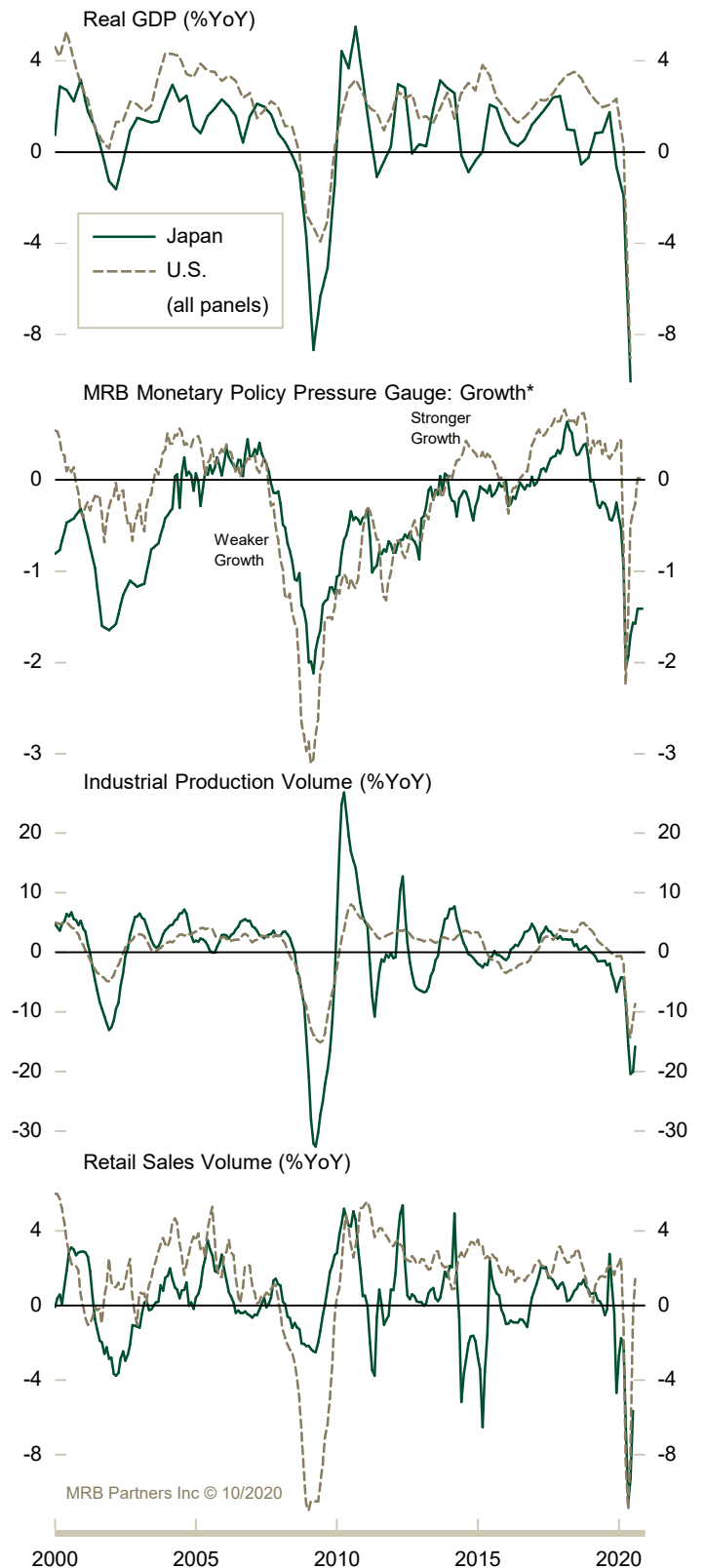
Japan: Overweight

Fundamental Pressures



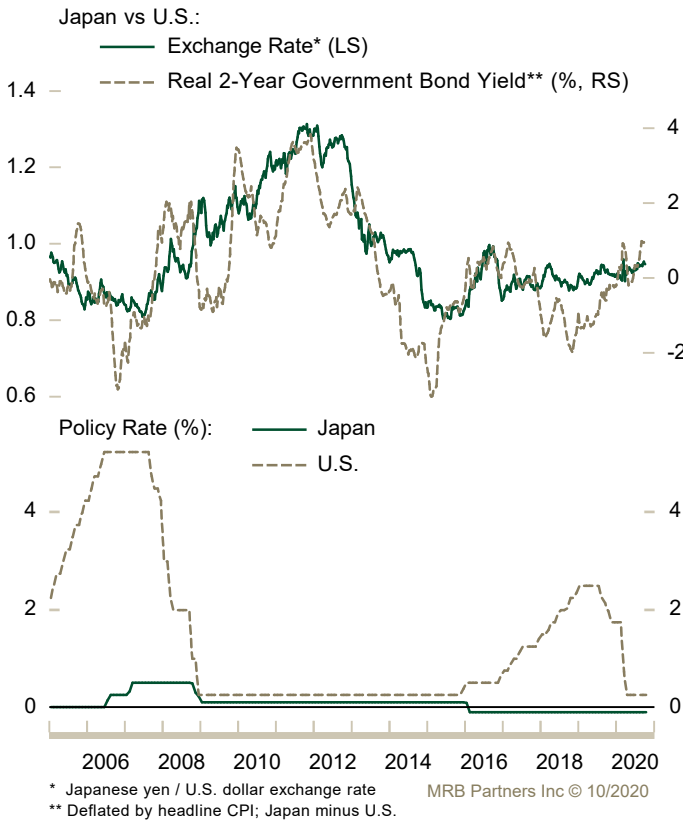
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Relative Growth

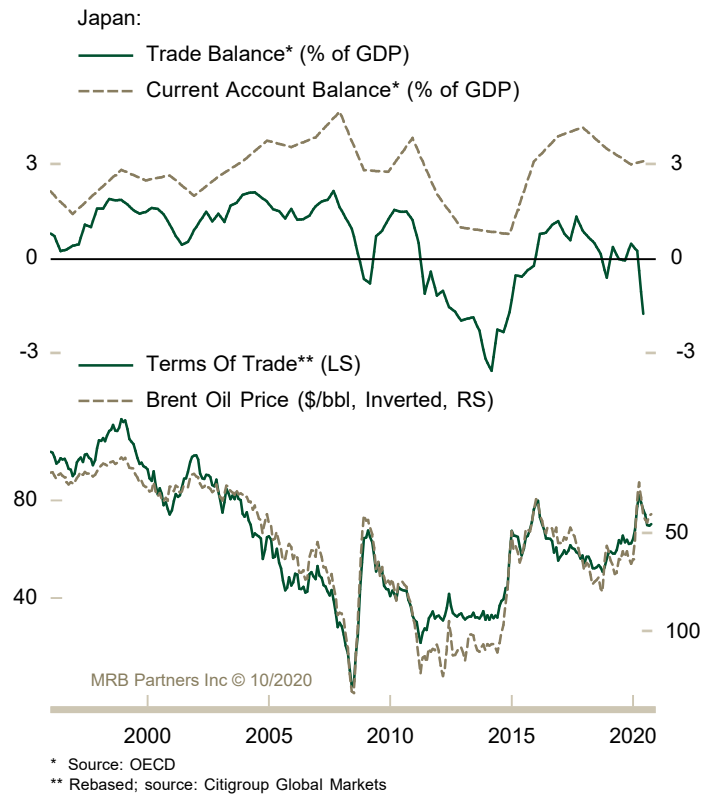


* Includes business & consumer sectors, labor market & financial conditions; standardized

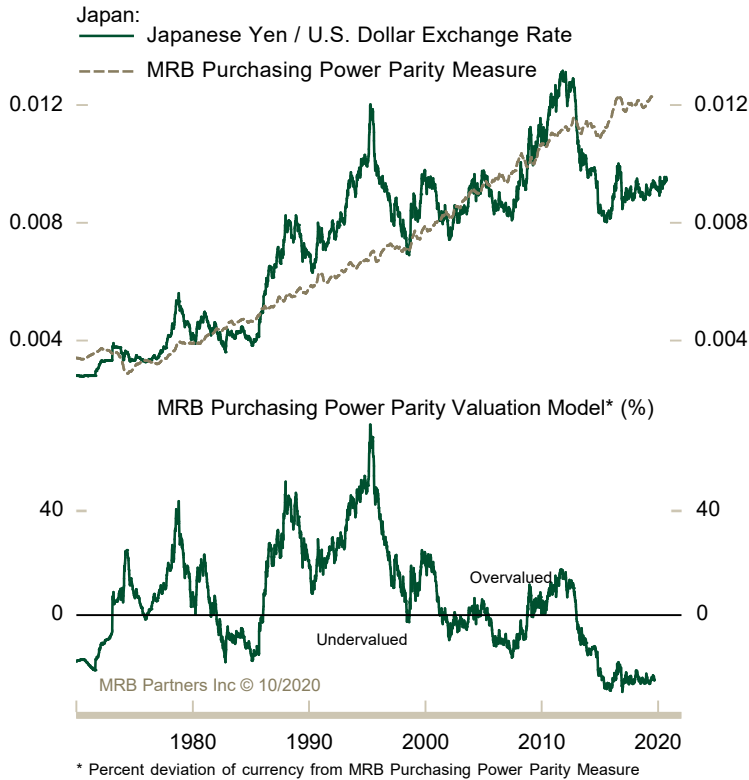
Policy/Rate Differentials



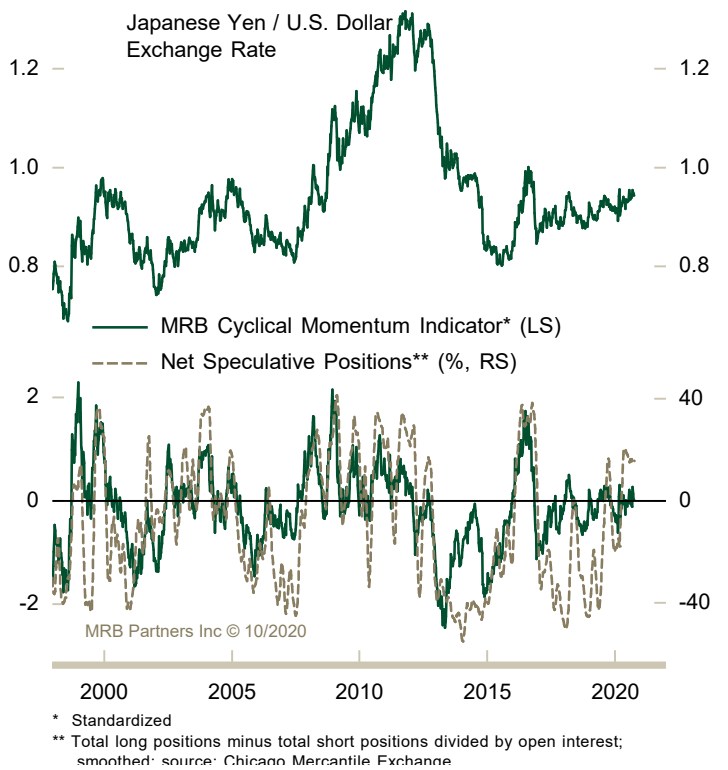
Trade/Capital Flows



Valuation

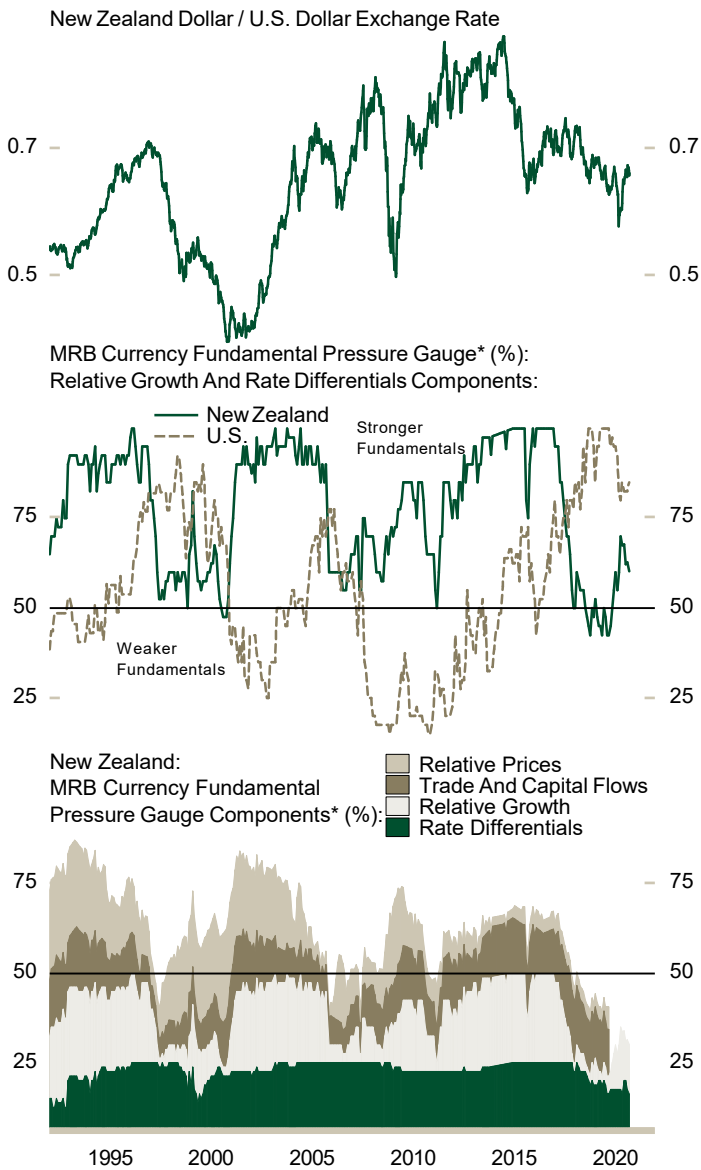


Technical



New Zealand: *Underweight*

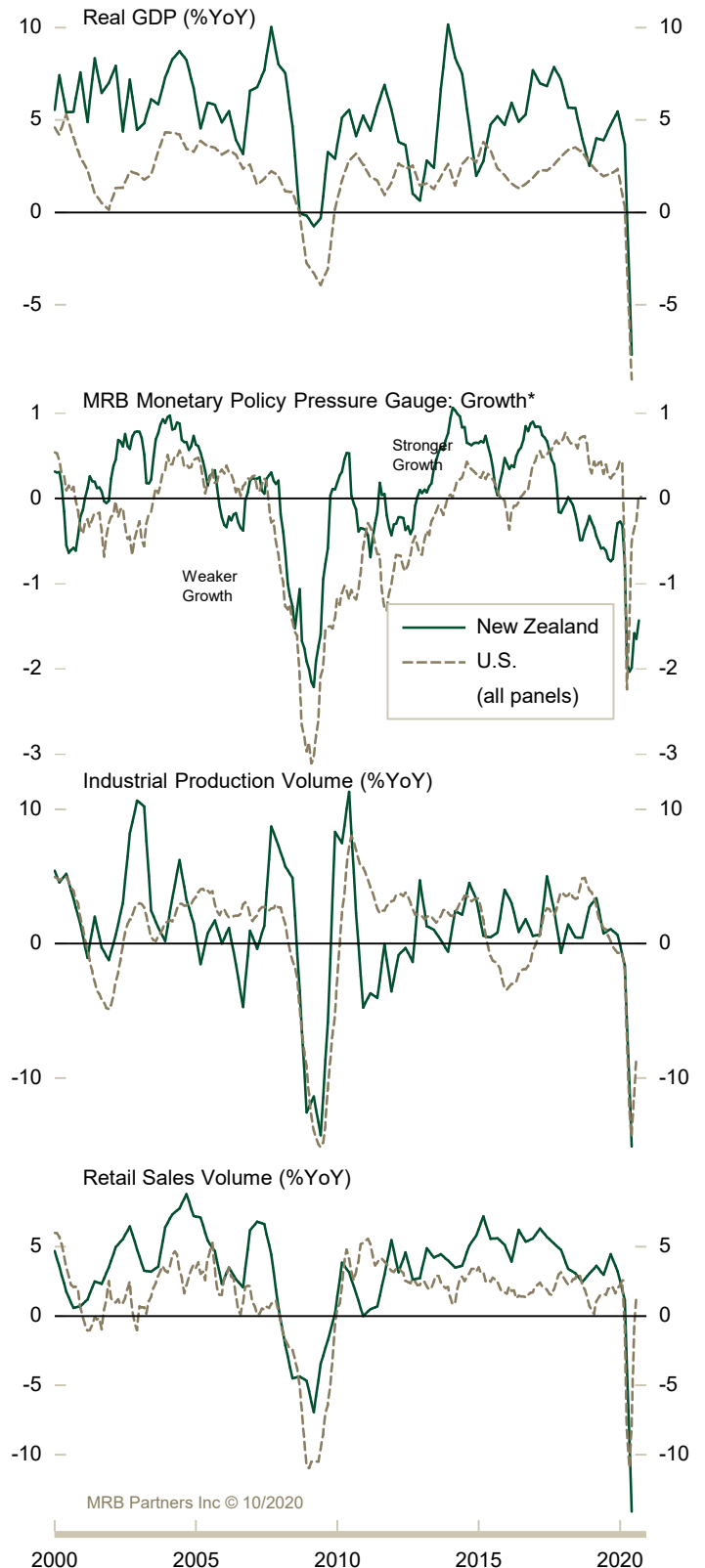
Fundamental Pressures



* Shown as a percentile ranking among developed markets

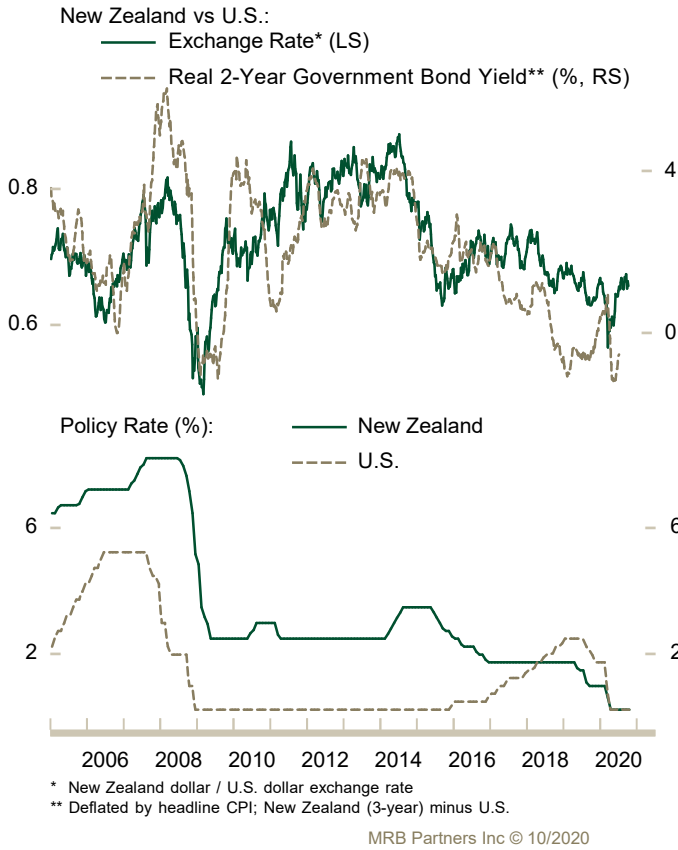
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Relative Growth

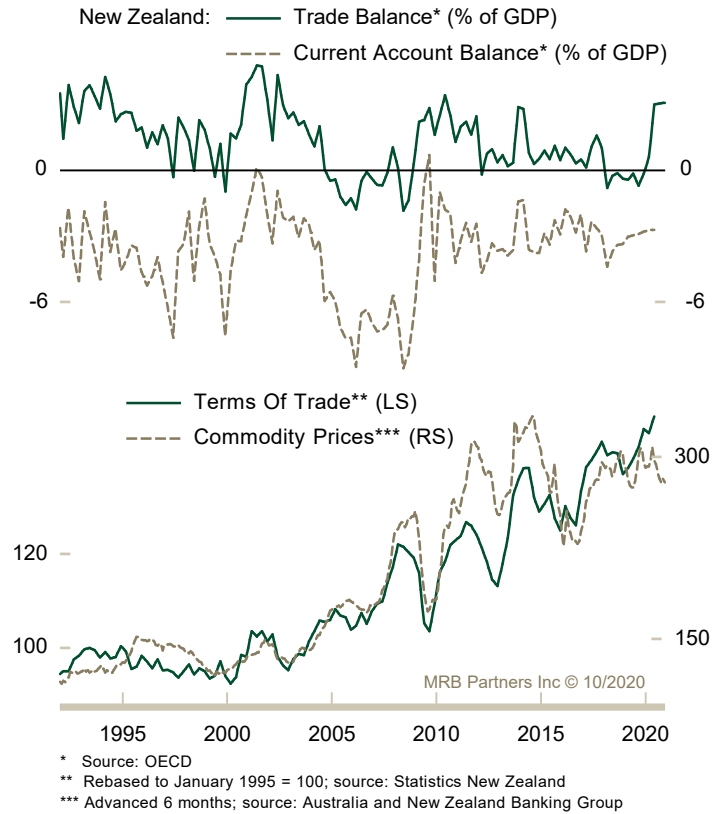


* Includes business & consumer sectors, labor market & financial conditions; standardized

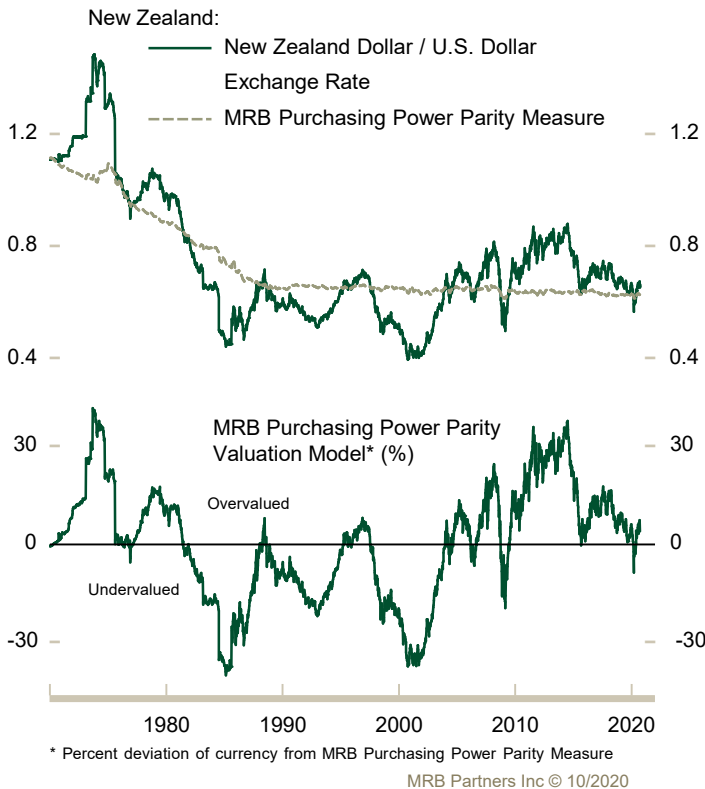
Policy/Rate Differentials



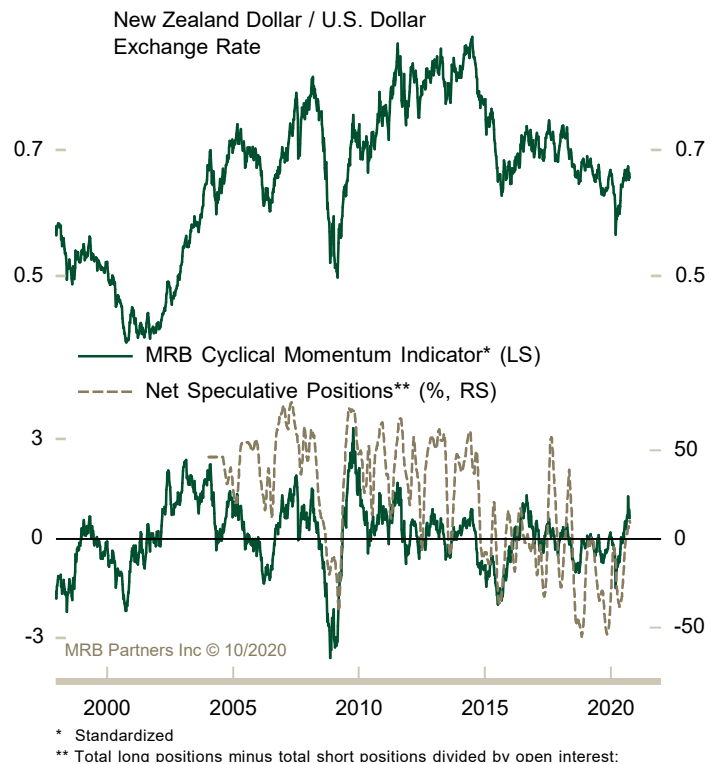
Trade/Capital Flows



Valuation



Technical



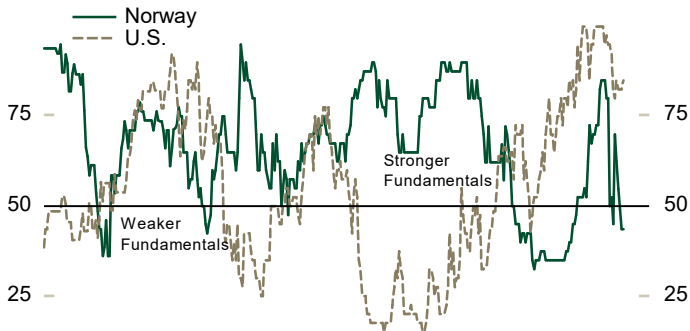
Norway: *Underweight*

Fundamental Pressures

Norwegian Krone / U.S. Dollar Exchange Rate

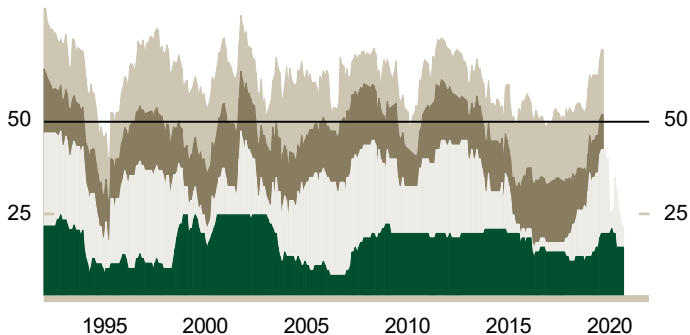


MRB Currency Fundamental Pressure Gauge* (%):
Relative Growth And Rate Differentials Components:



Norway: MRB Currency Fundamental Pressure Gauge Components* (%)

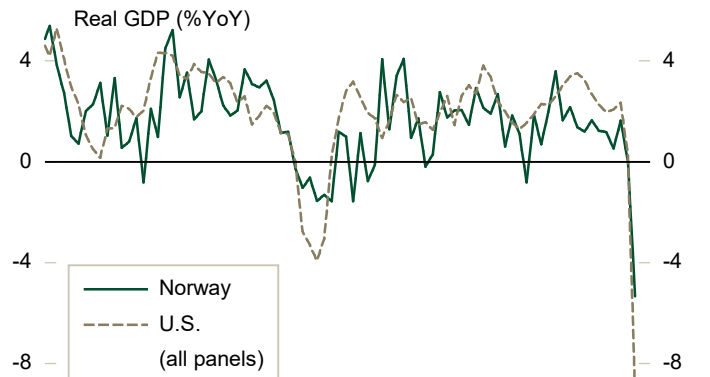
- Relative Prices
- Trade And Capital Flows
- Relative Growth
- Rate Differentials



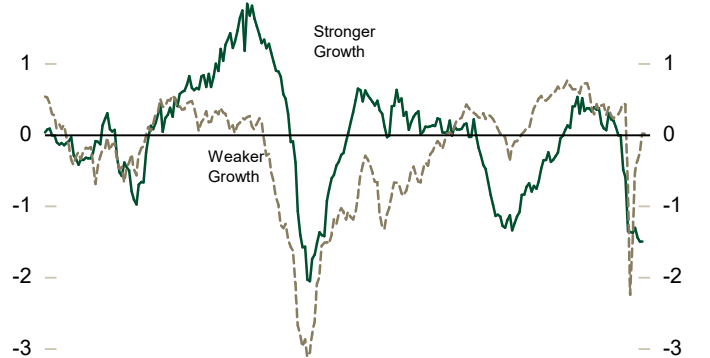
* Shown as a percentile ranking among developed markets

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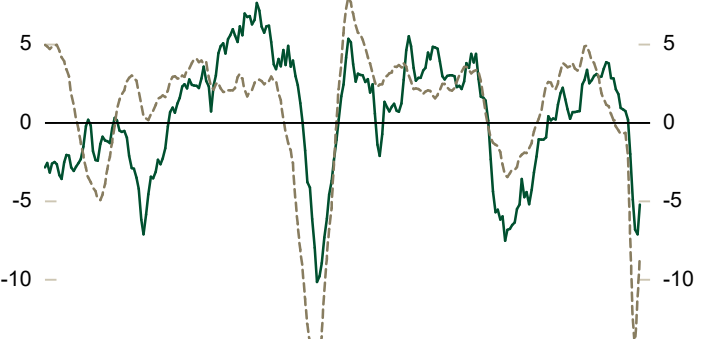
Relative Growth



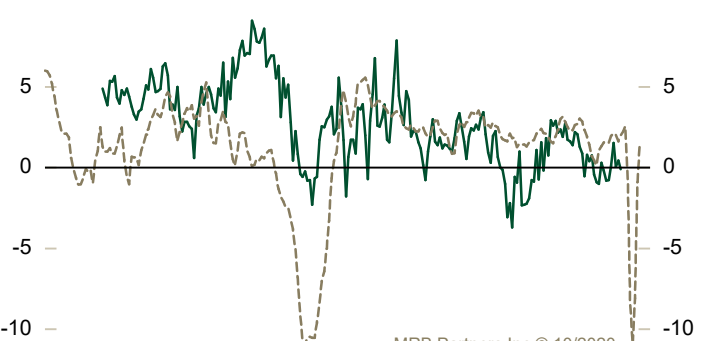
MRB Monetary Policy Pressure Gauge: Growth*



Industrial Production Volume (%YoY)



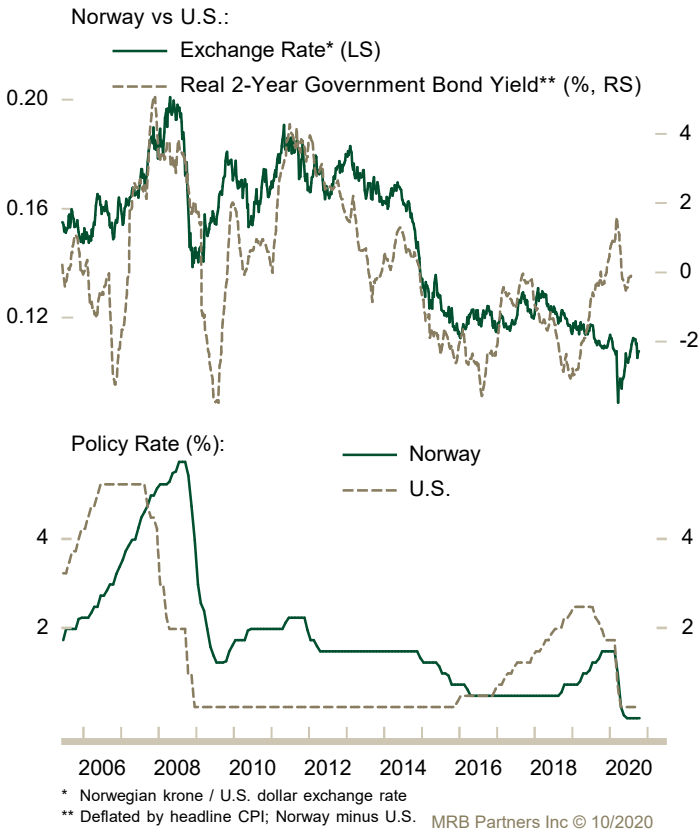
Retail Sales Volume (%YoY)



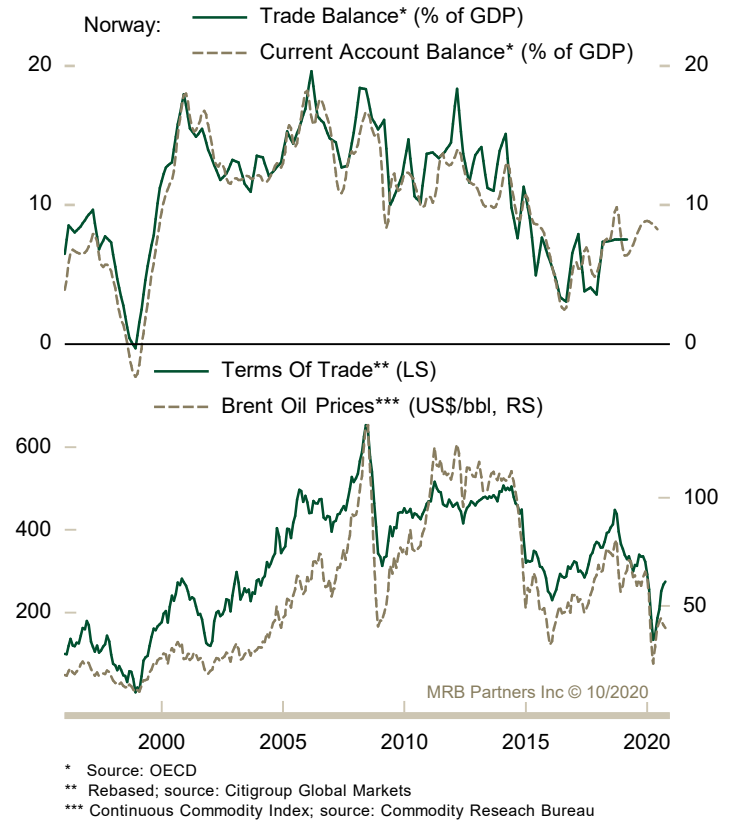
MRB Partners Inc © 10/2020

* Includes business & consumer sectors, labor market & financial conditions; standardized

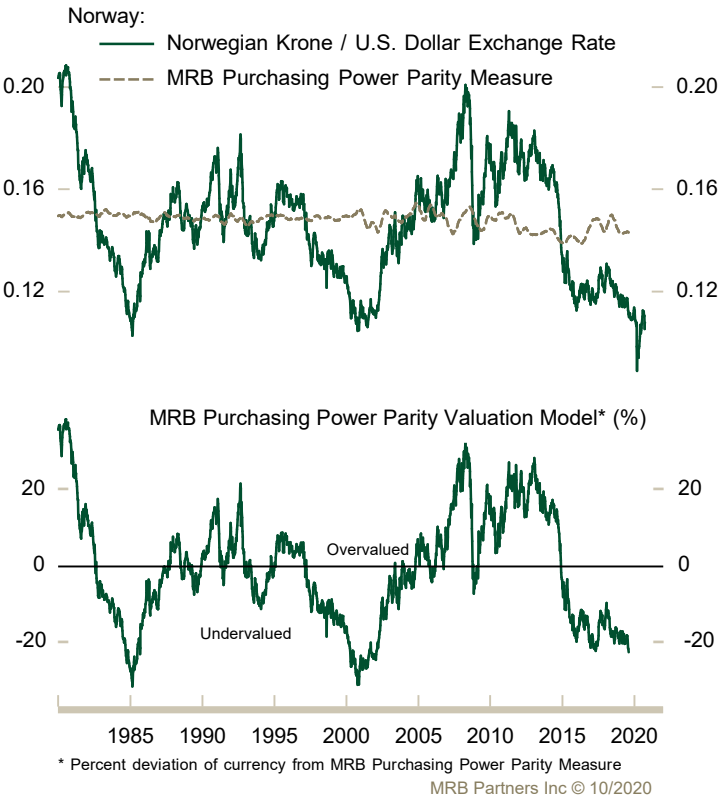
Policy/Rate Differentials



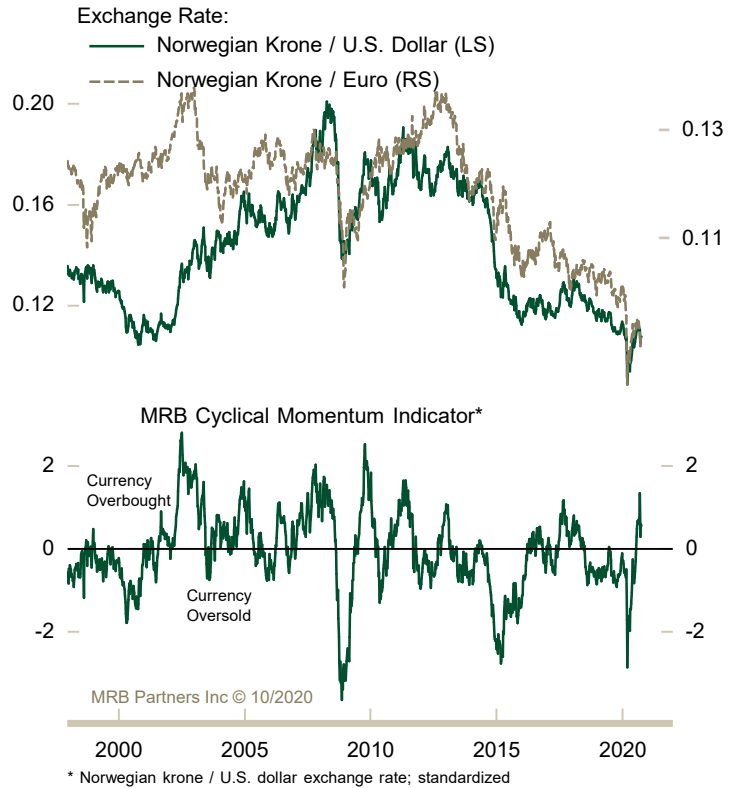
Trade/Capital Flows



Valuation

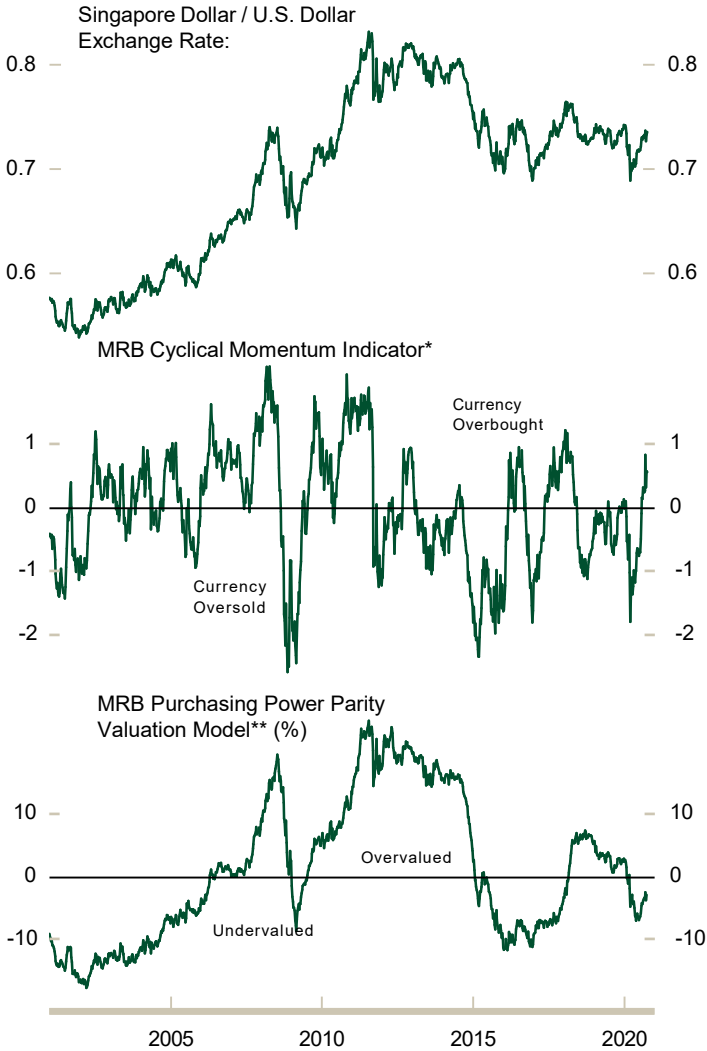


Technical



Singapore: *Overweight*

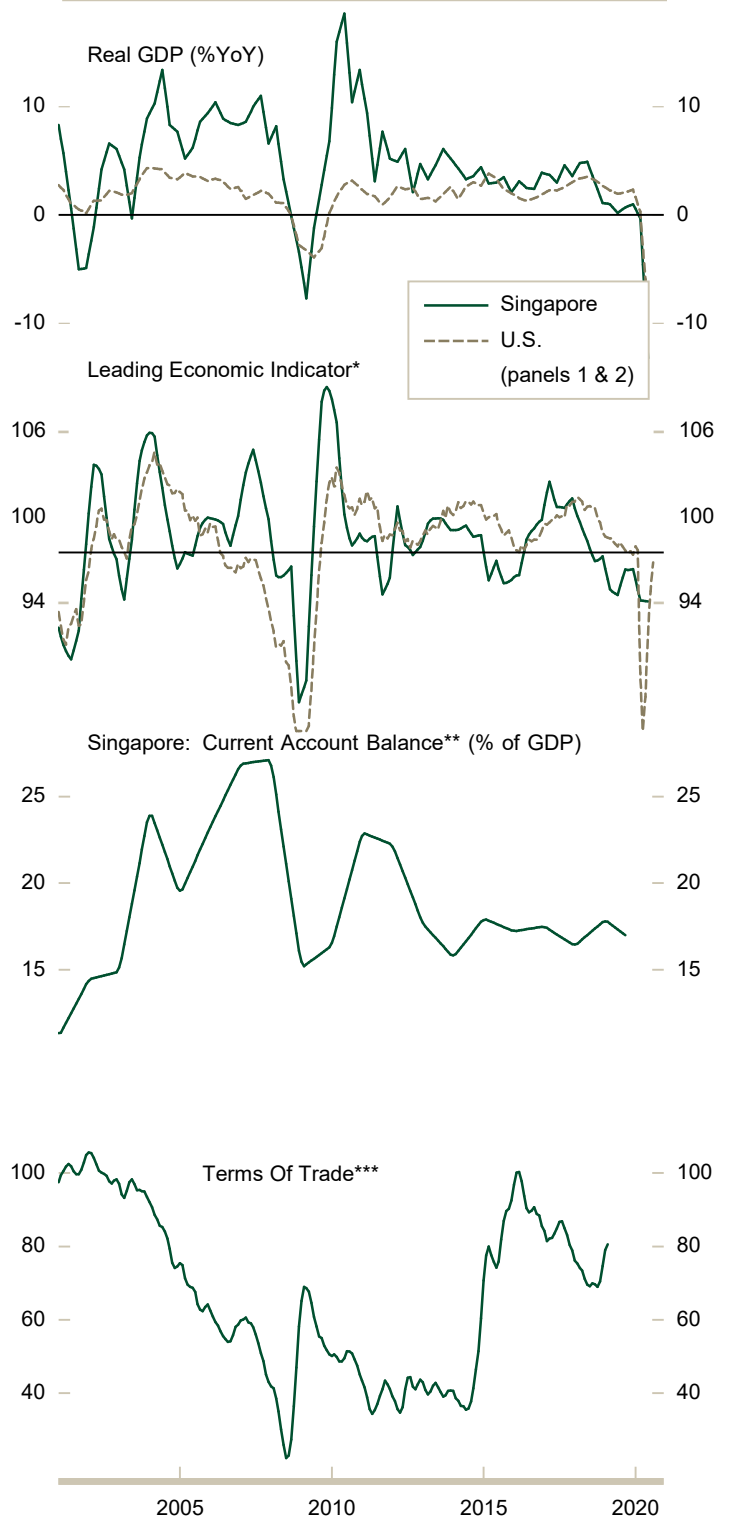
Technicals And Valuation



* Standardized
 ** Percent deviation of currency from MRB Purchasing Power Parity Measure

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Macro Fundamentals



* Deviation from trend; U.S. truncated below 90; sources: Statistics Singapore and The Conference Board

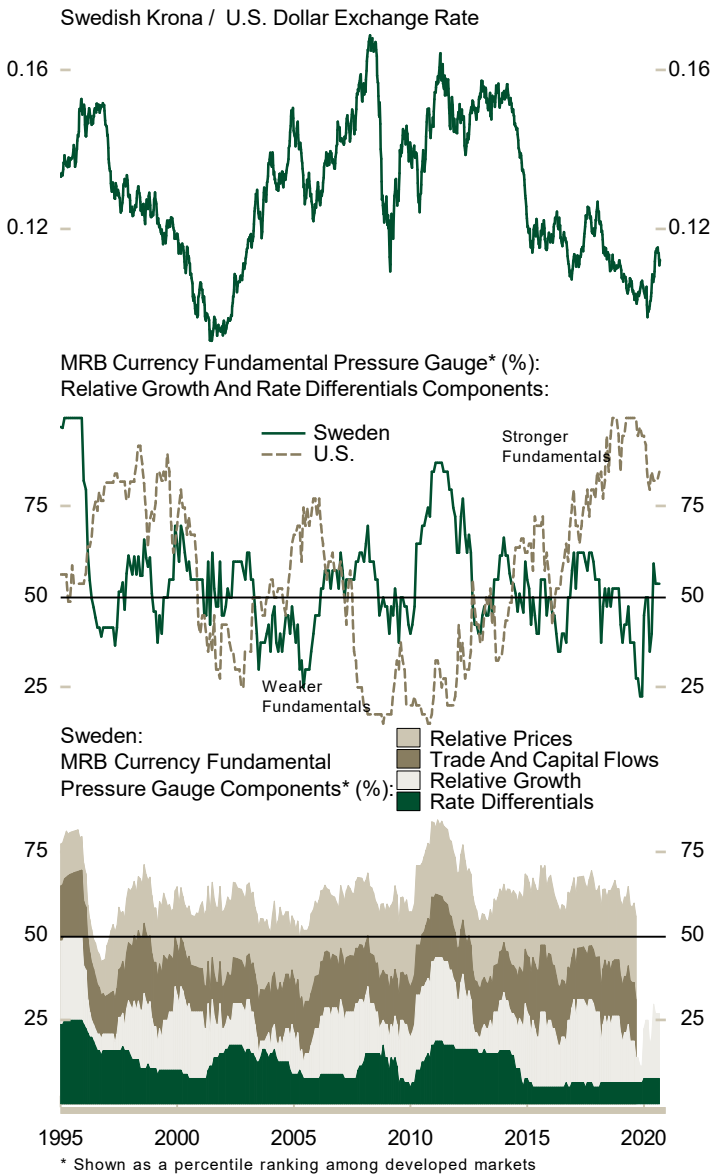
** Source: IMF

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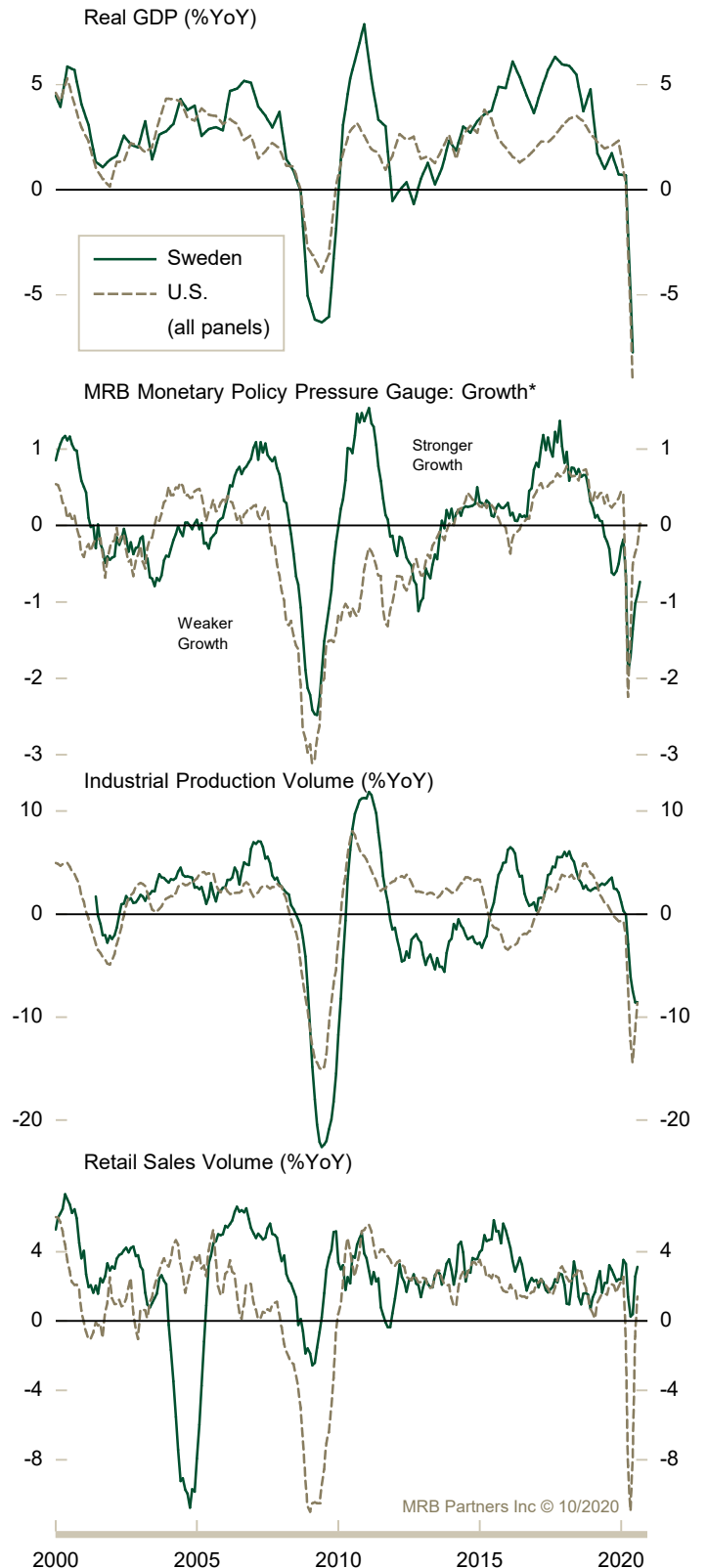
*** Rebased; smoothed; source: Citigroup Global Markets

Sweden: *Underweight*

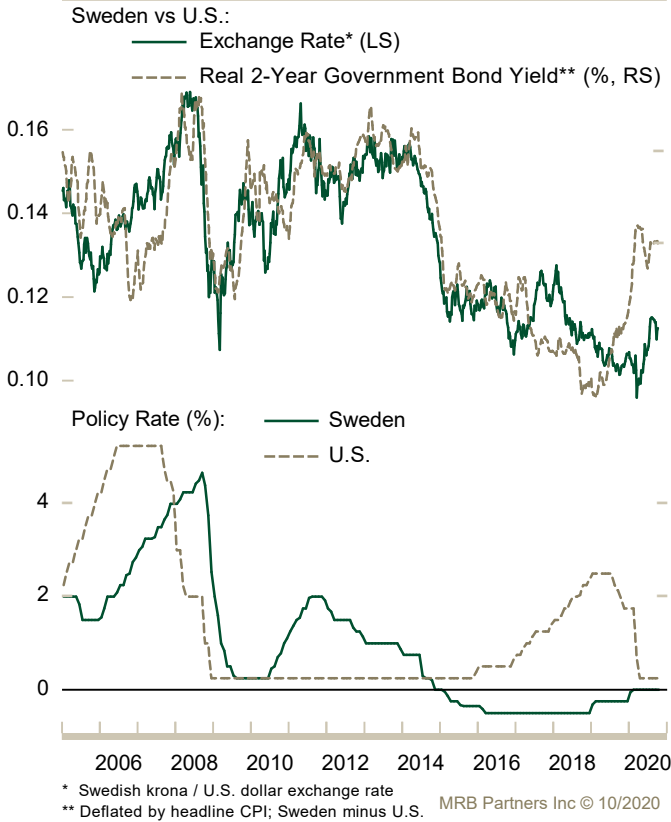
Fundamental Pressures



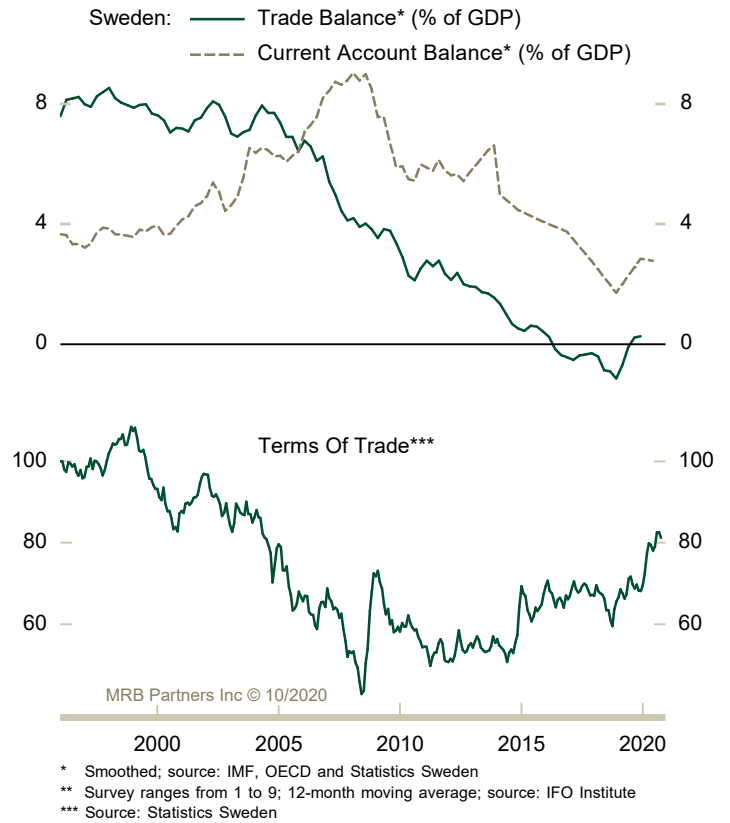
Relative Growth



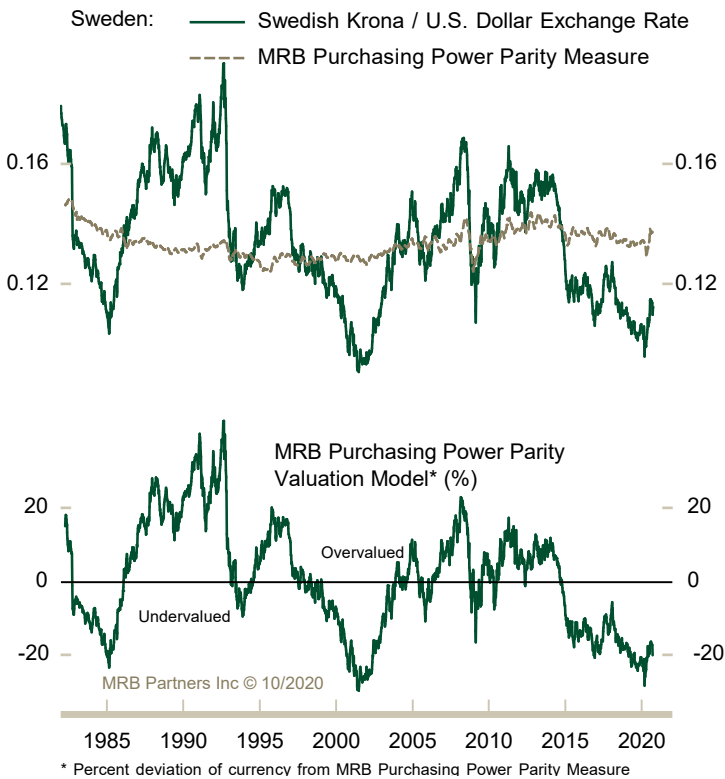
Policy/Rate Differentials



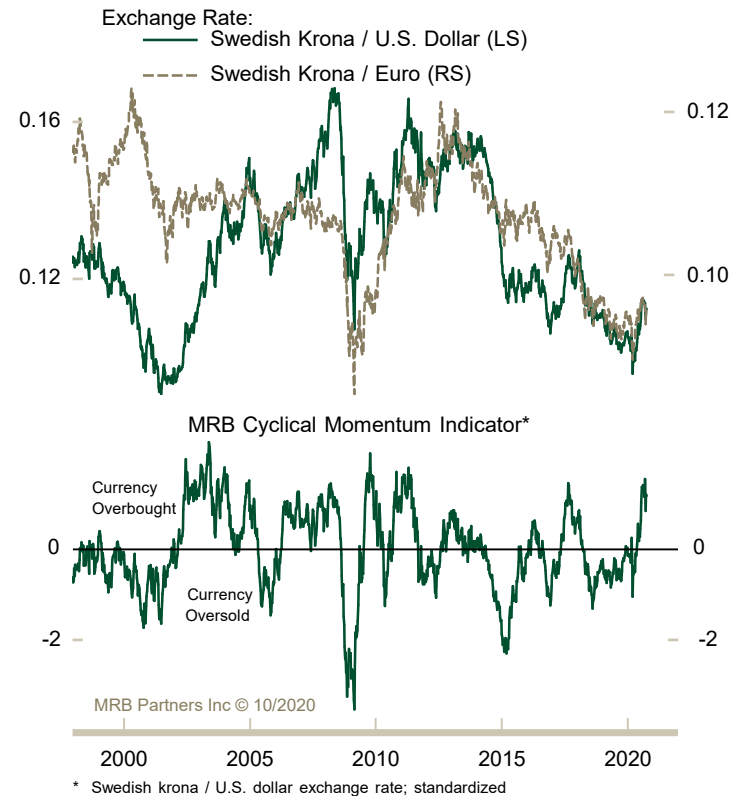
Trade/Capital Flows



Valuation

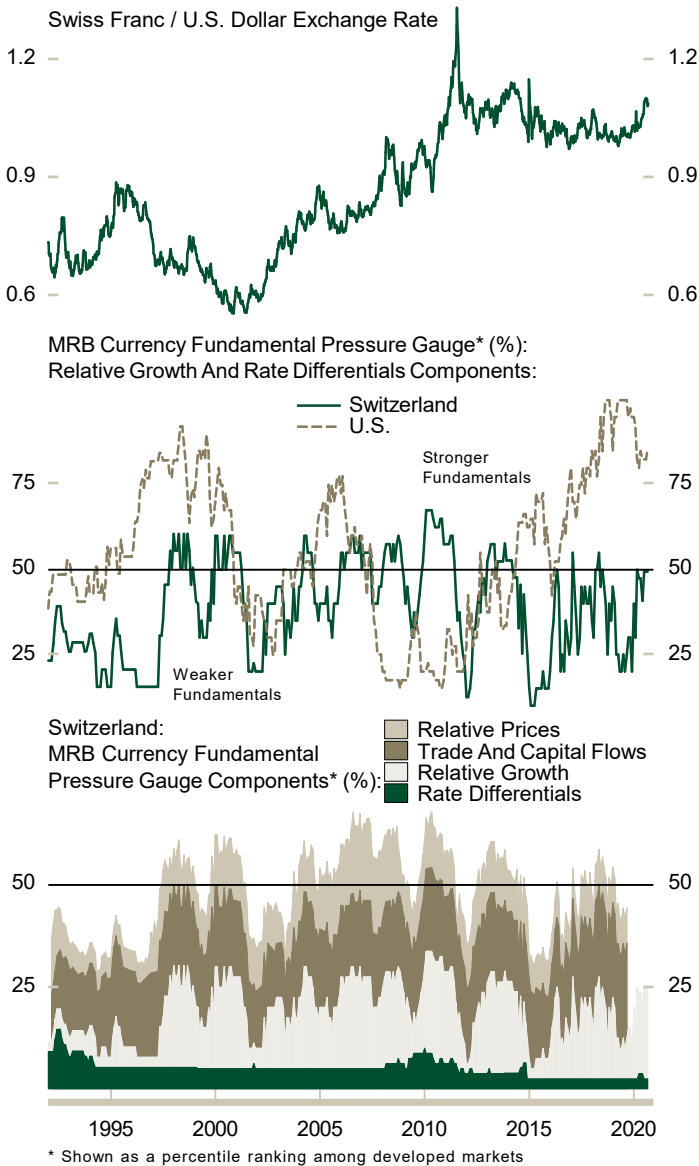


Technical



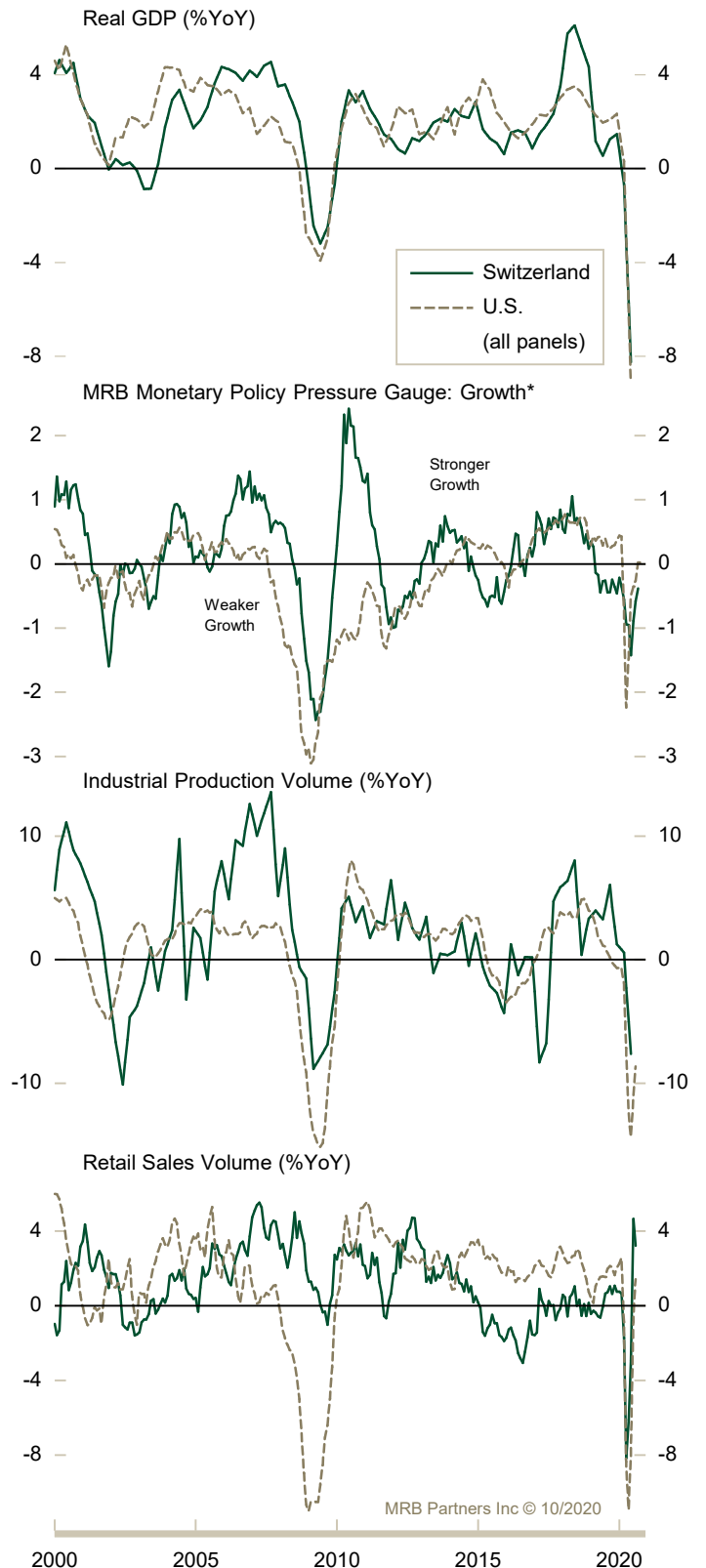
Switzerland: Overweight

Fundamental Pressures



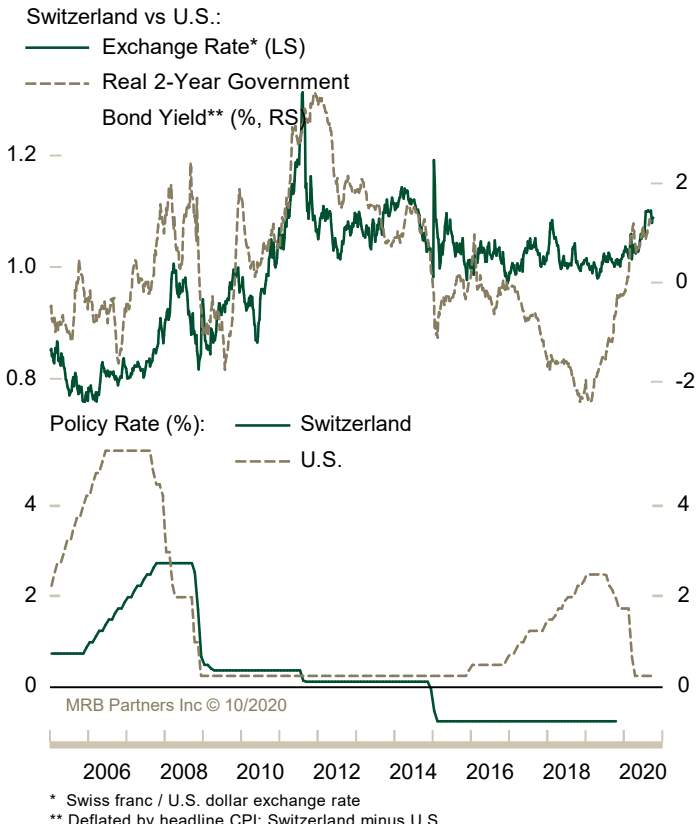
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Relative Growth

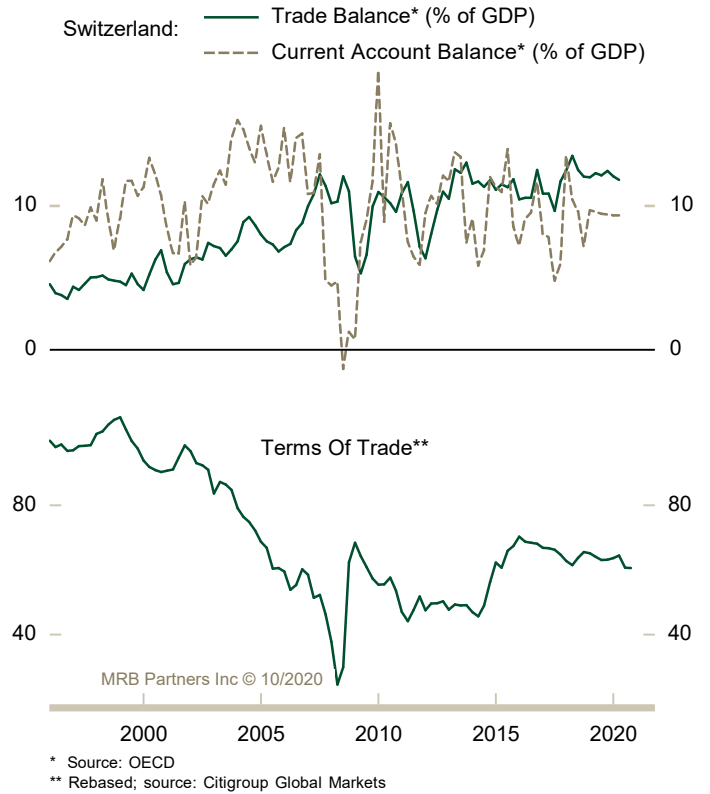


* Includes business & consumer sectors, labor market & financial conditions; standardized

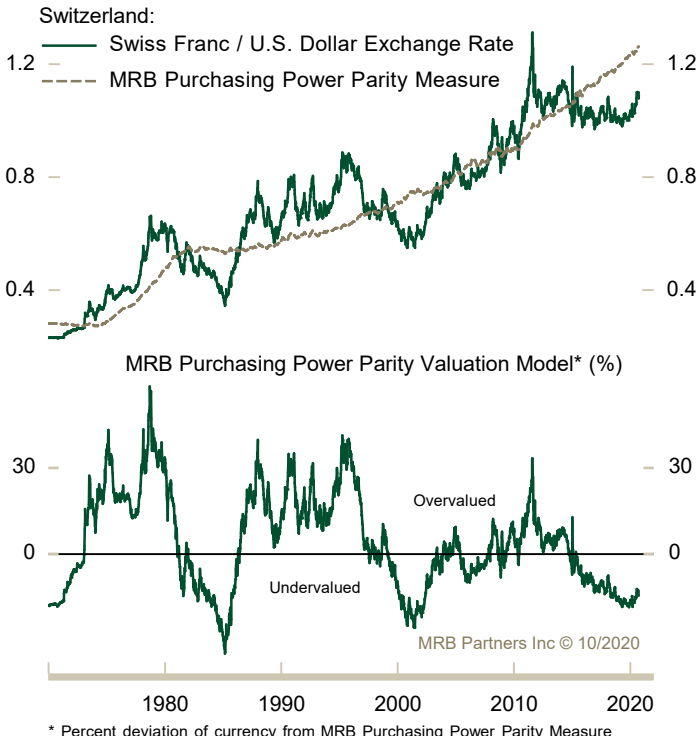
Policy/Rate Differentials



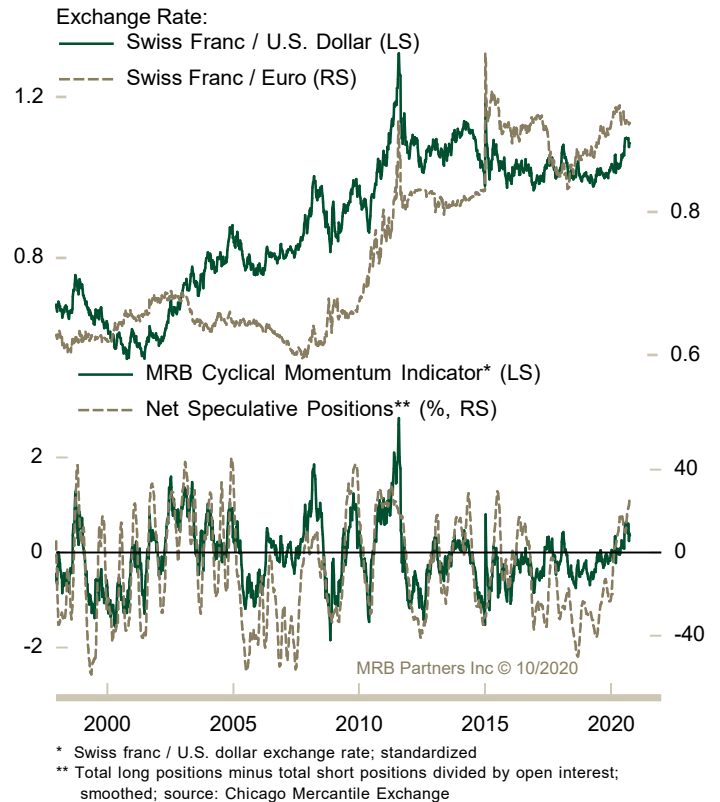
Trade/Capital Flows



Valuation



Technical



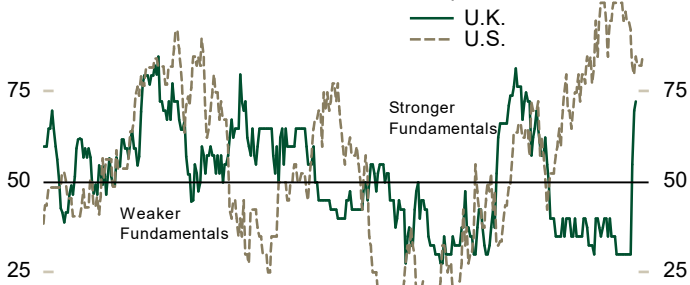
U.K.: Underweight

Fundamental Pressures

U.K. Pound / U.S. Dollar Exchange Rate

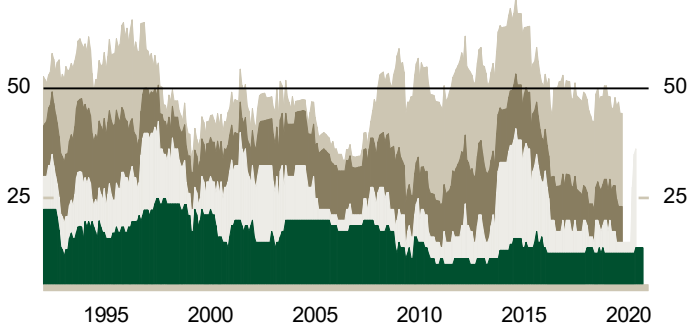


MRB Currency Fundamental Pressure Gauge* (%):
Relative Growth And Rate Differentials Components:



U.K.:
MRB Currency Fundamental
Pressure Gauge Components* (%):

- Relative Prices
- Trade And Capital Flows
- Relative Growth
- Rate Differentials

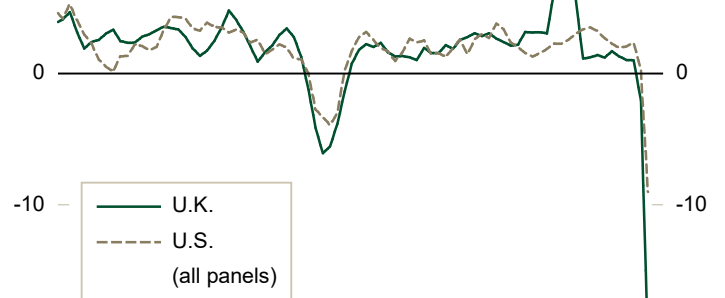


* Shown as a percentile ranking among developed markets

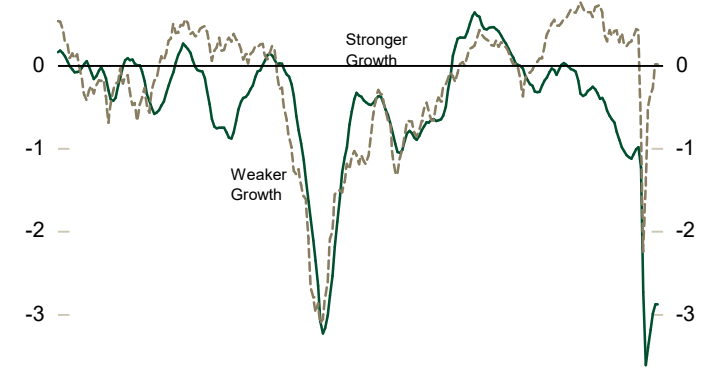
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Relative Growth

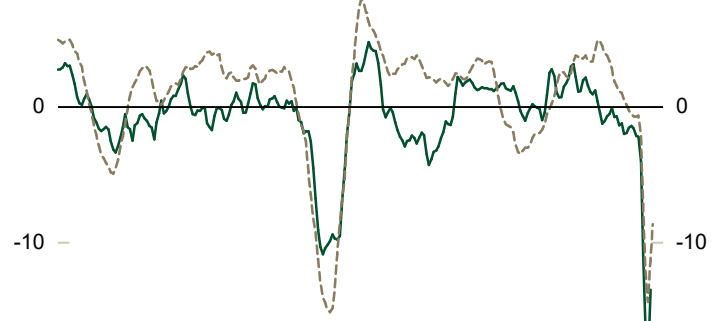
Real GDP (%YoY)



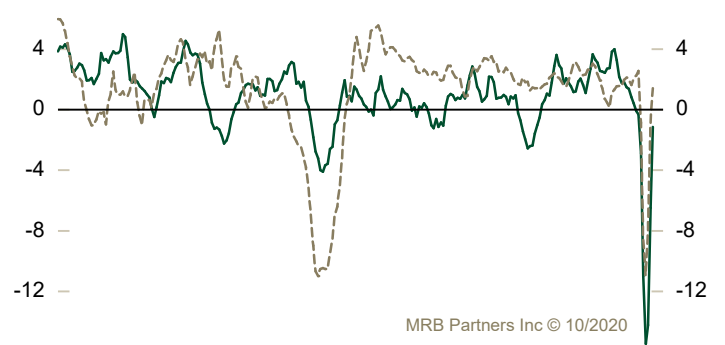
MRB Monetary Policy Pressure Gauge: Growth*



Industrial Production Volume (%YoY)



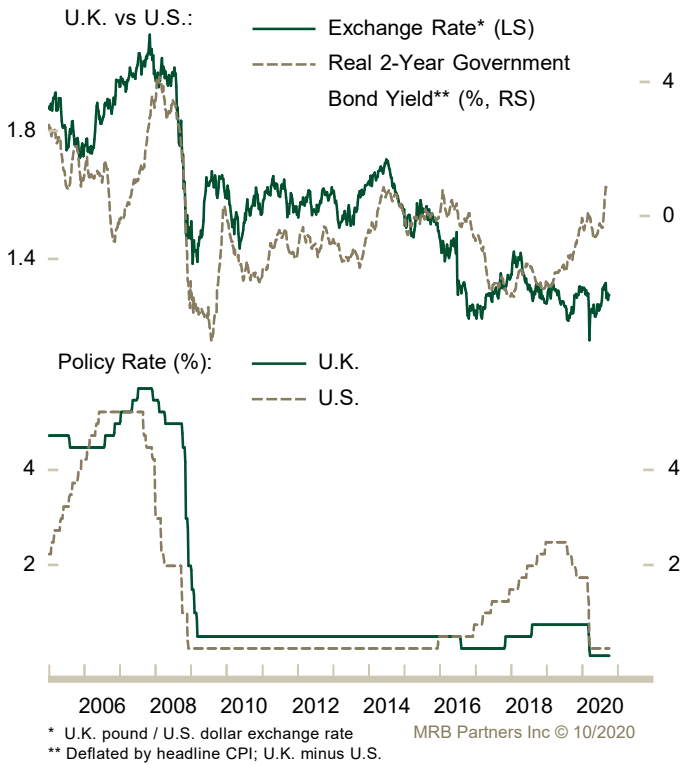
Retail Sales Volume (%YoY)



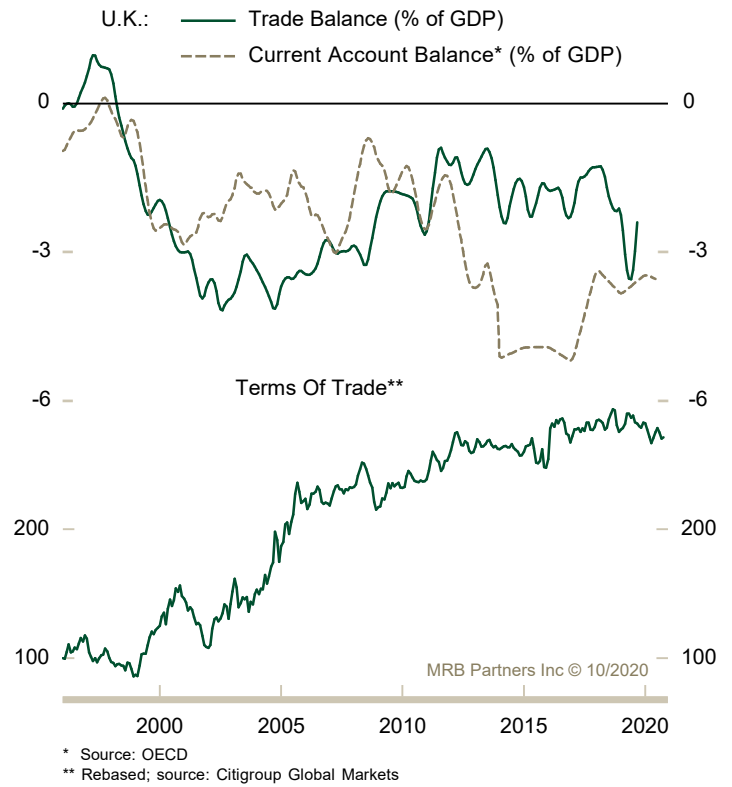
MRB Partners Inc © 10/2020

* Includes business & consumer sectors, labor market & financial conditions; standardized

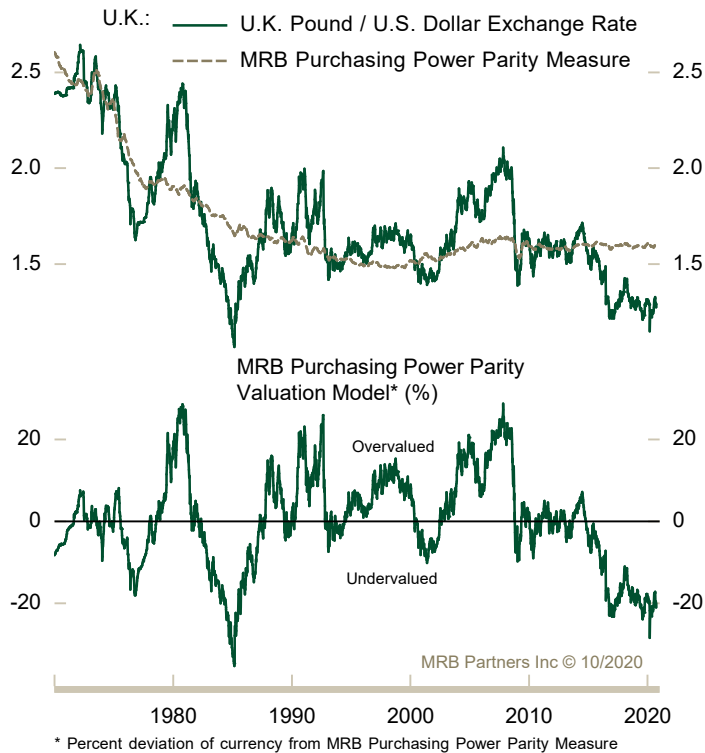
Policy/Rate Differentials



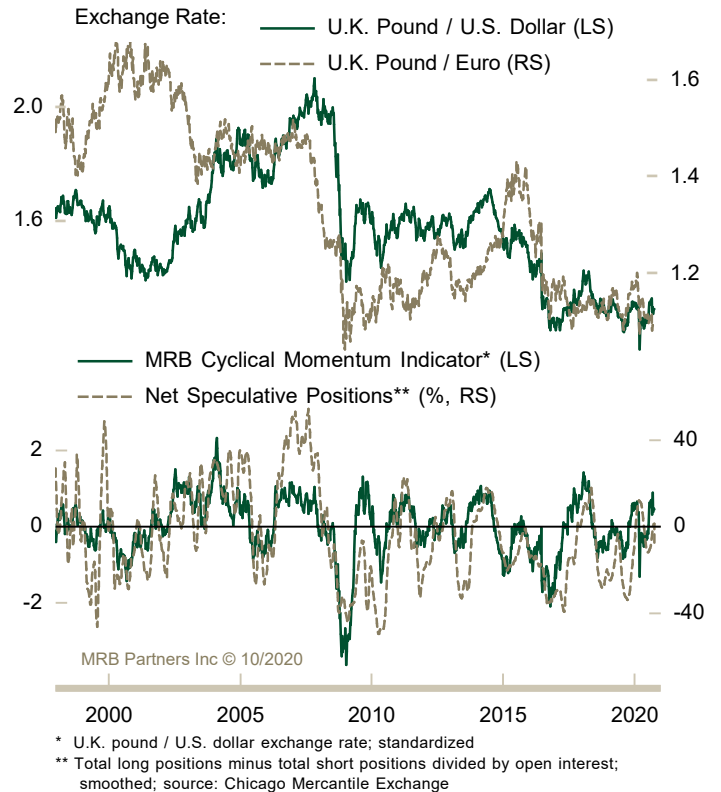
Trade/Capital Flows



Valuation

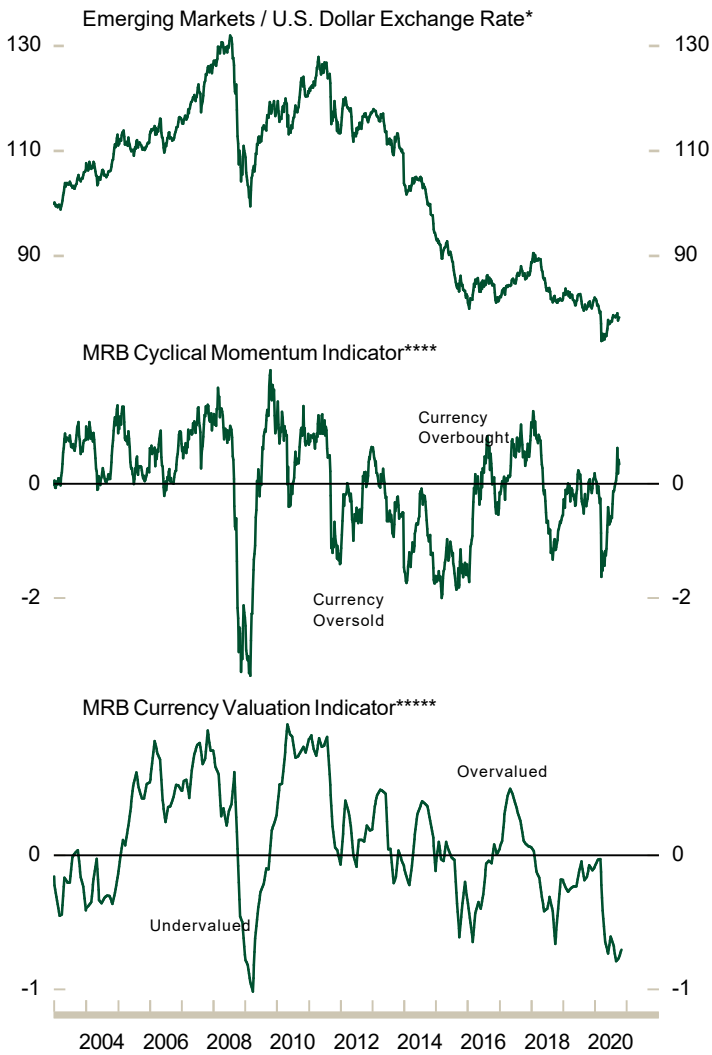


Technical



Emerging Markets: Overweight

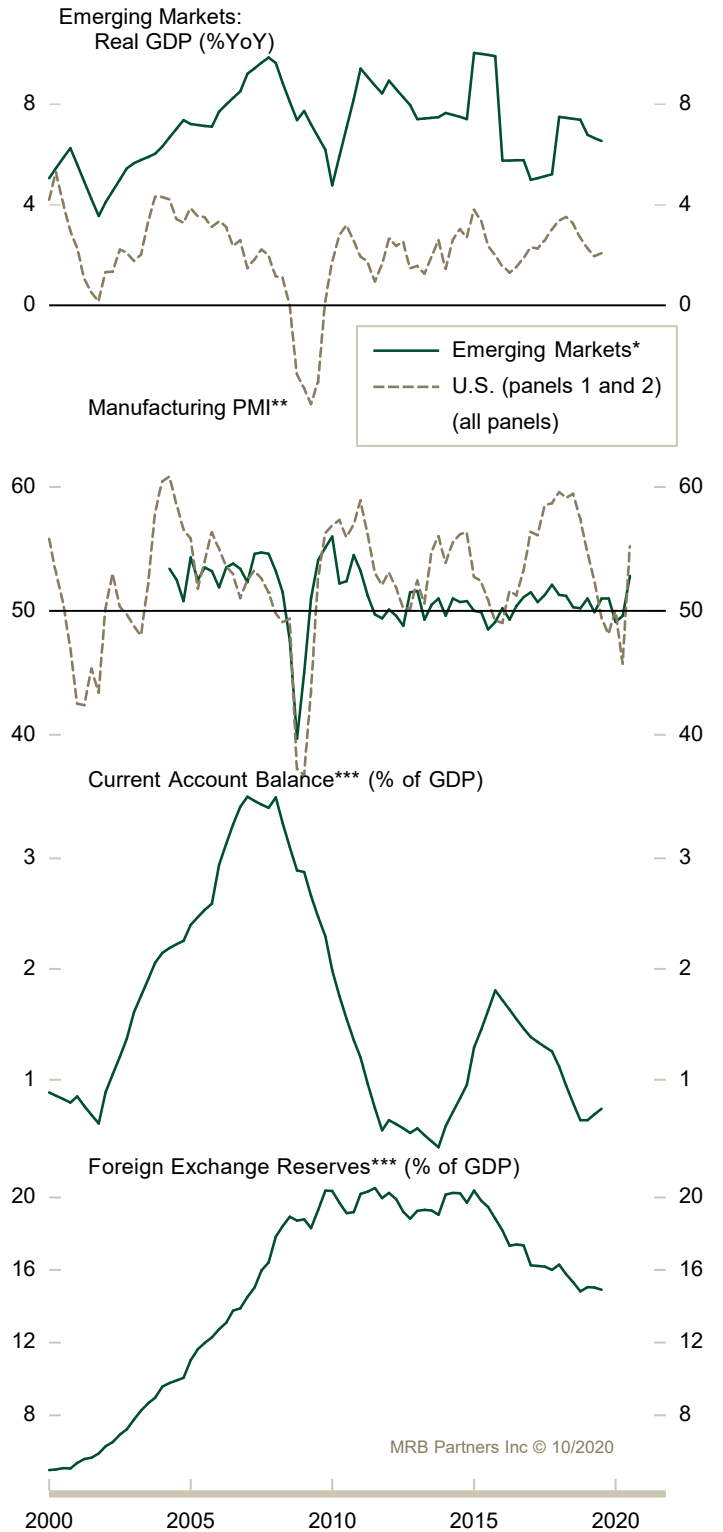
Technicals And Valuation



* Rebased; source: MSCI
 ** Standardized
 *** Deviation from MRB Fair Value Estimate; standardized

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Macro Fundamentals

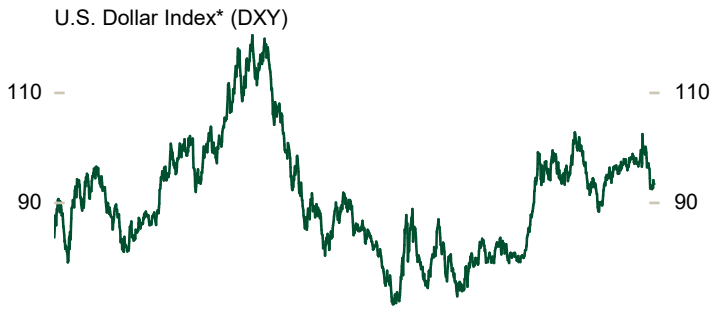


* GDP-weighted aggregate
 ** Sources: Markit Economics & Institute for Supply Management
 *** Source: IMF

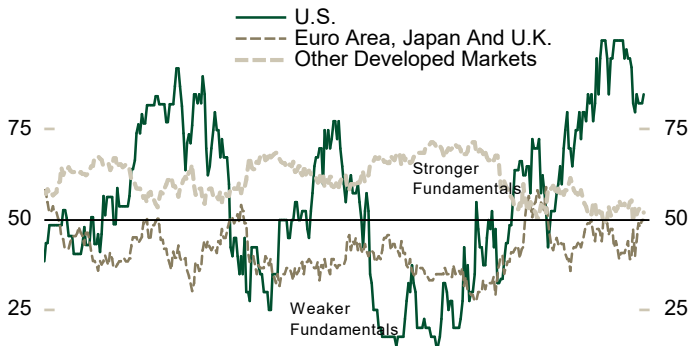
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U.S.: Neutral

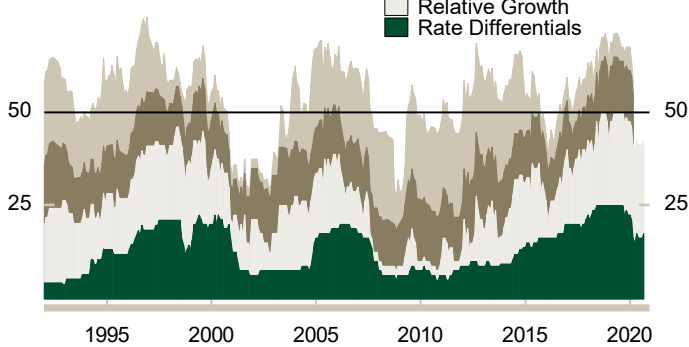
Fundamental Pressures



MRB Currency Fundamental Pressure Gauge** (%):
Relative Growth And Rate Differentials Components:



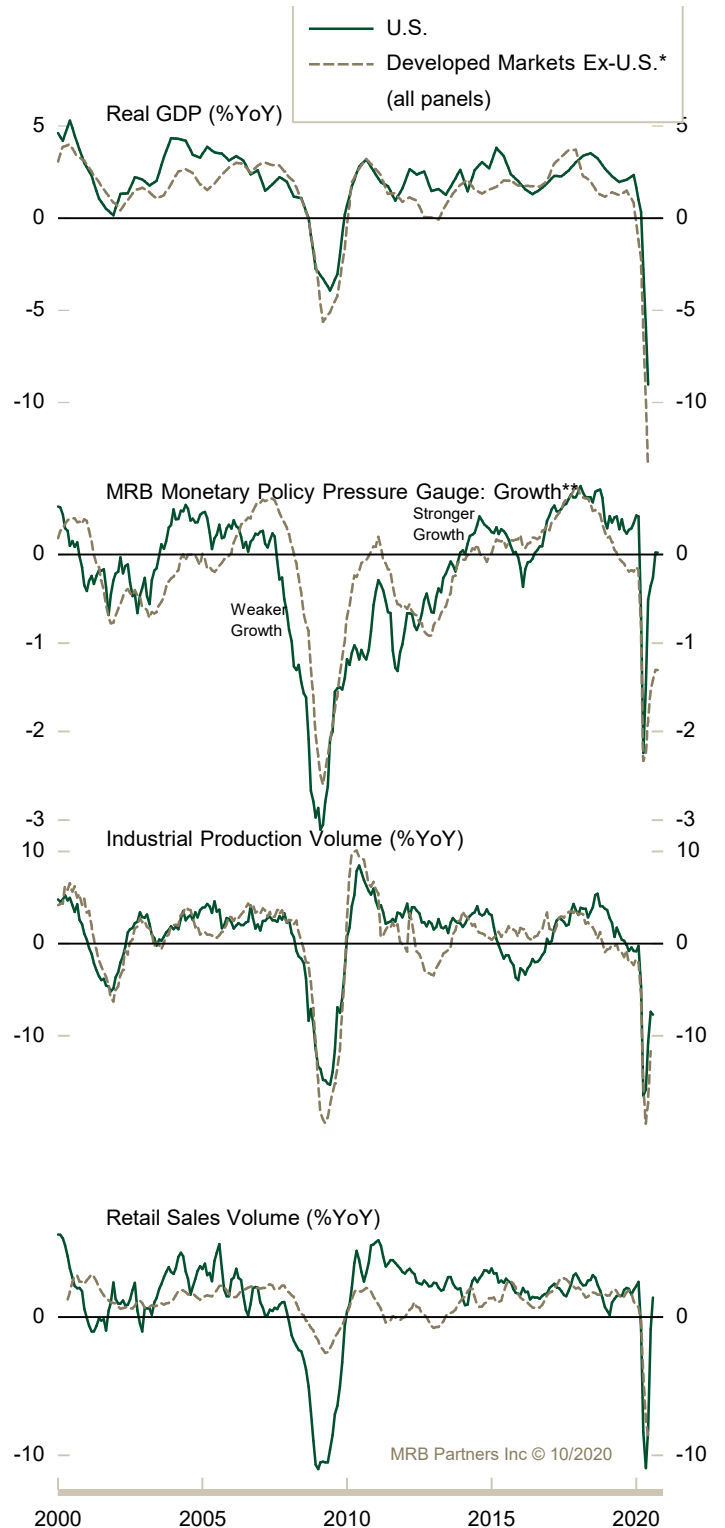
U.S.:
MRB Currency Fundamental
Pressure Gauge Components** (%):



* Source: Bloomberg
** Shown as a percentile ranking among developed markets

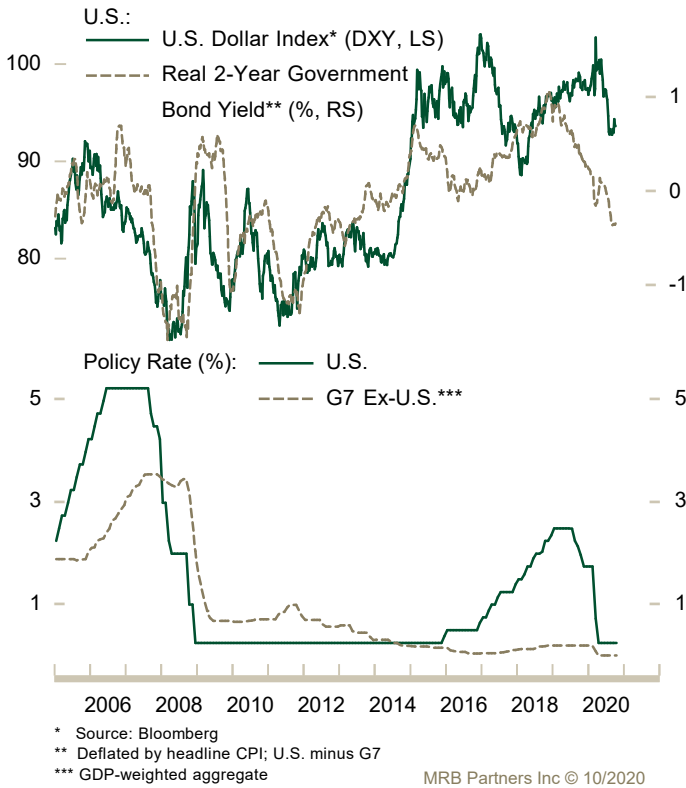
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Relative Growth

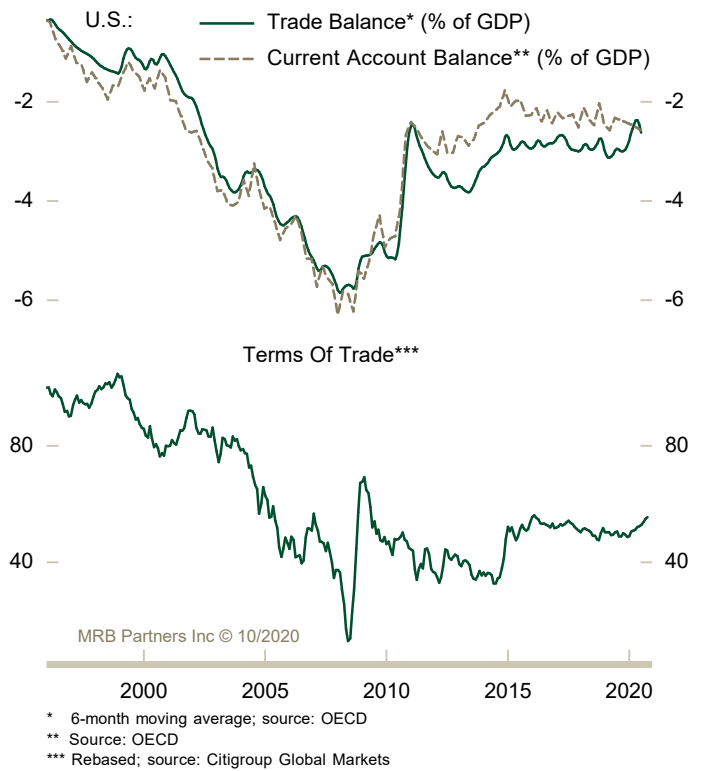


* GDP-weighted aggregate
** Includes business & consumer sectors, labor market & financial conditions; standardized

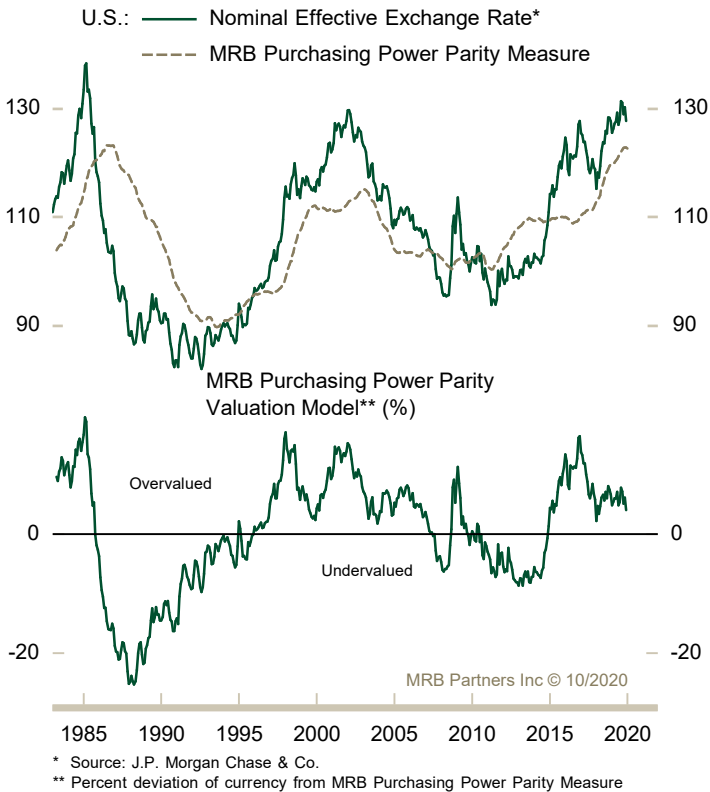
Policy/Rate Differentials



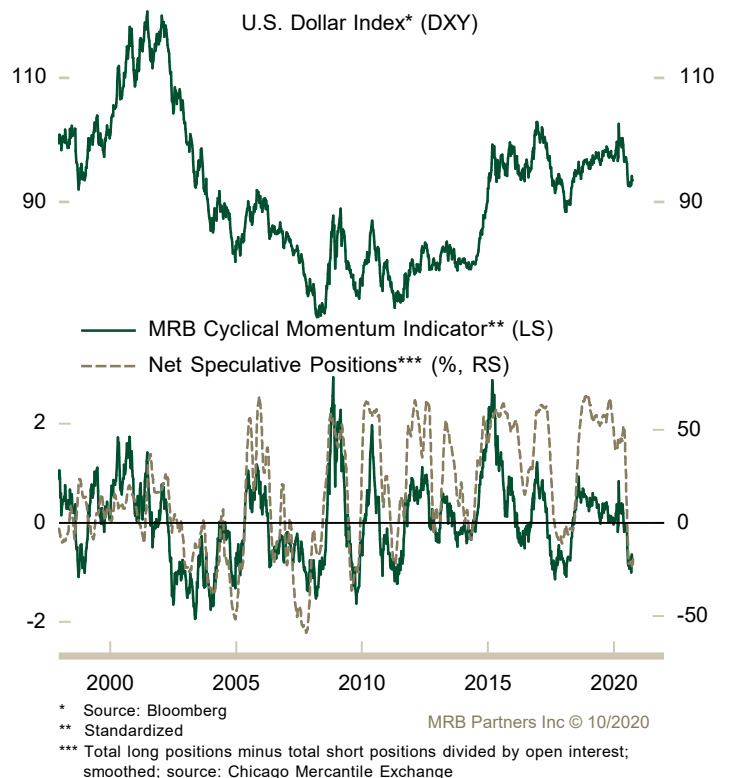
Trade/Capital Flows



Valuation



Technical



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