Global Macro Outlook and Strategy

Global Rates, Commodities, Currencies and Emerging Markets

Luis Oganes AC
(44-20) 7742-1420
luis.oganes@jpmorgan.com
J.P. Morgan Securities plc

See the end pages of this presentation for analyst certification and important disclosures.

J.P.Morgan

Overall summary

US Rates

- Another strong month of job growth could lower the bar for markets to price in further tightening, and we see risks markets could price in more tightening over the next year. Intermediate Treasuries have underpriced this risk: 10-year yields are trading 27bp below their model-implied fair value, leaving the risks skewed toward higher yields over the medium term. We remain patient before entering outright duration shorts, as quarter-end rebalancing dynamics leave room for yields to decline near-term given equities' outperformance versus fixed income. Maintain 10s/30s flatteners as a low-beta way to position for higher yields with a relative value overlay. Stay short 10-year Treasuries versus Bunds.

International Rates

- DM yields extended the post US-Iran MoU rally this week as declines in energy prices are easing inflation concerns, although US rates continued to underperform after the recent hawkish Fed shift. We continue to think that European yields are likely to remain range-bound. We expect carry to be a key theme for the coming months amid a backdrop of moderating volatility and usually lighter market activity through the summer.

Currencies

- We transitioned from "Bullish beta, bearish USD" to "Bullish beta, bullish USD" in March; hold this view in H2. EUR/USD downside target revised down to 1.10; USD/JPY 164, USD/CNY 6.70 both unchanged. The baseline view is low-intensity (USD index +3%), but with recognition that the onset of a Fed hiking cycle usually coincides with trend USD strength ~ 5%. Carry is a gift that keeps on giving, remains an "AI proxy" and has been a more consistent generator of returns than the dollar; stay bullish in 2H. Conditions are looking better on margin for the "Bullish beta" leg of the view for now. The "bullish dollar" leg could take a breather following the US employment report, but the data is still firm enough to prevent a substantial weakening.

Commodities

- Our base case remains that Chinese oil demand will ultimately return to the market with a decline by 600 kbd in 2026, before rebounding by 800 kbd in 2027. For the week of June 22, Qatar Energy's operation looks broadly stable with about four LNG cargoes loaded over the week, implying a 20% utilization on a 7-DMA.
- We believe the Fed will end up remaining more patient this year, warding off sustained further significant downside for gold from current levels and allowing for a recovery higher over 2H26. A reduced demand forecasts point towards an overall more range-bound base case gold outlook in the near-term with prices averaging $4,300/oz in 3Q26 and $4,500/oz in 4Q26.

Emerging Markets

- Resilient cyclical backdrop, low fundamental vulnerabilities and the proactive stance of several EM central banks to allow for continued carry outperformance even as higher inflation and a likely hawkish shift by the Fed could challenge the asset class.
- We remain OW in EM FX in higher yielders and currencies where central banks are ready to hike and also favor frontier FX. Elsewhere, we note that valuations do not offer a clear risk reward amid elevated risks and we stay MW rates, sovereign and corporate credit.

Agenda

		Page
1	**US Rates: Life, Liberty, and the pursuit of hawkishness**	**2**
2	International rates: Carry on into the summer	10
3	Currencies: Carry plays even if USD takes a break	16
4	Commodities: Patience is a golden virtue	28
5	Emerging Markets: Stay OW EM FX and MW Rates, EM Sovereigns & Corporate	33
6	Appendix	39

We project a Fed on hold through 2026. We look for 2- and 10-year Treasury yields to reach 4.20% and 4.70% by YE26 and 4.30% and 4.75% by 2Q27

J.P. Morgan US interest rate forecast, %

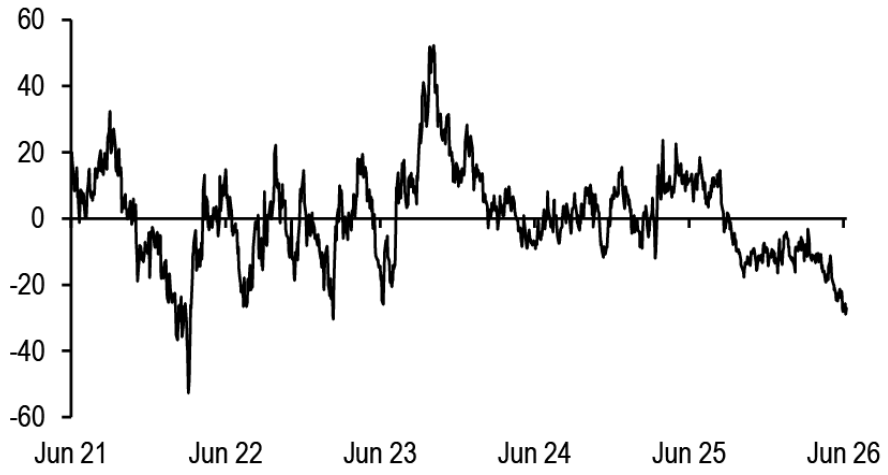
	Actual	2Q26	3Q26	4Q26	1Q27	2Q27
	26-Jun-26	30-Jun-26	30-Sep-26	31-Dec-26	31-Mar-27	30-Jun-27
Rates (%)						
Effective funds rate	3.63	3.62	3.62	3.62	3.62	3.62
SOFR	3.64	3.60	3.60	3.60	3.60	3.60
2-yr Treasury	4.09	4.15	4.15	4.20	4.20	4.30
3-yr Treasury	4.09	4.20	4.20	4.25	4.25	4.35
5-yr Treasury	4.13	4.30	4.40	4.45	4.50	4.50
7-yr Treasury	4.24	4.40	4.45	4.55	4.65	4.65
10-yr Treasury	4.37	4.55	4.65	4.70	4.75	4.75
20-yr Treasury	4.87	5.05	5.15	5.20	5.25	5.25
30-yr Treasury	4.86	5.00	5.10	5.15	5.15	5.15
Spreads (bp)						
Fed funds/2yr	46	53	53	58	58	68
2s/10s	28	40	50	50	55	45
2s/5s	4	15	25	25	30	20
5s/10s	24	25	25	25	25	25
5s/30s	74	70	70	70	65	65
10s/30s	49	45	45	45	40	40

Source: J.P. Morgan

- We forecast US GDP will grow 1.9% (q4/q4) in 2026, while core PCE remains firm at 3.4% (q4/q4). The unemployment rate should gradually fall over 2026, reaching 4.1% (%q/q, saar) in 4Q26
- **We expect the Fed to remain on pause for the whole of 2026**, holding the funds rate target range to 3.5-3.75%. We see the Fed as likely to raise policy rates in 3Q27 as labour markets tighten and inflation remains above target
- Against this backdrop, we see **2-year Treasury yields reaching 4.20% by YE26. Meanwhile 10-year yields should rise to 4.70% by YE26**
- We see the intermediate section of the curve underperforming, with 2s/10s modestly steeper over the period

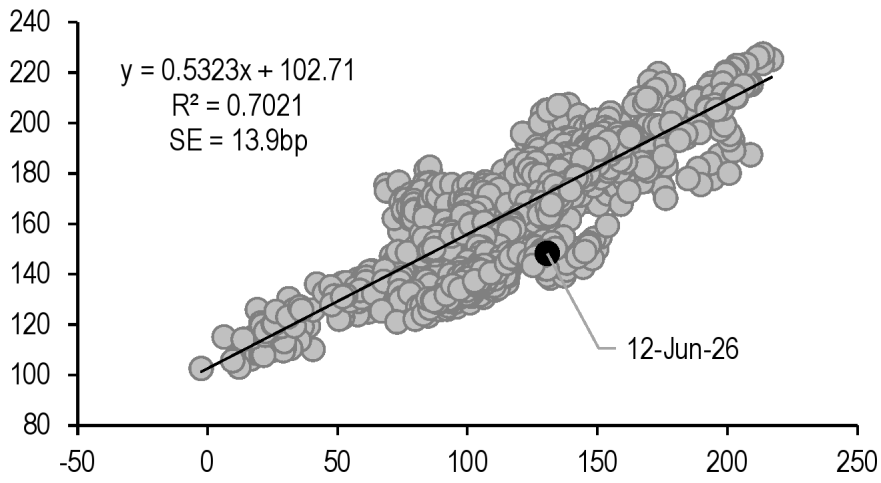
Continued strong job growth could lower the bar for markets to price in further tightening. Intermediates have underpriced this risk. Stay short 10-year Treasuries vs German Bunds

Residual of J.P. Morgan 10-year Treasury fair-value model*; bp



*10-year Treasury yields regressed on 1y1y OIS rates (%), 5y5y seasonally-adjusted TIPS breakevens (%), J.P. Morgan U.S. Forecast Revision Index (%), Fed B/S as share of the US economy (%), and a trade policy uncertainty variable that is 1 between 4/2/25 and 2/26/26. Regression over the last 5 years: R-squared = 97.9%, SE = 14.0bp
Source: J.P. Morgan, Federal Reserve

10-year Treasury/German bund spread regressed on 1y1y USD/EUR OIS spread (bp), regression over the last 5 years; bp



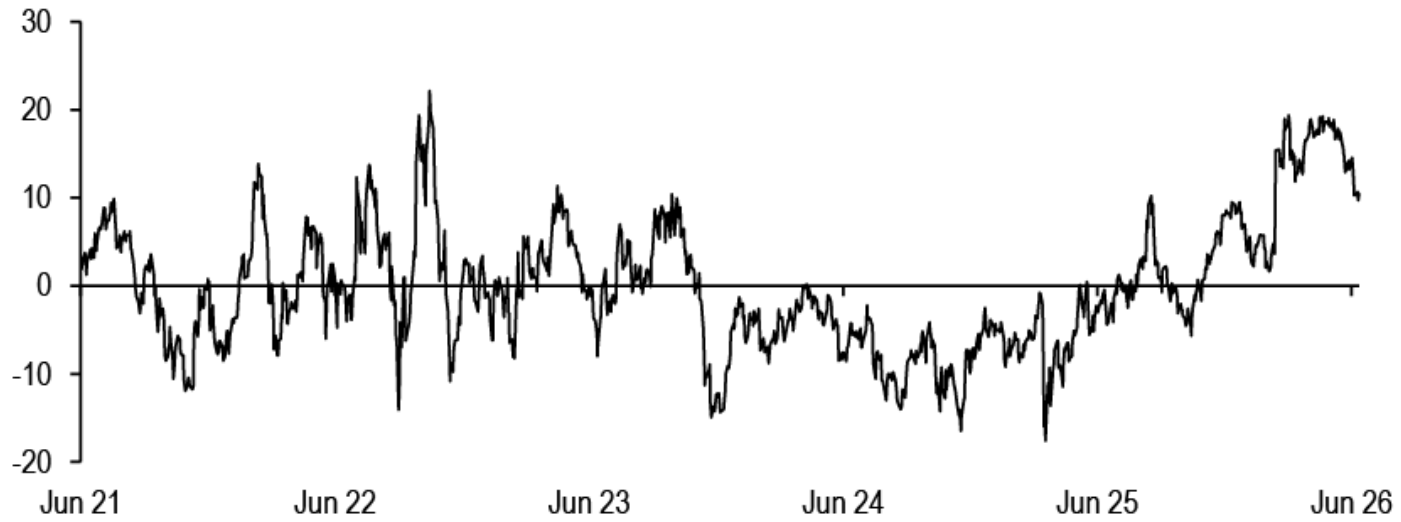
Source: J.P. Morgan

- Another strong month of job growth could lower the bar for markets to price in further tightening, particularly given that front-end yields have declined to their lowest levels in six weeks
- Money markets are pricing in just 35bp of tightening over the next year, both earlier and somewhat more aggressive than our projection for a hike in 3Q27, but we see risk markets potentially pricing in more tightening over the next year, particularly given the parallels we can draw with the experience of the late 1990s
- The intermediate sector has underpriced this risk: 10-year Treasury yields are now trading 27bp below their model-implied fair value, the largest divergence since March 2023, and on margin the risks for yields seem skewed higher over the medium term. For this reason, alongside relatively attractive European valuations, **stay short 10-year Treasuries versus German bunds**

J.P.Morgan

We think flatteners offer better value than outright duration shorts, especially given near-term rebalancing dynamics: maintain 10s/30s flatteners

Residual of J.P. Morgan 10s/30s Treasury curve fair-value model*; bp



*10s/30s Treasury curve regressed on 1y1y OIS rates (%), 5y5y seasonally-adjusted TIPS breakevens (%), Fed B/S as share of the US economy (%), and a dummy variable for trade policy uncertainty that is 1 between 4/2/25 and 2/26/26, and 0 at all other times. Regression over the last 5 years: R-squared = 87.0%, SE = 7.5bp

Source: J.P. Morgan, Federal Reserve

- Even with risks skewed to the upside for yields over the medium term, we prefer to remain patient before entering outright duration shorts, given near-term rebalancing dynamics around quarter end
- In quarters where equities have outperformed Treasuries by more than 5%-pts, 10-year Treasury yields have tended to decline in the week prior to quarter end and then rise in the 5 business days after
- Instead, given the risks to medium-term policy expectations, the sensitivity of the yield curve to these expectations, and steep valuations, we recommend maintaining 10s/30s flatteners as a low-beta way to position for higher yields with a relative value overlay

J.P.Morgan

Incorporating a faster pace of tariff refunds and lower tariff revenue this year, we expect a deficit of $2.02tn in FY26 and $1.96tn in FY27

J.P. Morgan projection of net privately-held borrowing, Treasury buybacks, Federal Reserve purchases of Treasuries, and expected change in Treasuries held by private investors; $bn

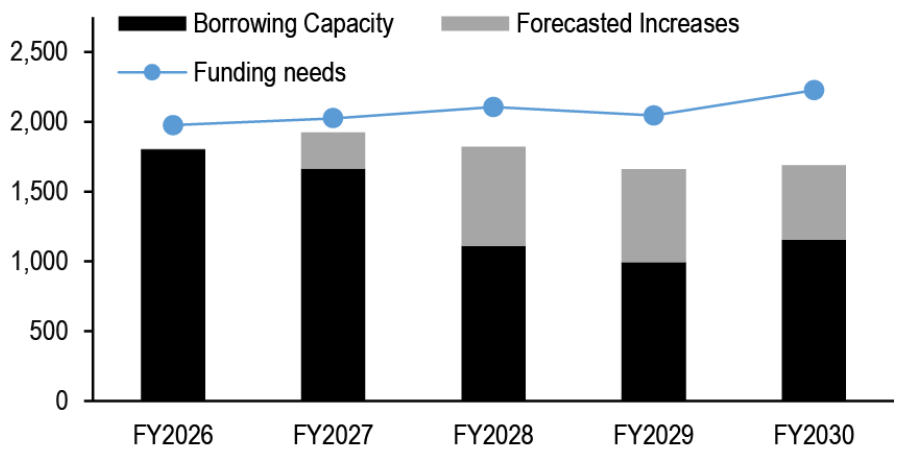
Year	Total net privately-held borrowing	Buybacks	Fed secondary market purchases		Net change in privately-held debt outstanding	
			Bills	Coupons	Bills	Coupons
CY 2020	4301	0	157	2184	2390	-432
CY 2021	1607	0	0	938	-1195	1961
CY 2022	1681	0	0	99	-37	1539
CY 2023	3122	0	0	0	2047	1107
CY 2024	2422	85	0	0	538	1823
CY 2025	2105	195	38	0	322	1719
CY 2026	2108	240	410	0	410	1293
CY 2027	2045	240	300	0	326	1419

Source: U.S. Treasury, J.P. Morgan

- IEEPA tariff refunds have been issued a modestly faster pace than we anticipated, and we now expect $75bn in refunds in FY26 and an additional $50bn in FY27. Moreover, we forecast a slower pace of tariff revenue accumulation this year at $325bn in FY26, before returning to a $400bn pace in FY27
- **Net of these factors, we now expect a deficit of $2.020tn in FY26 and $1.960tn in FY27, versus $1.955tn and $2.050tn, respectively, at the start of the year**
- Net of Fed purchases and buybacks, this translates to a $410bn change in privately-held bills and $1.293tn in net privately-held coupon issuance

We continue to believe Treasury will change its issuance guidance in August, but see a risk they could leave unchanged, pushing coupon auction increases further into FY27

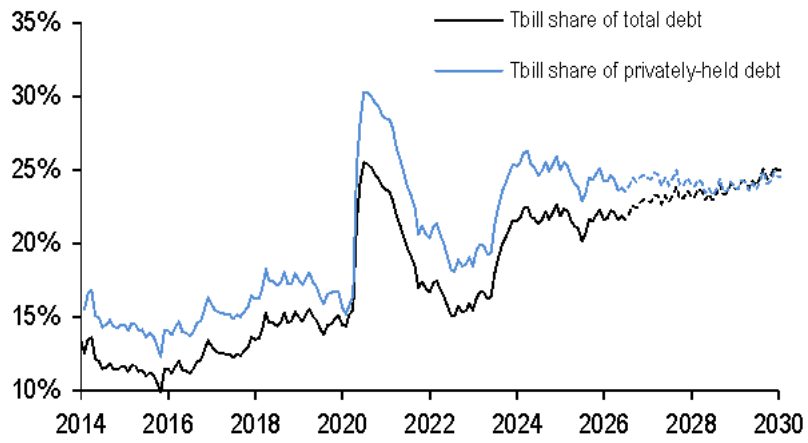
US Treasury net coupon borrowing capacity under unchanged issuance * and under J.P. Morgan forecast versus total funding needs; $bn**



* Incorporates SOMA add-ons from maturities of first-time Fed bill purchases
**Assumes multi-quarter series of increases to 2s through 10s beginning in February 2027

Source: US Treasury, CBO, J.P. Morgan

T-bill share of total debt vs. share of privately-held debt, including J.P. Morgan forecasts*; %



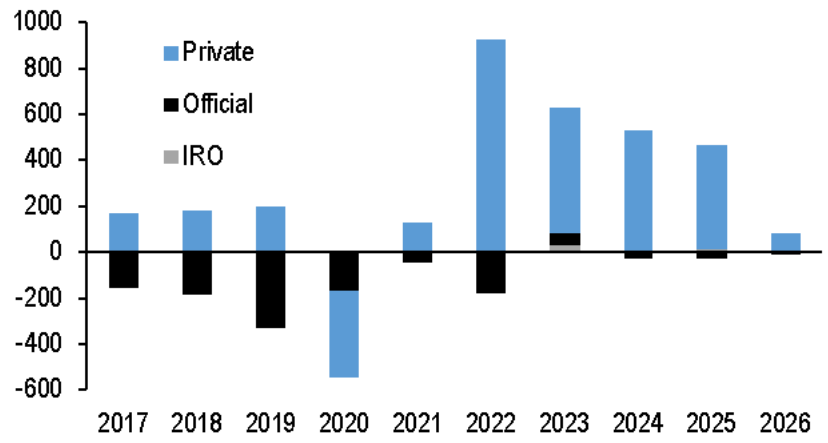
*J.P. Morgan forecasts reflect a multi-quarter series of nominal coupon auction size increases beginning in February 2027 concentrated in 2s through 10s, while 20s and 30s are left unchanged (see US Treasury Market Daily, 1/23/26 for details), and assume RMPs at a pace of $10bn/mo

Source: J.P. Morgan

- Under their current schedule, Treasury remains well funded in FY26, though large gaps emerge in FY27 and beyond. We expect Treasury to remove the guidance that it anticipates maintaining unchanged coupon auction sizes for “at least” the next several quarters in August ahead of revising coupon auction sizes higher in February 2027…
- …However, if potential political considerations for leaving guidance unchanged in May grow ahead of midterms, we see increased risk that Treasury will continue to leave guidance unchanged. This would push auction size increases further into FY27 and suggest increased reliance on T-bills over the interim. Given Fed RMPs and the ongoing reinvestment of MBS paydowns into T-bills, we see the privately-held bill share as staying relatively stable over the medium term

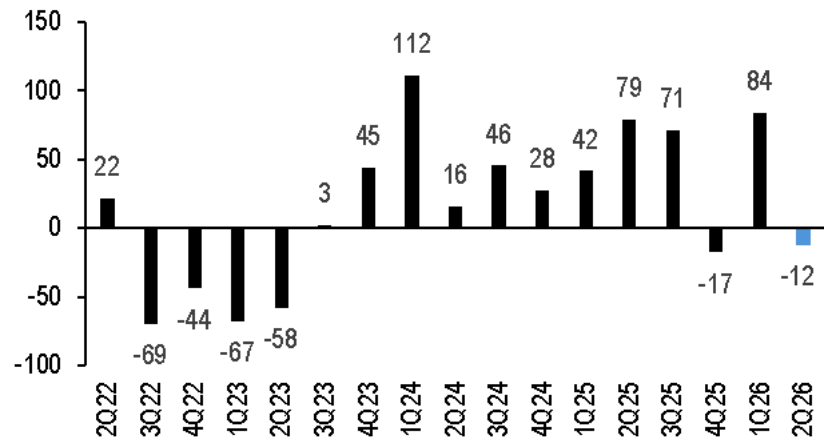
Foreign demand is running at its slowest pace since 2021 and commercial bank demand has waned, while we have seen robust bond fund inflows…

Annual net foreign purchases of long-term Treasuries by type*; $bn



*Through March 2026
Source: Treasury International Capital System

Quarterly change in commercial bank holdings of non-MBS Treasury and agency securities*; $bn



*2Q26 through 5/27/26
Source: Federal Reserve

- Foreign demand is running at its slowest pace since 2021, and demand continues to shorten along the curve. A resilient US economy, a Fed shifting hawkishly, and attractive valuations in home jurisdiction government bonds suggest foreign demand should remain weak
- Commercial bank demand has waned alongside firmer loan growth and unattractive valuations. We lower our demand forecast
- The AUM of the top core bond funds continue to increase at a robust clip, and we would expect yields near their cycle highs will keep inflows strong
- We continue to project reduced LDI demand. With DB pension plans heavily invested in fixed income securities, funding ratios above 100%, and the volatility in funding ratios having declined considerably, duration demand is likely to remain muted

J.P.Morgan

…We revise lower our demand forecasts, and the shift towards price-sensitive investors will help keep long-term yields anchored at higher levels

Annual net issuance of Treasuries versus purchases by investor types; $bn

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026*
UST net issuance; $bn	557	1134	1068	4301	1607	1353	2434	1974	2425	2428
Investor										
Foreign Investors	308	120	298	67	606	393	594	609	509	450
Commercial banks	-43	87	126	328	449	9	-83	194	179	150
Pension/Insurance**	151	57	6	13	179	-8	143	226	183	150
Broker dealers	17	132	-47	-9	-104	85	121	130	71	100
Mutual funds/ETFs	186	121	187	24	410	127	101	211	259	225
Money market funds	-95	189	178	1343	-651	-751	1236	725	250	400
Fed	-9	-214	60	2388	963	-594	-720	-475	-100	410
Demand gap***	41	640	262	146	-244	2091	1042	354	1075	543

* J.P. Morgan estimates
** Includes private and state pension funds, life and property/casualty insurance companies
*** Positive number means supply exceeds estimated demand
Source: J.P. Morgan, Federal Reserve

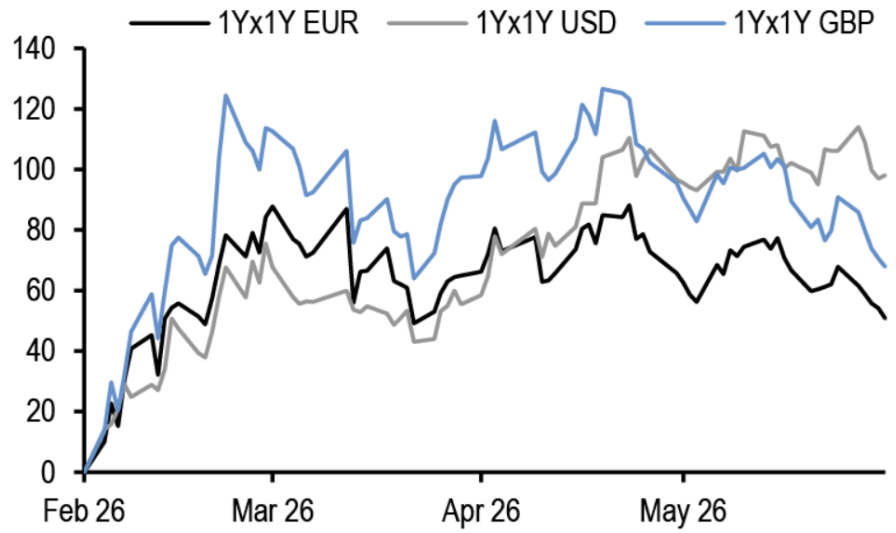
- If our projections become reality, other investors will need to absorb $543bn in additional Treasury supply. This supports our thesis that with Treasury market ownership continuing to shift toward more price-sensitive investors, alongside a Fed on hold, this should help keep intermediate and long-end yields anchored at somewhat higher levels through the remainder of this year

Agenda

		Page
1	US Rates: Life, Liberty, and the pursuit of hawkishness	2
2	**International rates: Carry on into the summer**	**10**
3	Currencies: Carry plays even if USD takes a break	16
4	Commodities: Patience is a golden virtue	28
5	Emerging Markets: Stay OW EM FX and MW Rates, EM Sovereigns & Corporate	33
6	Appendix	39

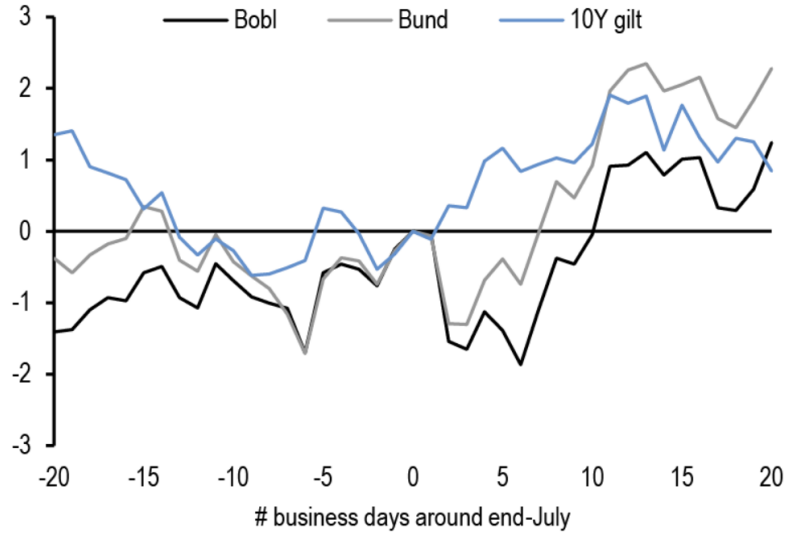
DM Rates: Carry works (but with caveats)

Cumulative change in 1Yx1Y OIS curves in EUR, USD and GBP;
Since 1 Jan, bp



Source: J.P. Morgan.

Evolution of Bobl, Bund and 10Y gilt swap spread around the last business day of July
Average over 2023-2025; end-July = 0



Source: J.P. Morgan.

- We find evidence that summer carry works as a theme in Euro rates, but caveats apply. Intra-EMU/€-SSA spreads do not historically exhibit a clear tightening pattern in summer; given the ongoing risks from the Middle East conflict, we don't think intra-EMU/€-SSAspread carry can provide sufficient cushion against potential risk-off widening. Instead, we find evidence of seasonal widening into the summer period, especially in German swap spreads. In the current environment, **we see value in carry trades across money markets, swap spreads and volatility.**

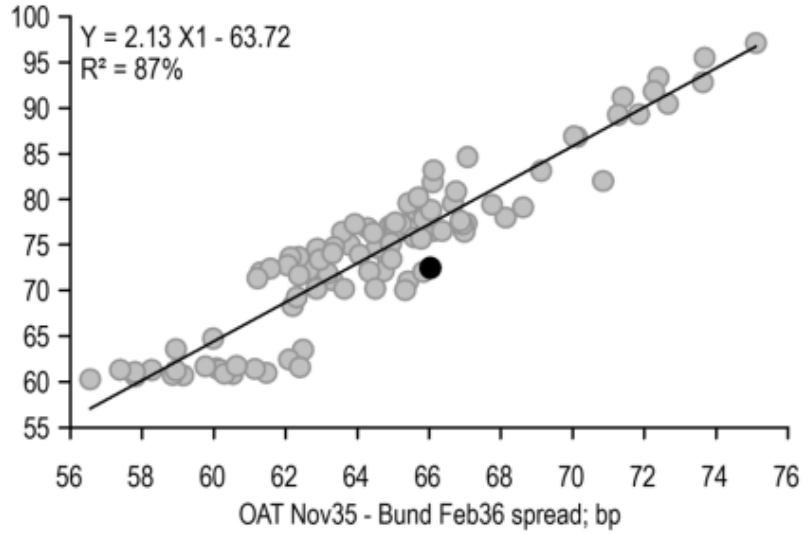
- In terms of our trading portfolio, we hold **carry trades** in EUR and GBP: 1) We keep paid the belly of 1Y/1Yx1Y/2Yx1Y (50:50) fly in both ESTR and SONIA, 2) Bund/buxl swap curve steepener 3) short 3Mx3Yx1Y unhedged straddles in Euro. Instead, in intra-EMU/€-SSA space, we don't think spread carry can provide sufficient cushion against a potential risk-off widening. In the US, we **hold shorts in 10Y UST vs. Bunds and 10s/30s UST flatteners as a bearish proxy**. In Australia, we restructured Nov26/May27 RBA OIS flattener into Nov26/Aug27 flattener as an expression for eventual RBA cuts and entered 3s/10s ACGB futures curve steepeners.

Euro area: Stay short 10Y UST vs. Bund; in intra-EMU, short 10Y Italy vs. France and hold carry trades

Residual from regressing 10Y US-Germany yield spread against 1Yx1Y USD-EUR OIS rate and US-Euro Forecast revision index (FRI)*;
Past 12M; bp

Note: * 10Y US-Germany = 0.71*1Yx1Y USD-EUR OIS – 8.4*US-Euro FRI + 216.4; R-squared: 83% Source: J.P. Morgan.

10Y Italy-Germany spread regressed against 10Y France-Germany spread; BTP Feb36-Bund Feb36 vs. OAT Nov35 vs. Bund Feb36; since Feb26 (post 2026 French budget approval);
Bp

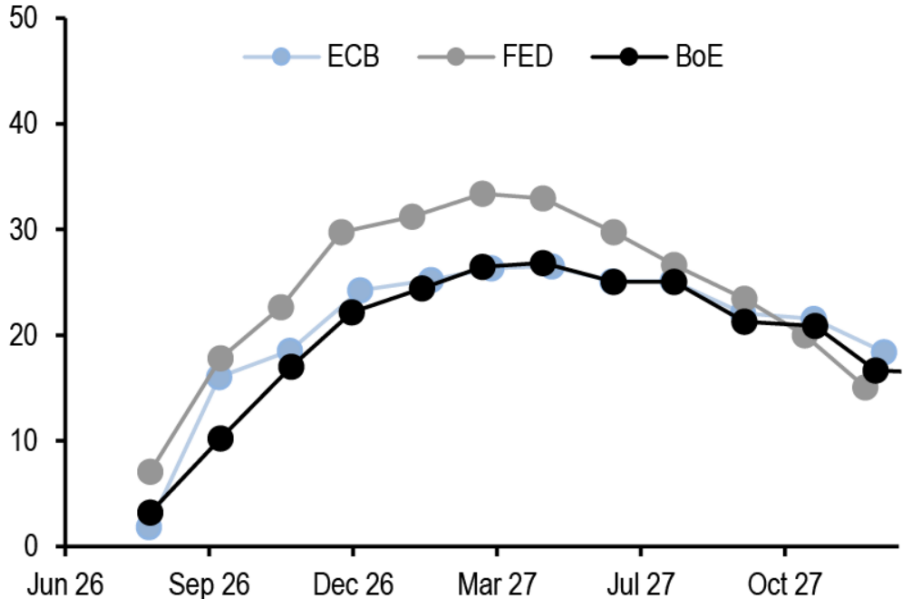


Source: J.P. Morgan.

- **<u>Duration</u>: Expect German duration to trade in a range (2.85-3.15%); we have a bias to trade German duration tactically from the long side** (add OW 10Y Germany at ~3.10%). Cross-market, we **stay short 10Y UST vs. Bund**
- **<u>Intra-EMU strategy</u>:** Remain **cautious stance on intra-EMU/€-SSA carry exposures** as at current valuations the spread carry is not providing sufficient cushion against potential risk-off widening risks, especially given already OW positioning. We stay **short 10Y Italy vs. France** as a risk-off carry efficient proxy and tactical way to position for potential Italian budget noise. Hold long 30Y EU vs. swap to express our strategic OW EU theme. Keep UW 10Y Belgium vs. France/Germany in 50:50 flies as an attractive convex hedge against tail risk of further escalation in the Middle East conflict.
- **<u>Derivatives</u>**: **An environment of range-bound yields against a backdrop of moderating volatility is supportive of carry trading**. Enter 1) pay the belly of 1Y/1Yx1Y/2Yx1Y (50:50) fly as a short duration proxy and having 8bp in 3M carry, 2) Bund/Buxl swap spread steepener, 3) short 3Mx(3Yx1Y) unhedged straddles. The strong negative directionality of the curve versus front-end yields is weakening, especially in a sell-off. We recommend **2s/10s conditional bear-steepener via 6M OTM payers**

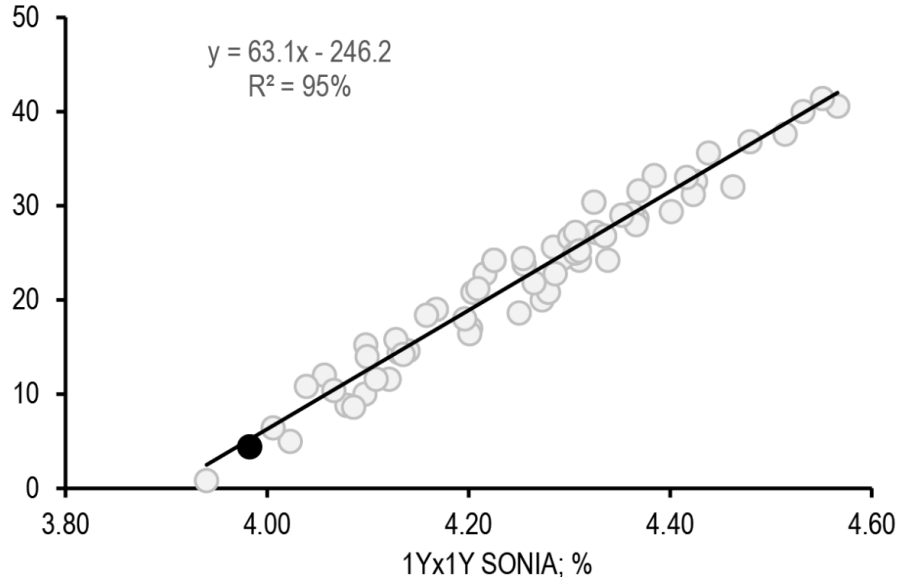
UK: remain tactically bearish at the front-end; 10Y gilt yields to range trade around 4.80%

Cumulative rate hikes priced for ECB, BoE and Fed
Bp



Source: J.P. Morgan.

1Y/1Yx1Y/2Yx1Y SONIA fly (100%/200%/100%) regressed against 1Yx1Y SONIA
Past 3M, bp

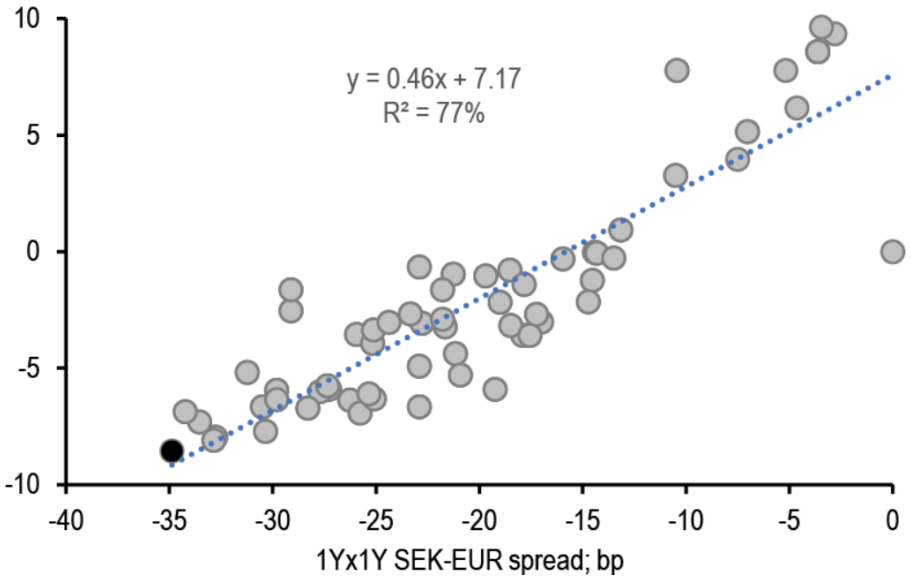


Source: J.P. Morgan.

- Our conviction on the timing of a BoE hike has fallen given the decline in energy prices further reduces any urgency and allows the BoE more time to evaluate the indirect effects. We keep a **bearish view at the front end of the curve** and hold: 1) tactically paid Sep26 MPC OIS, 2) short Jun27 3M SONIA futures vs. Jun27 Euribor. We continue to pay the belly of the 1Y/1Yx1Y/2Yx1Y SONIA fly (3Mx1Y/15Mx1Y/27Mx1Y) as **a carry trade** and as a modest bearish proxy as we think 1Yx1Y SONIA is unlikely to rally significantly.
- We expect 10Y gilts to trade in a relatively narrow range around the 4.75-4.80% level. For now, we see limited potential for the 2s/10s gilt curve to price any increase in **fiscal/political risk premia**. We a flattening bias on 10s/30s gilt curve.

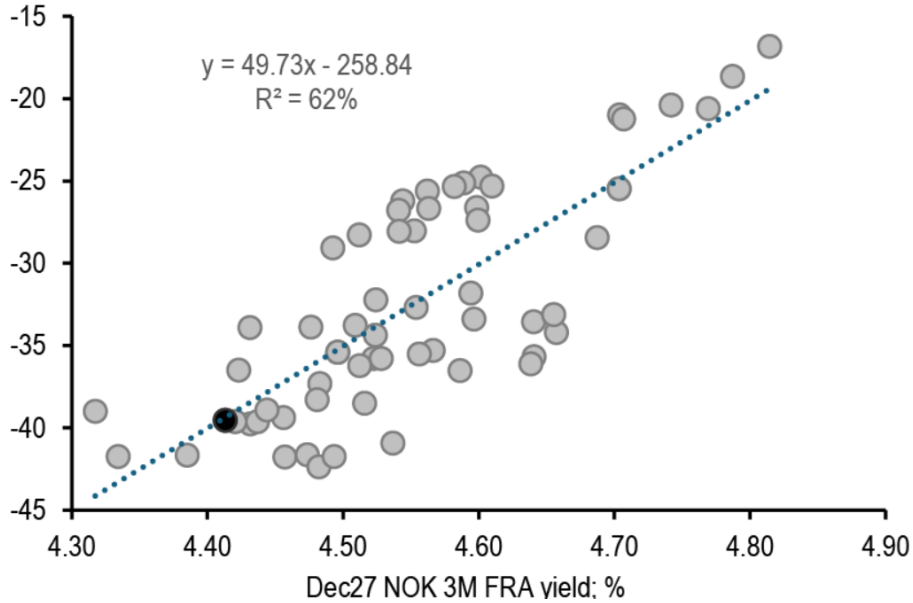
Scandinavia: neutral on Sweden front-end and hold 5Yx5Y Stibor-Euribor wideners; in Norway, hold Dec26/Dec27 NOK 3M FRA and enter reds/greens Nibor flattener

5Yx5Y Stibor-Euribor regressed vs 1Yx1Y Stibor-Euribor
Past 3M; bp



Source: J.P. Morgan.

Dec26/Dec27 3M FRA curve regressed against Dec27 3M FRA yield
Past 3M, bp



Source: J.P. Morgan.

- **Sweden:** Our baseline expectation remains for one more hike by the end of 2026. We are neutral on front-end duration and also cross-market as we see limited scope and catalysts for a significant under or outperformance of Stibor vs Euribor. We **hold 5Yx5Y Stibor-Euribor wideners** given our view of increased term premia in intermediate Swedish yields around the upcoming 13 September elections
- **Norway:** Our baseline expectation is for one more 25bp hike from the Norges Bank in September, but we do not rule out the risk of an earlier August delivery. After the next hike, risks are skewed towards a longer pause than market pricing and we **hold Dec26/Dec27 NOK 3M FRA curve steepeners**. We see limited scope for further near-term Euribor outperformance in a rally, or Nibor underperformance in a sell-off and take profit on Dec26 (NOK-EUR) 3M FRA spread widener. **Enter Reds/Greens Nibor swap curve flattener** as low-beta bearish proxy and attractive carry

International Rates trade recommendations

Euro area

- **Euro duration**: We maintain biased to trade German duration tactically from long side of the range (2.85-3.15%) and look to add OW 10Y Germany on any sell-off around ~3.10%. Keep short 10Y UST vs. Bund.

- **Intra-EMU**: We stick with our cautious intra-EMU/€-SSA stance. Hold long 30Y EU vs. swap. Keep short 10Y Italy vs. France as carry-efficient broad risk-off proxy and UW 10Y Belgium vs. France/Germany in 50:50 flies as a Middle-East re-escalation tail-risk hedge.

- **Derivatives**: Tactically buy Sep26 Euribor 1x2Y put spread (97.4375/97.5). Expect 1Yx1Y €STR to trade in a (2.40%-2.60%) range. We find payer spreads (1x2 and ladders) attractive on 3Mx(1Yx1Y) which benefits from positive carry and rich payer skew. Hold carry trades via paying the body of 1Y/1Yx1Y/2Yx1Y €STR fly. Close Dec26/Dec28 and fronts/greens conditional bear flattener. Enter 2s/10s conditional bear steepener via OTM 6M payers but exit 2s/10s conditional bull steepener. Keep 10s/30s steepening bias. Stay neutral Schatz spread and hold Bund/Buxl swap spread curve steepener. Stay short volatility. Sell 3Mx5Y gamma and hold shorts in 3Mx(3Yx1Y) unhedged straddles. Take profit in 2s/10s vol curve steepener across tails.

UK

- **UK**: Keep 1) paid Sep26 MPC OIS, 2) short Jun27 3M SONIA futures vs. Jun27 Euribor, 3)paid belly of 1Y/1Yx1Y/2Yx1Y SONIA fly as a carry trade which also trades proxy short 1Yx1Y yields. Stay neutral duration, expect 10Y gilt yield to range trade. Keep tactical flattening bias on 10s/30s gilt curve. Close fronts/greens conditional bear flattener and 1Yx5Y/1Yx10Y vol curve steepeners.

Scandinavia

- **Sweden**: We hold 5Yx5Y (Stibor – Euribor) spread wideners.
- **Norway:** hold our Dec26/Dec27 NOK 3M FRA curve steepeners and take profit in Dec26 (NOK - EUR) 3M FRA spread widener. We enter reds/greens Nibor swap curve flattener, which offers attractive carry and is largely neutral to yields on a short-term regression.

Japan

- **Japan**: Keep 5s/20s JGB curve steepeners and 5s10s30s JGB body short.

Antipodean

- **Australia & New Zealand**: Close Nov-26/May-27 RBA OIS flattener and restructure to Nov-26/Aug-27. Close paid position in AUD 10Y EFP. Open an ACGB 3s/10s (YMU6/XMU6) futures curve steepener.

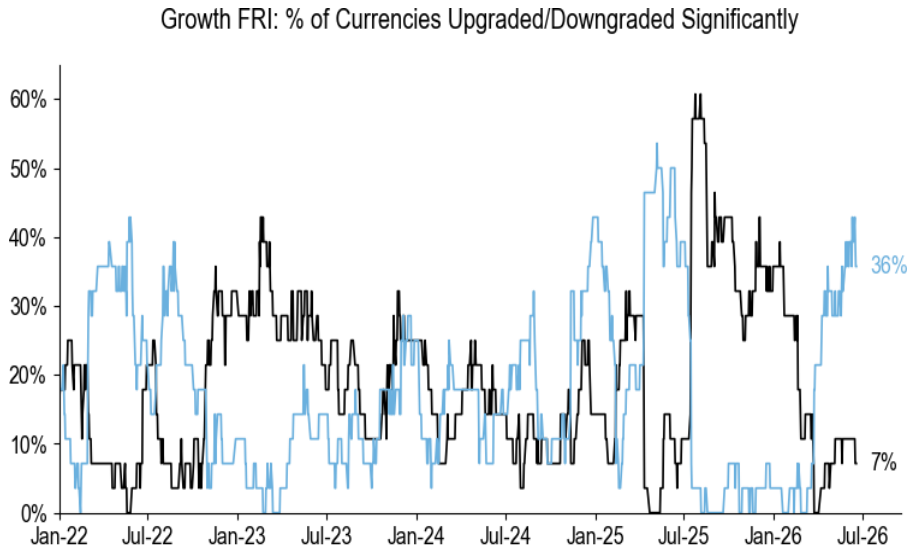
Agenda

		Page
1	US Rates: Life, Liberty, and the pursuit of hawkishness	2
2	International rates: Carry on into the summer	10
3	**Currencies: Carry plays even if USD takes a break**	**16**
4	Commodities: Patience is a golden virtue	28
5	Emerging Markets: Stay OW EM FX and MW Rates, EM Sovereigns & Corporate	33
6	Appendix	39

The macro landscape in 2H26: inflation stays sticky, global growth recovers but US exceptionalism lingers

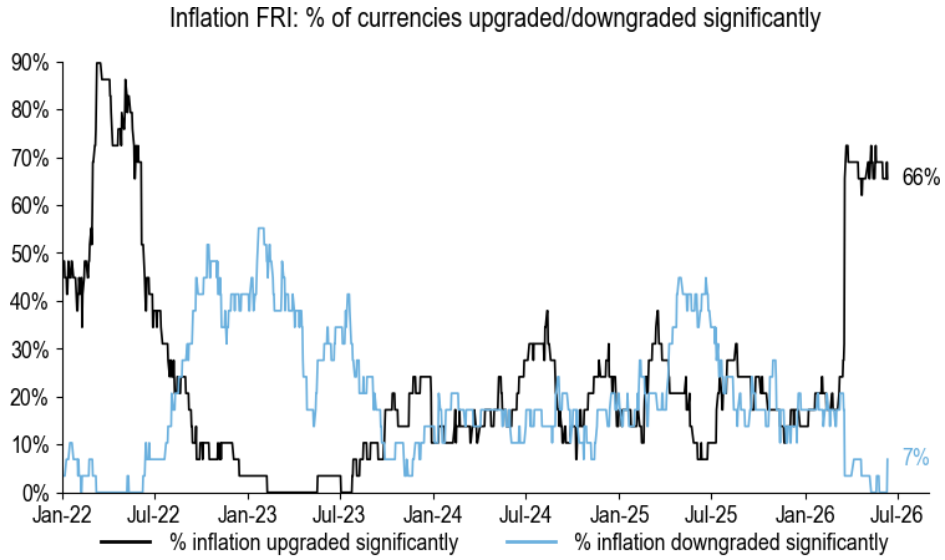
There was a stagflationary tilt to growth and inflation forecasts in 1H; while growth is set to improve…

Percentage of countries (among 28 tradable currencies) for which the 1yr z-score of 3mo changes in JPM growth FRI exceeds +/- 1-sigma



…risks are that inflation will stay sticky

Percentage of countries (among 28 tradable currencies) for which the 1yr z-score of 3mo changes in JPM inflation FRI exceeds +/- 1-sigma



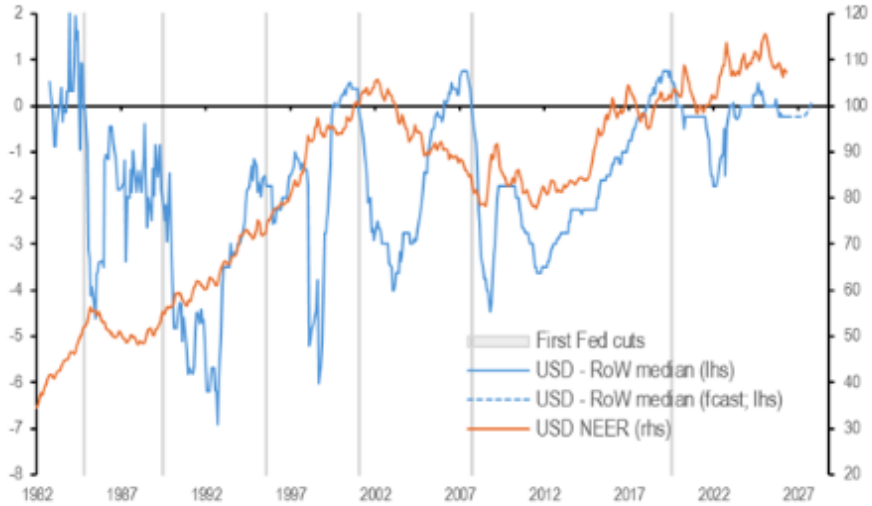
Source: J.P. Morgan

J.P.Morgan

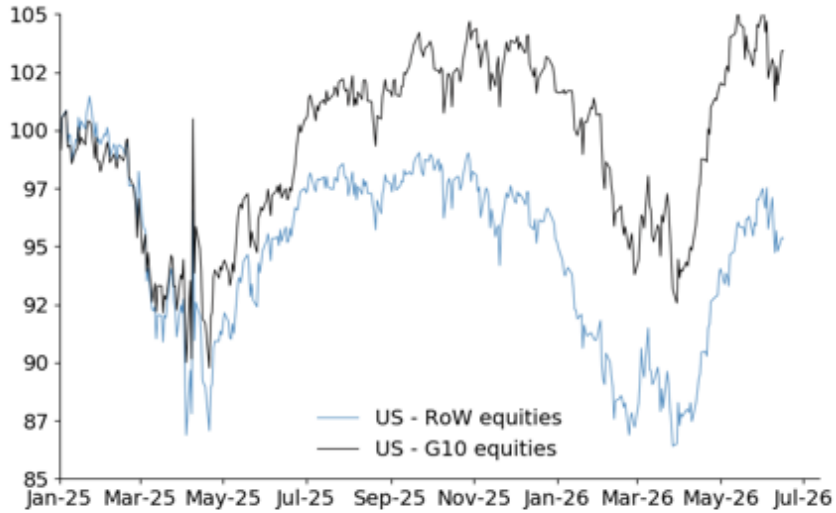
Bullish USD in H2 on US exceptionalism

The many shades of US exceptionalism: global yield dominance, equity returns and growth

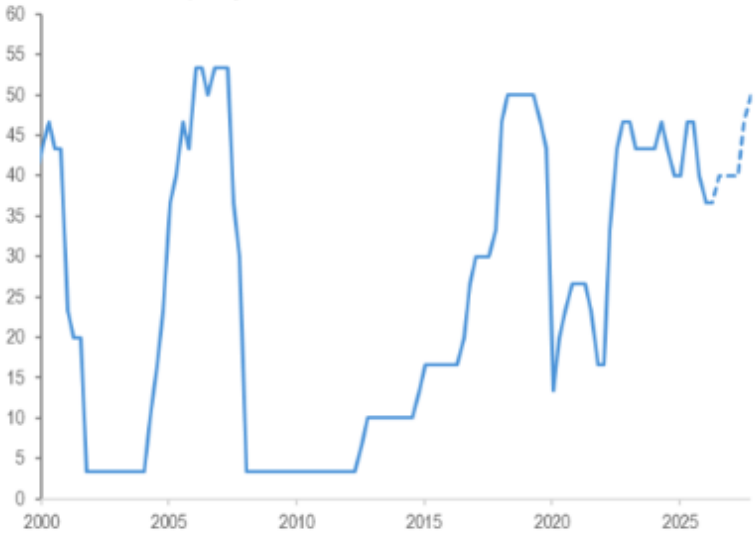
US – RoW median policy rate (%) vs USD TWI



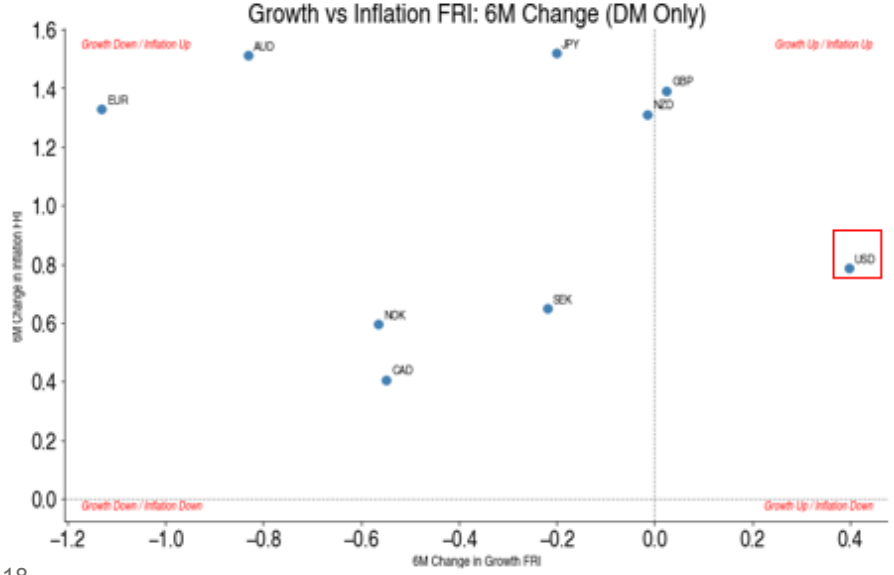
US vs G10 and RoW equity performance (cumulative since Jan 2025)



% of countries with policy rate less than US. Dotted line uses JPM Economists forecasts



Growth vs Inflation FRI: 6M Change (DM Only)

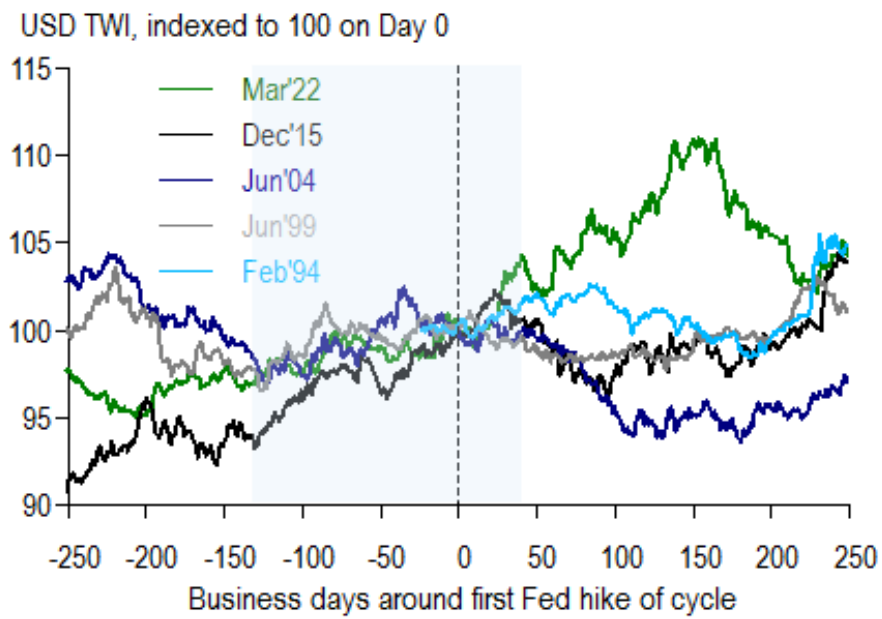


Source: J.P. Morgan

We look for ~3% of broad USD upside, consistent with previous Fed hiking episodes

The broad dollar tends to reliably appreciate ~5% in the period between ~6-months leading up to the first Fed hike to ~1 month after

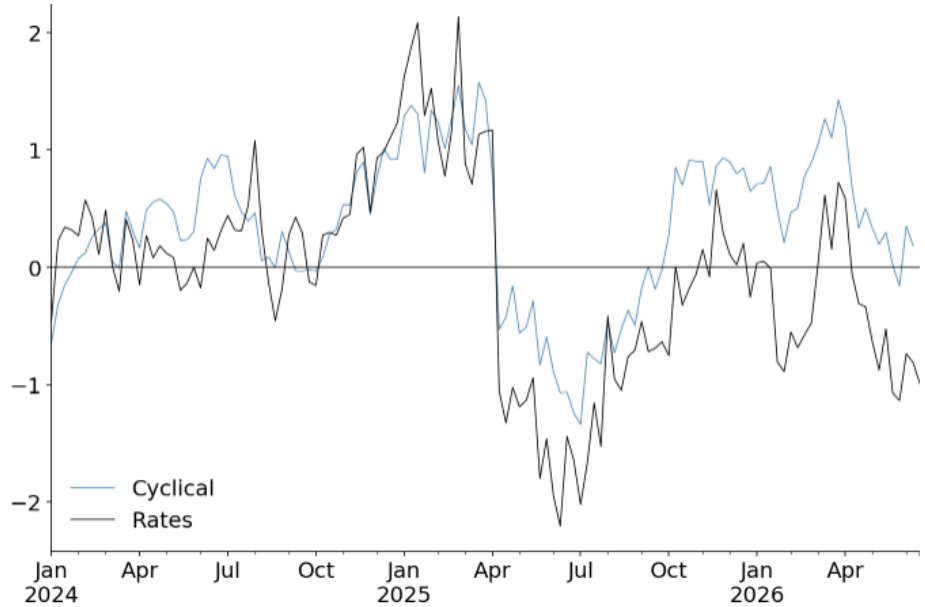
Blue shaded area highlights the phase of reliable USD TWI appreciation in the lead-up to the first Fed hike across cycles



Source: J.P. Morgan

USD screens cheap vs rates, but less so vs cyclical models

Avg mispricing (z-score) across rates and cyclical USD TWI fair value models
Cyclical Models: two-factor equity model, three-factor credit spd model, relative FRI model
Rates Models: 5Y real rate spds, 2Y wtdt nominal swap spds, avg bilateral G10 cross models

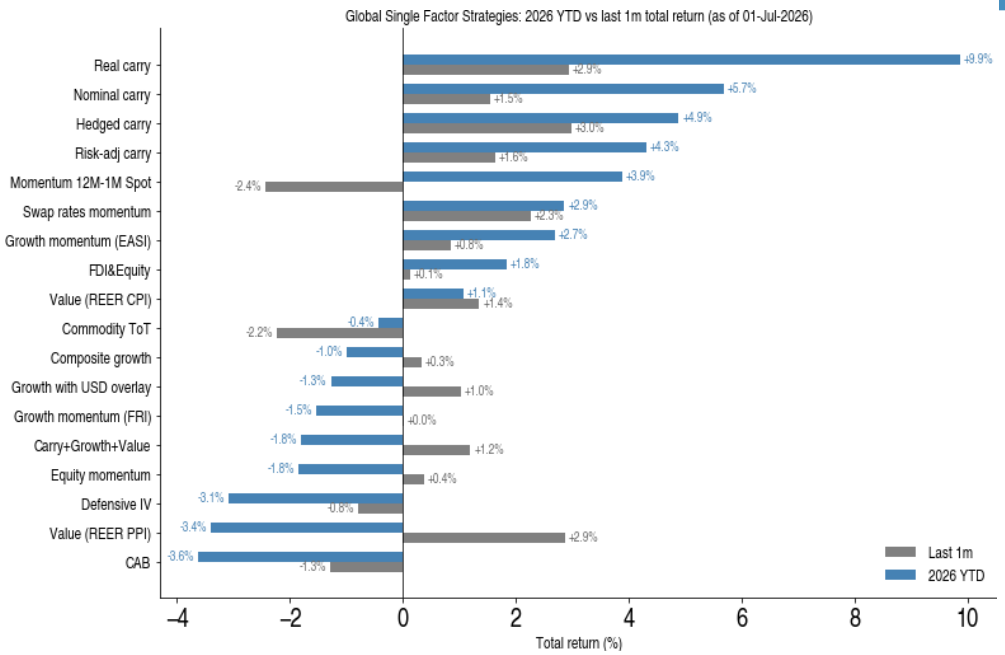


Source: J.P. Morgan, Bloomberg Finance L.P.

J.P.Morgan

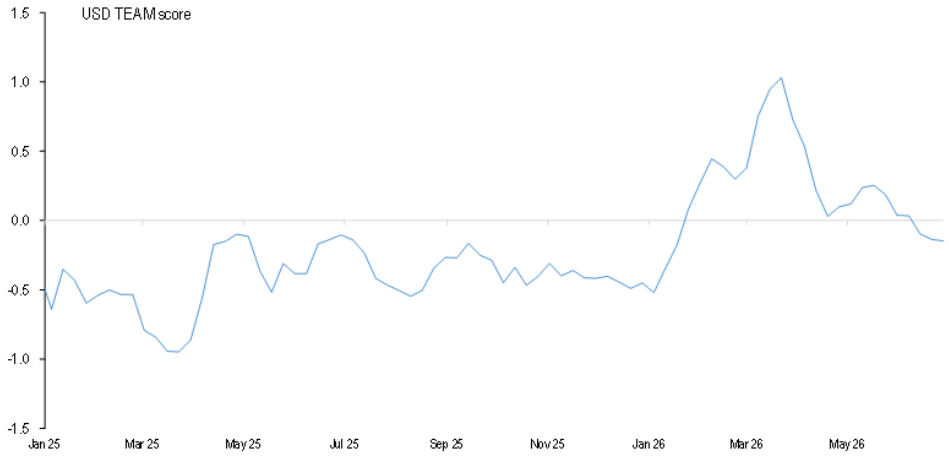
Conditions are looking better on margin for the “Bullish beta” leg of the view for now. The “bullish dollar” leg could take a breather following the US employment report, but the data is still firm enough to prevent a substantial weakening.

Carry: Still the gift that keeps giving with returns approaching 10% YTD on real yield signals



Source: J.P. Morgan

Our systematic models score for emphasising non-USD RV, with TEAM score on USD dipping to its lowest since late-Jan; the models have turned neutral USD for the first time since the conflict started



Source: J.P. Morgan, Bloomberg Finance L.P.

J.P.Morgan

Key political risks; US midterms remains the focal point

Fiscal, trade, foreign policy, and FX policy remain the key policy channels for FX

Policy Channel	Key Levers	USD Risk bias	FX Adjustment Mechanisms	Authority	Midterm-Sensitive?
Fiscal	Reconciliation 2.0, defense spending	↓	Term premium, inflation risk premium, Fed responsiveness	Congress	High
Trade / Tariffs	Tariff Sections 122/232/301, Tariff Revenue, USMCA	↔	Growth (US & RoW), inflation risk, term premium linked to tariff revenues	Executive (but constrained by courts)	Low–Medium
Foreign Policy	Iran / China esecalation, NATO cohesion	↑	ToT/energy supply, risk sentiment, global trade, de-dollarization	Executive	Low
FX Policy	Rate checks, manipulator reports, FX accords	↓	Rhetoric (jawboning, currency manipulator report), rate checks, USD swaps, trade deals	Executive (Treasury)	Low

Midterms are the US political focal point in 2H, but there are other trade / geopolitical developments as well

Date	US Event
7/1/2026	USMCA joint review begins
7/20/2026	3rd Round - US/MX USMCA negotiations
7/24/2026	Section 122 Tariffs expire
Mid-Aug	Deadline for final US-Iran deal
9/4/2026	Potential Trump-Xi Summit
9/30/2026	FY'27 government funding deadline
11/3/2026	US midterm elections

Source: J.P. Morgan

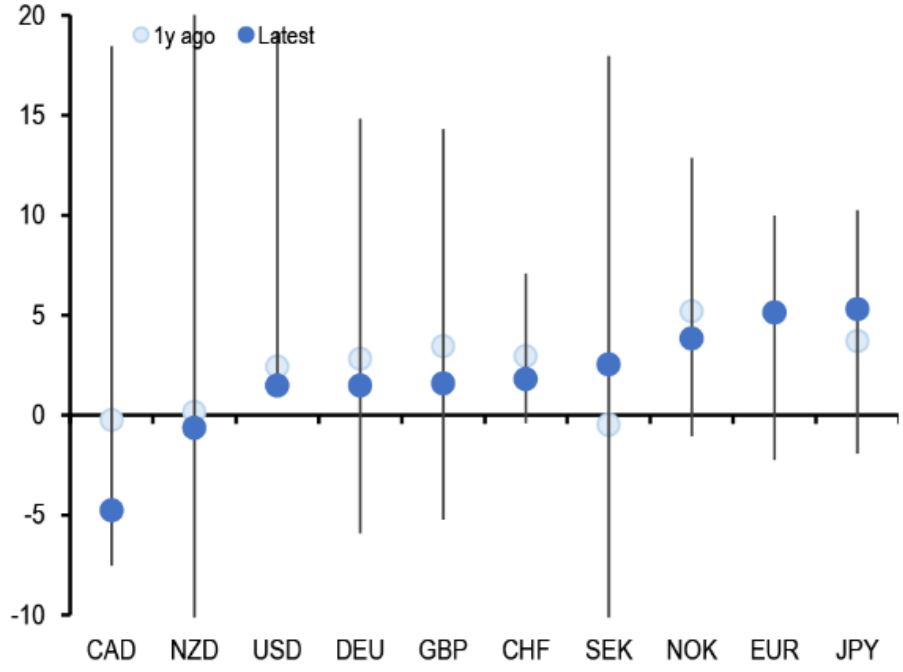
- Midterms dominate the US political risk calendar; USD is most sensitive to fiscal, though a hawkish Fed provides some insulation.
- USMCA delays could prove a slow burn negative for CAD (stay short CAD/MXN).
- A Trump-Xi summit should anchor a well-behaved CNY.
- A US-Iran deal breakdown is the geopolitical wildcard with USD upside tail.

J.P.Morgan

DM: bad hikes/good hikes will matter as will where oil lands

Bad hikes; bearish CAD, EUR, JPY, SEK; more pronounced dynamic in CA as rate-sensitive sectors are already soft

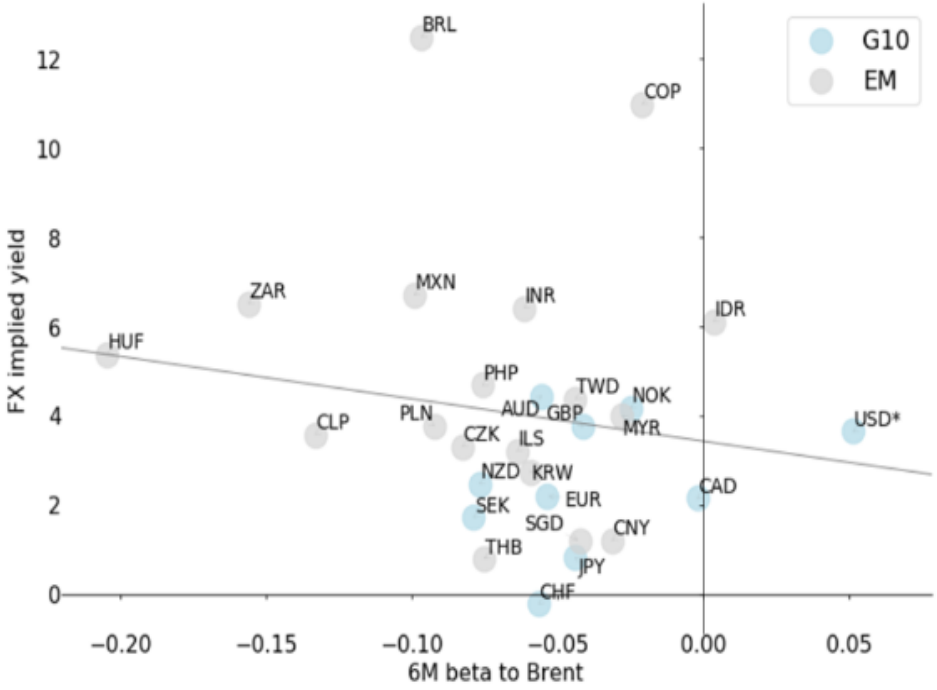
%oya house price change; high-low chart with 5y lookback (vertical lines are range from peak %oya increase to trough).



CHF (1Q), EUR (1Q), JPY (4Q) data is quarterly; rest monthly to Apr (CAD, NZD, USD)/May
Source: J.P. Morgan, Bloomberg L.P., Haver, SBAB

Post Iran trades: AUD, EM high yielders to benefit if oil prices decline; NZD, EUR and SEK are carry-efficient higher oil hedges

FX implied yields vs. 6m beta to Brent (weekly sampled)



Source: J.P. Morgan

J.P.Morgan

Risk scenario roadmap

The quadrants are: demand destruction (bottom left), policy easing (top left), RHS dollar smile (top right) and Risk Parity drawdown (bottom right)

Dovish Fed → -Carry, -USD

Hawkish Fed → +Carry, +USD

Low energy prices → -Carry, -USD, -Energy exporters

High energy prices → + Carry, +USD, + Energy exporters

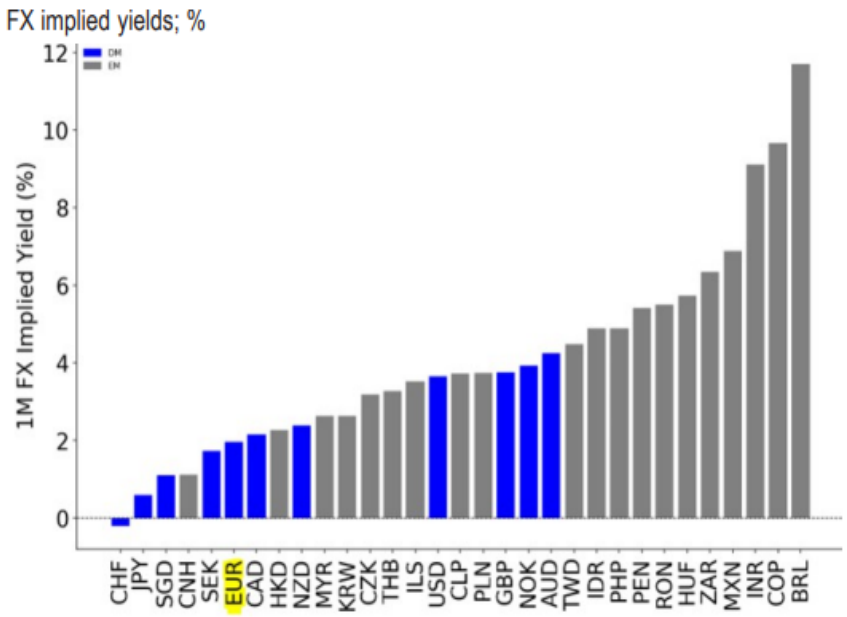
	Fed cuts			Fed hikes		
Full normalisation (Brent ~$60)	• Worst outcome for USD, carry; Yield convergence trades benefit led by LY energy importers • If recession driven then different USD, cross-yen, vol			• High vol, USD bullish on RHS dollar smile, carry outperforms because LY weaken • LY energy exporters most hit		
		DM	EM		DM	EM
	Longs	SEK, EUR, NZD JPY, CHF if recessionary	Long broad EM, OW ZAR, CLP, CEE (oil importers/low yielders), INR	Longs	USD	Long CEE funded in EUR, long TWD
	Shorts	AUD, CAD, NOK USD (unless recession first)	USD (unless recession first)	Shorts	JPY, CHF, CAD, SEK, EUR, NZD, NOK	Short ILS, BRL, SGD on regional RV
Re-escalation (Brent ~$110)	• Demand destruction scenario of higher oil + lower rates; Recession trades			• Most USD bullish outcome, Risk parity drawdown, FX carry outperforms with LY importers hit the most		
		DM	EM		DM	EM
	Longs	JPY, CHF	USD, CNH, MYR, SGD	Longs	USD, NOK, CAD	Long USD vs. most positioned EM and/or oil importers (BRL, CLP, HUF, ZAR, CNH)
	Shorts	NZD, AUD, NOK, SEK	INR, PHP	Shorts	JPY, CHF, SEK, EUR, NZD	THB, PHP, KRW, INR

Source: J.P. Morgan

J.P.Morgan

EUR: keep using as a funder on softer data and lack of carry…Fed hikes have coincided with EUR/USD weakening by 15%...

The euro is still a relative low-yielder in the global context, which combined with energy dependence makes it an unattractive recovery candidate



Source: J.P. Morgan

Since the Fed usually delivers more hikes, rate differentials compress against EUR/USD as the Fed starts hiking and EUR/USD has weakened by an average of 27% around three of the last four hiking cycles. The exception was 2004

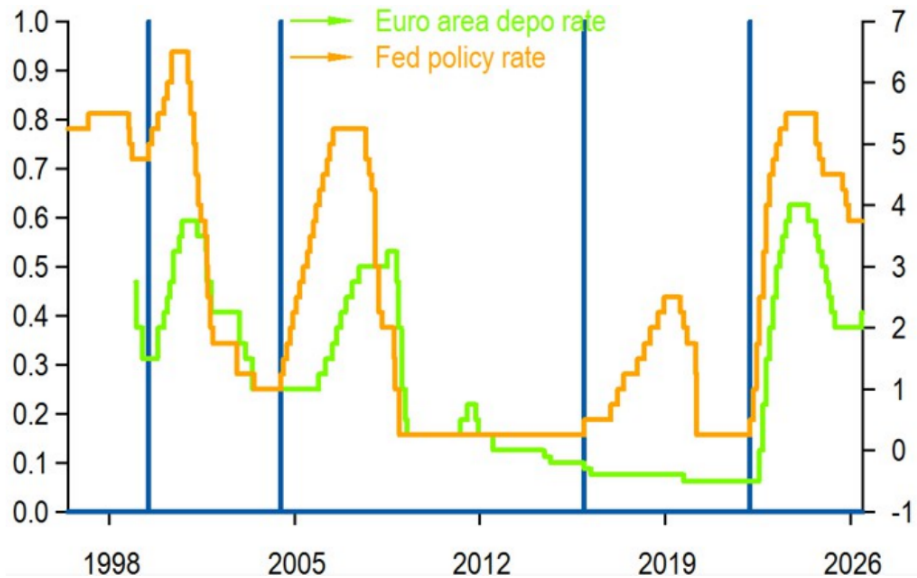
Fed hikes	EUR/USD move	# months pre hike EUR/USD peaked	Cumulative chg in EU-US policy rate (bp)	EUR/USD move/ 10bp
1999	-33%	7		
2004	26%	na	-360	0.7%
2015	-25%	18	-240	-1.0%
2022	-22%	9	-220	-1.0%

- We were already bearish EUR/USD in our recommendations and forecasts, and now lower our baseline target over the extended forecast horizon further to 1.10 (prior low 1.13) and 2H range of 1.13-1.15. 4Q'26 1.13, 2Q'27 1.10

J.P.Morgan

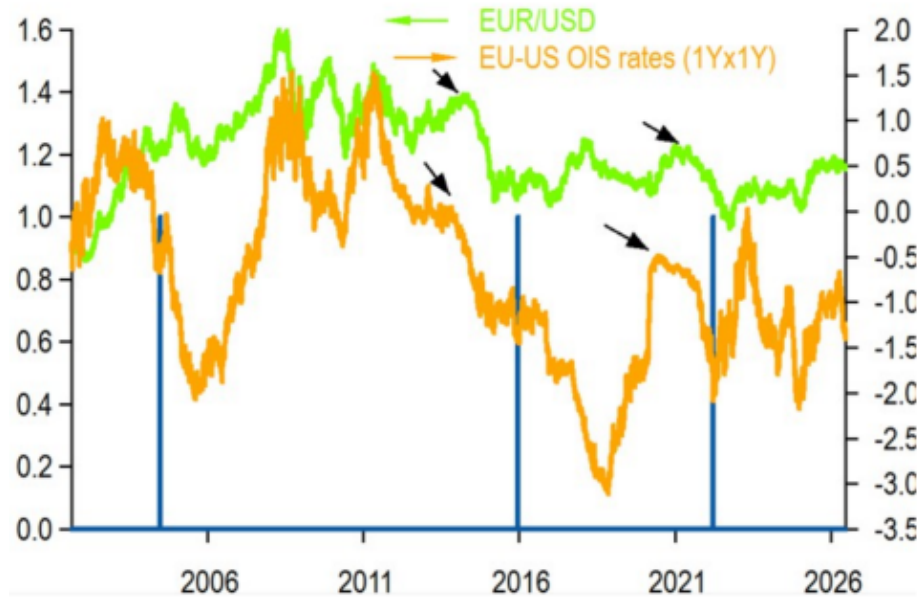
ECB hiking pre-Fed provides some but not complete insulation… rate spreads usually peak pre-FX in hiking cycles

In the prior four hiking cycles, the Fed has hiked prior to the ECB; This is the first time ECB has hiked pre-Fed, which likely to provide some insulation relative to previous cycles



Blue vertical lines signal first rate hikes.
Source: J.P. Morgan

Rate differentials have peaked ~6 months before EUR/USD in the last two hiking episodes, with EUR/USD eventually converging down

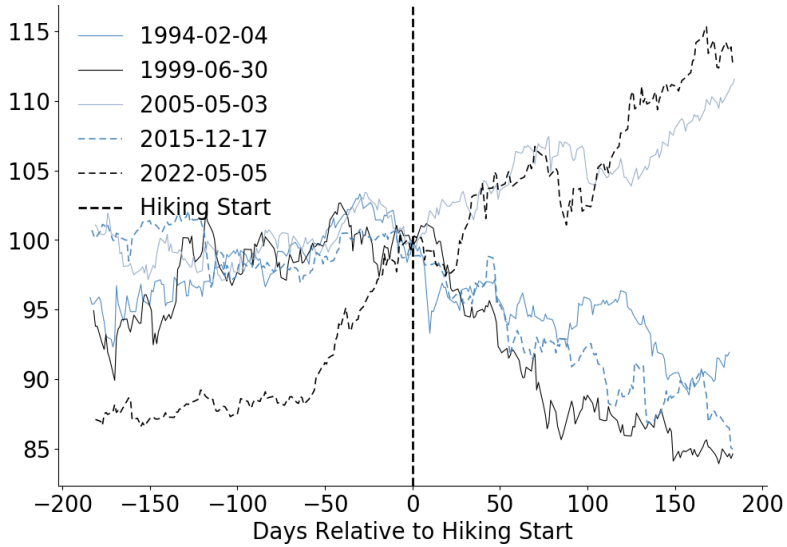


Source: J.P. Morgan

J.P.Morgan

JPY: Stay bearish for domestic and global factors; USD/JPY 4Q 164

Average percent change in USDJPY from -6 months to Fed hiking start: 4.54%



Source: J.P. Morgan, Bloomberg Finance L.P.

Japan's event risks: the coming weeks will be busy with fiscal policy-related events

date	category	event	focus, key metrics	risk bias to JPY
By end-June	fiscal policy	A decision on a consumption tax cut on food and on a refundable tax credit.	funding source, risk of becoming permanent	negative
July?		Release of "Basic Policy on Economic and Fiscal Management and Reform," which sets out the guiding principles for fiscal policy going forward. This document is expected to outline the government's growth strategy,	Suggestions for (additional) FY26 supplementary budget and FY27 general budget, funding source, assumpiton for government debt to GDP ratio	negative
Jul 31, Sep 18, Oct 30 and Dec 18	monetary policy	BoJ monetary policy meeting	We expect an Oct hike.	neutral
N/A	FX policy	MoF intervantion	We expect the size to be capped at around JPY12 trn (comparable with that for Apr/May intervention).	positive in short-term, neutral in mid-term
July 3?	others	Release of GPIF annual report	Share of domestic bonds/foreign bonds as of end-March 2026. Suggestions for possible changes in investment strategy	potentially positive for JPY and JGBs

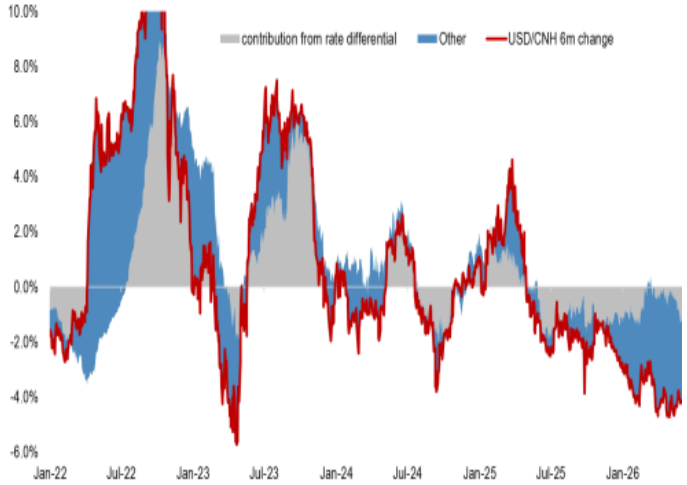
Source: J.P. Morgan, Bloomberg Finance L.P.

- Staying bearish. Given that we expect the global monetary policy cycle, Japan's domestic policy mix, and an improvement in risk sentiment alongside a pickup in carry trades following a calming of Middle East tensions to all weigh negatively on the JPY. We forecast USD/JPY to rise above the cycle high of 162 in 2H26 (4Q 164), referencing average percent change in USDJPY from -6 months to Fed hiking start is 4.54%.
- If the uptrend accelerates, the MoF will likely conduct another round of intervention, but with the size capped near the late-April/May total (about JPY 12trn), limiting the overall impact. Despite the spike in JGB yields in 1H26, domestic investors have not shifted meaningfully into JGBs from foreign bonds.
- The coming weeks will be important for Japan's fiscal policy, with the government set to outline its growth strategy and decisions on the consumption tax cut and refundable tax credit. Any suggestions of a larger FY26 package or an expanded FY27 budget could heighten fiscal concerns again and trigger a renewed bout of JGB selling and JPY weakness.

J.P.Morgan

CNY (4Q26: 6.70; 2Q27: 6.80): A growing disconnect from rate fundamentals, but export resilience, corporate dollar selling and portfolio inflows provide bullish support

Unlike in 2H25, US–China yield differentials have not been a key driver of CNY strength in 1H26, …

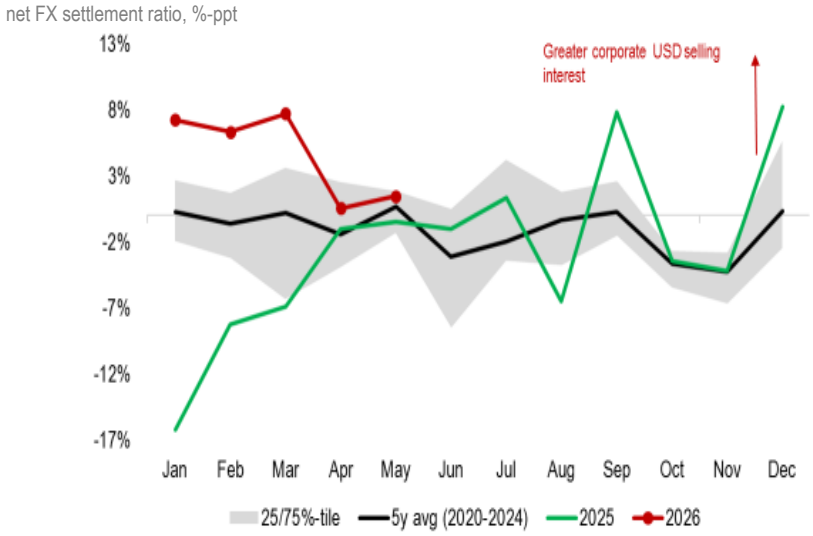


Source for both: Bloomberg Finance L.P., J.P. Morgan

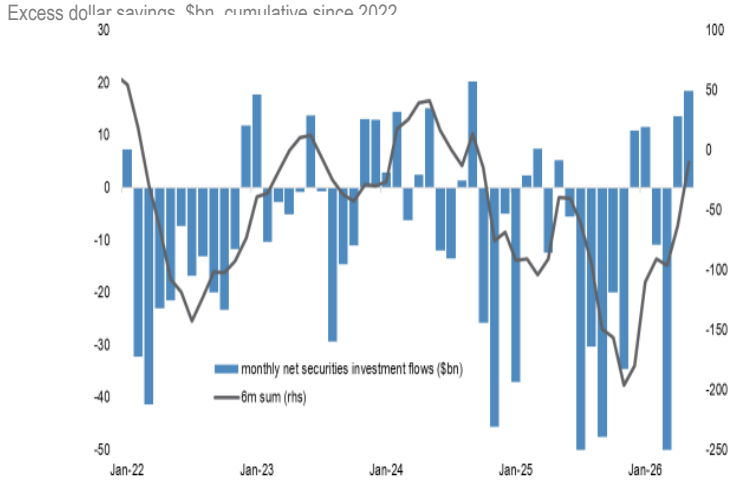
, … as USD/CNH has become increasingly disconnected from rate fundamentals

Source for both: Bloomberg Finance L.P., J.P. Morgan

Chinese corporates have continued to sell USD, though the pace has moderated in recent months



Portfolio inflows into Chinese assets have picked up in 1H26



Source for both: Bloomberg Finance L.P., J.P. Morgan

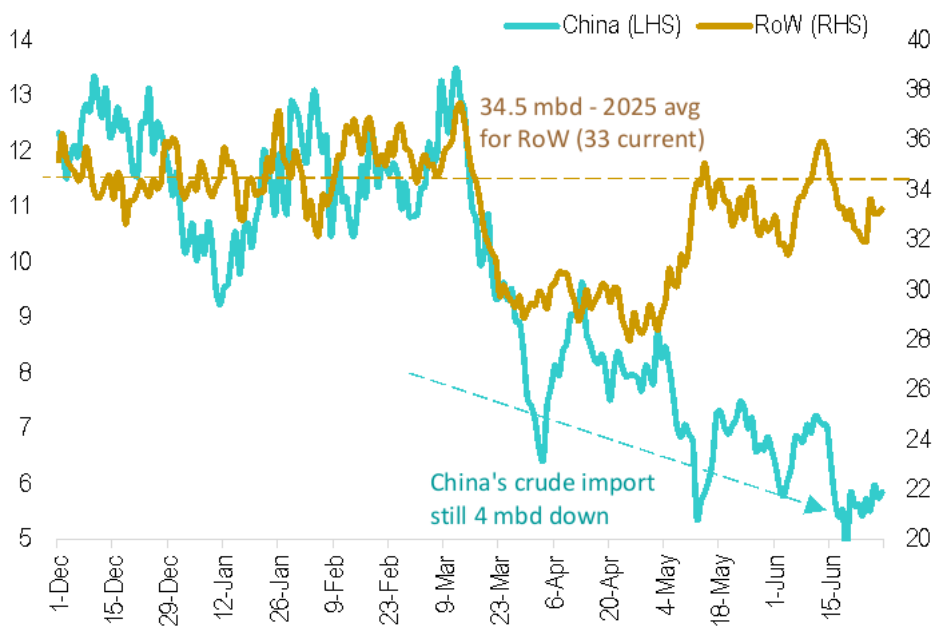
J.P.Morgan

Agenda

		Page
1	US Rates: Life, Liberty, and the pursuit of hawkishness	2
2	International rates: Carry on into the summer	10
3	Currencies: Carry plays even if USD takes a break	16
4	**Commodities: Patience is a golden virtue**	**28**
5	Emerging Markets: Stay OW EM FX and MW Rates, EM Sovereigns & Corporate	33
6	Appendix	39

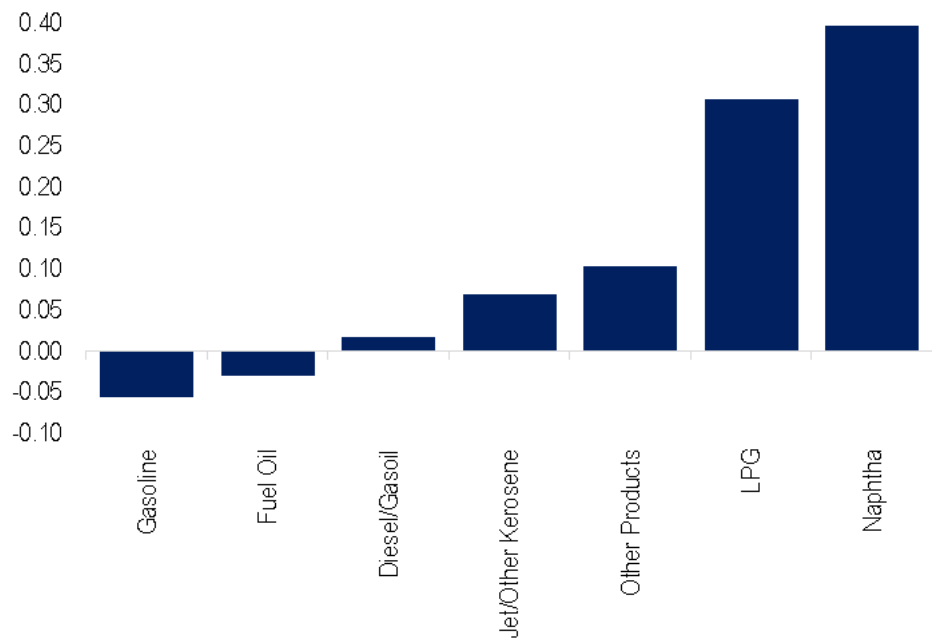
Oil Markets: A reboot without China

Crude import volumes: China vs the rest of the world
mb



Source: Kpler, J.P. Morgan Commodities Research

2027 vs 2026 China demand changes, by product
mb



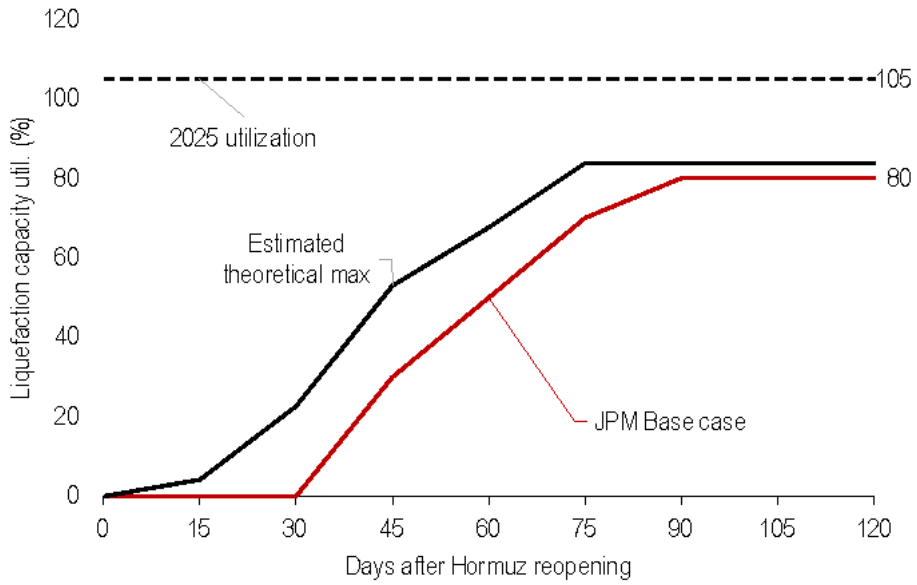
Source: J.P. Morgan Commodities Research, S&P Global Platts, Bloomberg Finance L.P., Oilchem, IIR

- Since the start of the conflict, the world has lost roughly 11.7 mbd of supply. To put that in perspective, that is equivalent to about two weeks of global oil demand vanishing from the system. Roughly 4.3 mbd of that loss was offset by inventory releases—including 1.4 mbd from the US. Another 5.3 mbd was absorbed through demand loss. But the most stunning adjustment came from China. The collapse in Chinese demand and imports accounted for nearly one-third of the entire global adjustment. In effect, China has quietly retrenched enough demand to “subsidize” continued oil consumption in countries like Japan and Australia. The remaining gap was bridged by the surplus that existed before the conflict began.
- Our base case remains that China will ultimately return to the market. There are already signs such as capacity restarts amid recovering margins and flight activity that some of the demand is returning. In total, we estimate China’s oil demand to decline by 600 kbd in 2026, before rebounding by 800 kbd in 2027.

J.P.Morgan

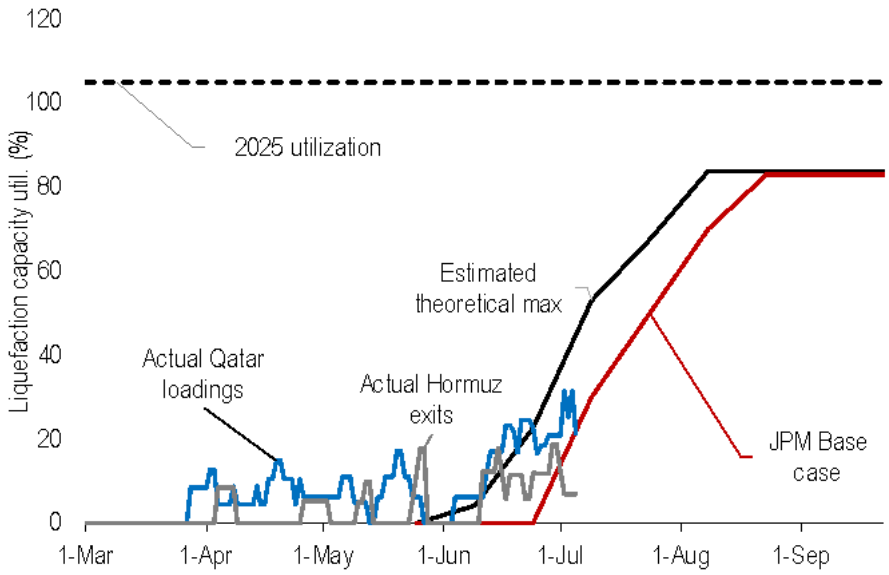
Natural Gas Markets: Qatari ramp-up slows down

Expected ramp up speed of Qatar LNG liquefaction capacity
%



Source: J.P. Morgan Commodities Research. Note: Latest forecasts from *Global LNG Analyzer: Again on Qatari restarts*, 21 April 2026.

Actual ramp up speed of Qatar LNG liquefaction capacity
%

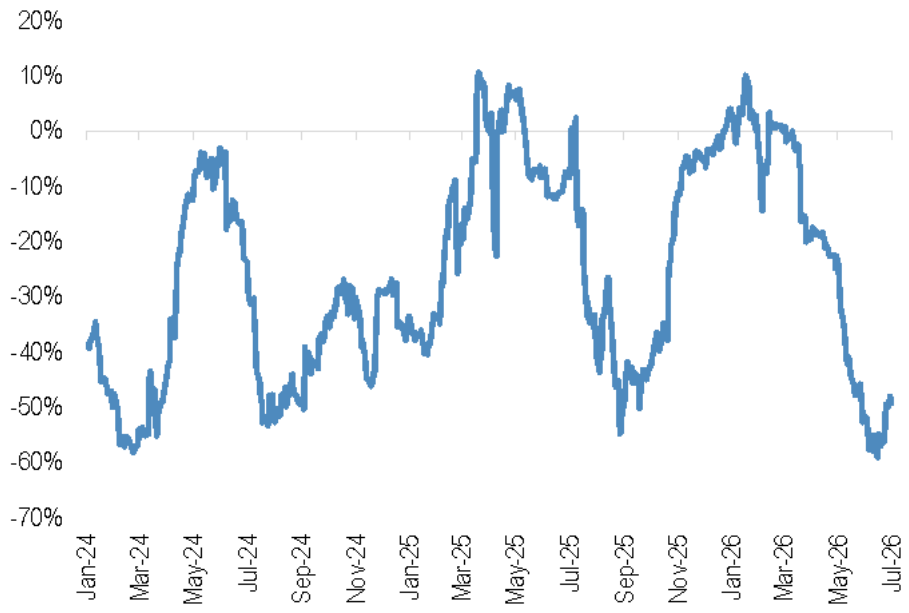


Source: Bloomberg Finance L.P., Wood Mackenzie, J.P. Morgan Commodities Research. Note: Actual loadings and Hormuz exits are 7-day moving averages. Hormuz exits are based on observed number of crossings and average Qatari cargo size, includes all exits (i.e. ballast and UAE loaded cargoes).

- For the week of June 22, Qatar Energy's operation looks broadly stable with about four LNG cargoes loaded over the week, implying a 20% utilization on a 7-DMA. Utilization estimates are based on loading data and don't reflect downstream movement as LNG transit through the Strait of Hormuz are still limited after the weekend escalation and a Qatari warning about non-commercial maritime activity. As a result, many loaded vessels seem to be waiting in the Gulf: the last LNG tanker reportedly exited the Strait on June 25, and the most recent deliveries cited were to Kuwait (June 21) and earlier to the UAE (June 14).
- If the current pace continues and the Strait stays open, Qatar is expected to return to normalized full capacity (excluding the two damaged trains) by August. This timing is broadly consistent with our existing forecast.

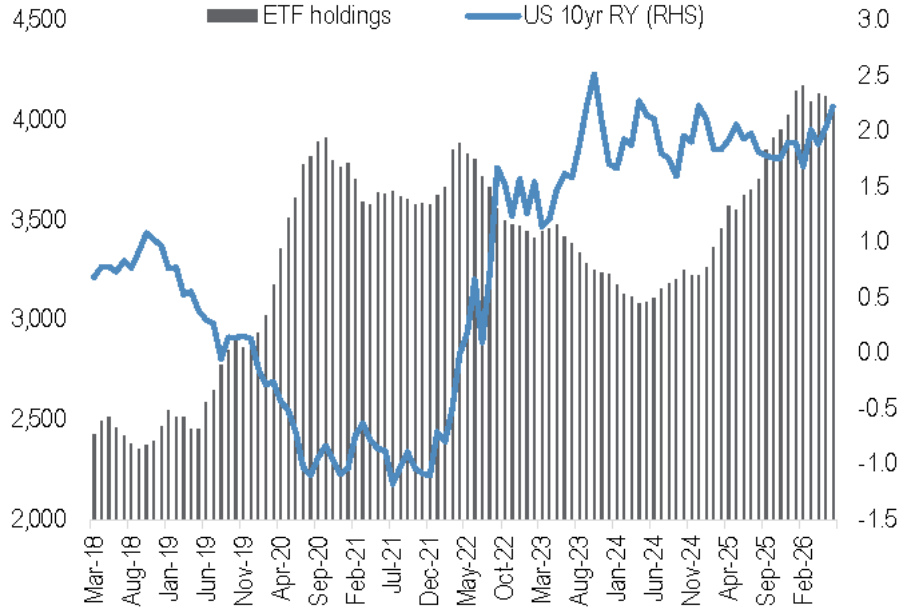
Metals Markets: Patience is a golden virtue as Fed watching now dominates again

Rolling 60-day correlation between US 10yr real yields and the gold price
Percent



Source: Bloomberg Finance L.P.

Global gold ETF holdings and US 10yr real yields
LHS: Tonnes; RHS: Percent, monthly

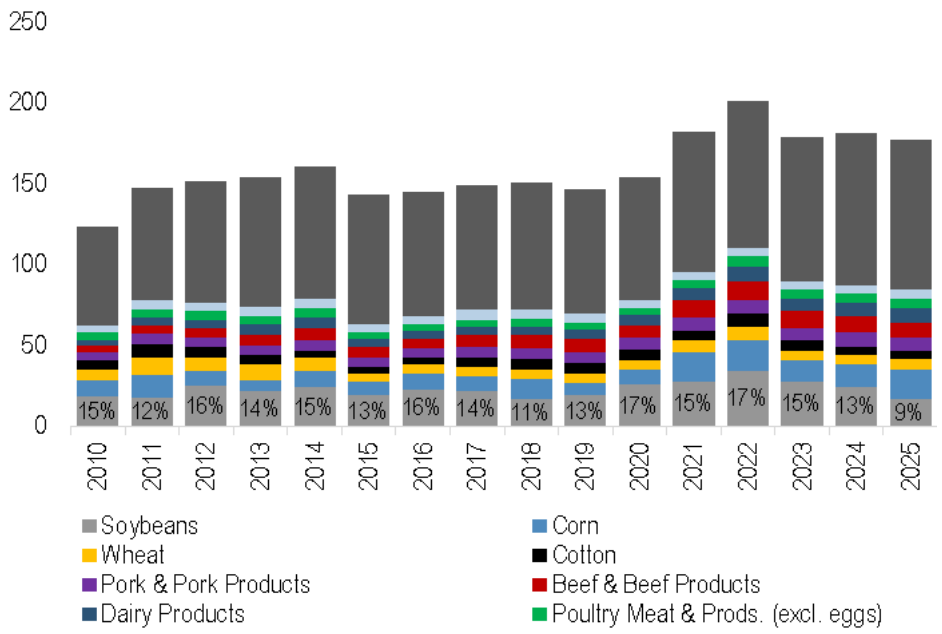


Source: World Gold Council, Bloomberg Finance L.P., J.P. Morgan Commodities Research

- Amid a drop in buying intensity from other demand sectors for now, rate-sensitive ETF flows have regained marginal pricing power in gold, cementing a re-correlation between gold prices and real yields. While we ultimately think the Fed will end up remaining more patient this year, warding off sustained further significant downside for gold from current levels and allowing for a recovery higher over 2H26, reduced demand forecasts point towards an overall more range-bound base case gold outlook in the near-term with prices averaging $4,300/oz in 3Q26 and $4,500/oz in 4Q26.
- Nonetheless, we still retain a long-term bullish outlook for gold and see further recovery in prices coming in 2027 as structural central bank and physical buying eventually re-strengthen as the long-term themes driving this accumulation haven't materially changed.

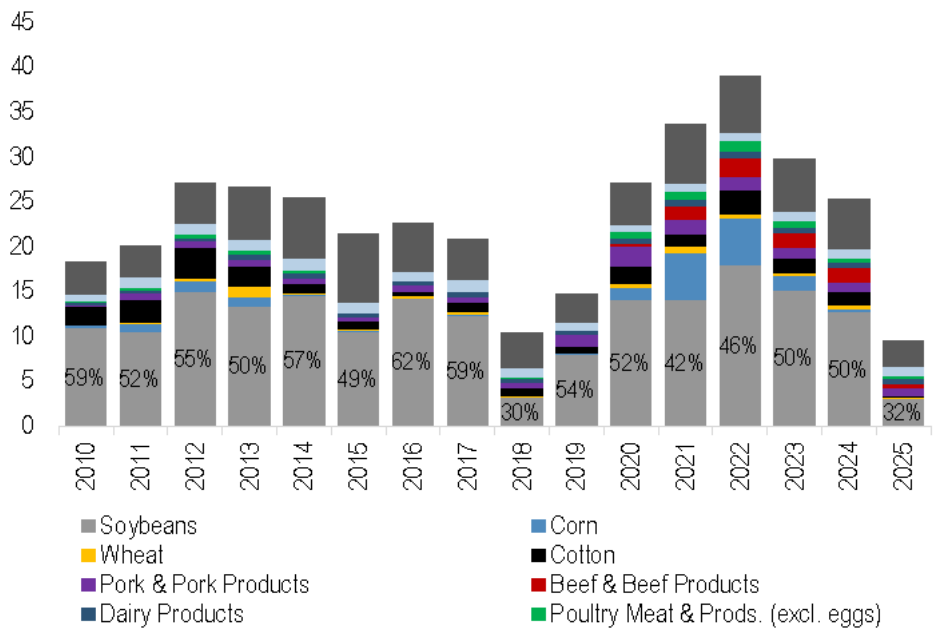
Agriculture: $17bn US-China agriculture trade deal

Total US agriculture exports
$ billion



Source: USDA, J.P. Morgan Commodities Research

US agriculture exports to China
$ billion



Source: USDA, J.P. Morgan Commodities Research

- As part of the US-China summit held on May 15-16 in Beijing, China has agreed to purchase US agricultural products of at least $17 billion per year in addition to the already agreed upon purchase commitments (announced November 1, 2025) of 25 million tonnes of soybean purchases per year in 2026-28.
- The White House fact sheet also mentioned that China renewed export licenses for more than 400 US beef facilities and added new listings. This was further corroborated by the US Meat Export Federation, which confirmed China's General Administration of Customs (GACC) officially granting a 5-year registration extension to 425 US beef plants and adding 77 additional registrations.
- Additionally, the fact sheet stated a resumption of imports of poultry from US states that are determined by USDA to be free of pathogenic avian influenza.

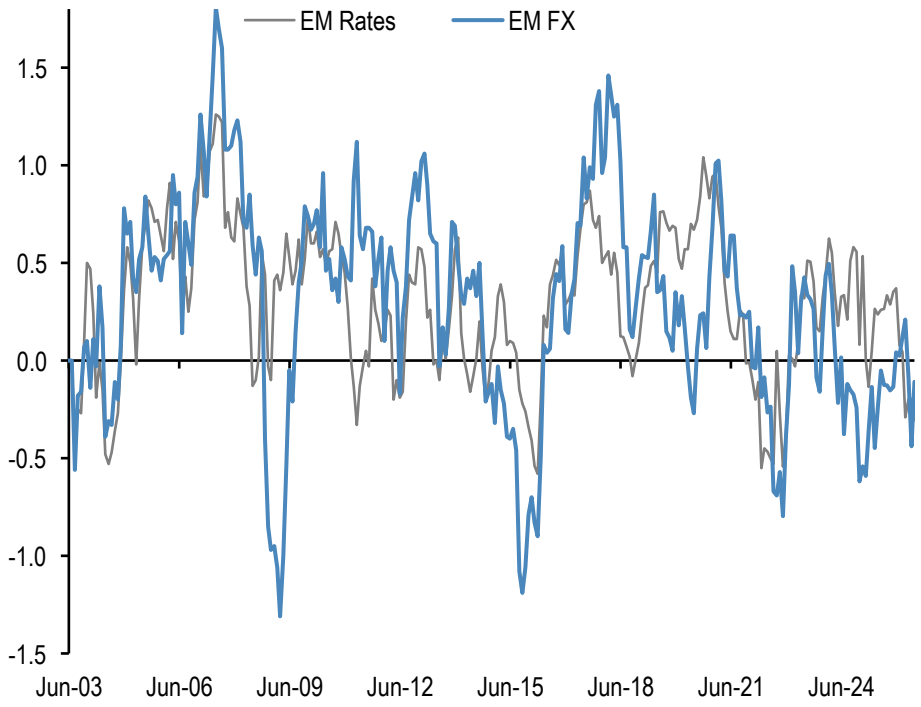
J.P.Morgan

Agenda

		Page
1	US Rates: Life, Liberty, and the pursuit of hawkishness	2
2	International rates: Carry on into the summer	10
3	Currencies: Carry plays even if USD takes a break	16
4	Commodities: Patience is a golden virtue	28
5	**Emerging Markets: Stay OW EM FX and MW Rates, EM Sovereigns & Corporate**	**33**
6	Appendix	39

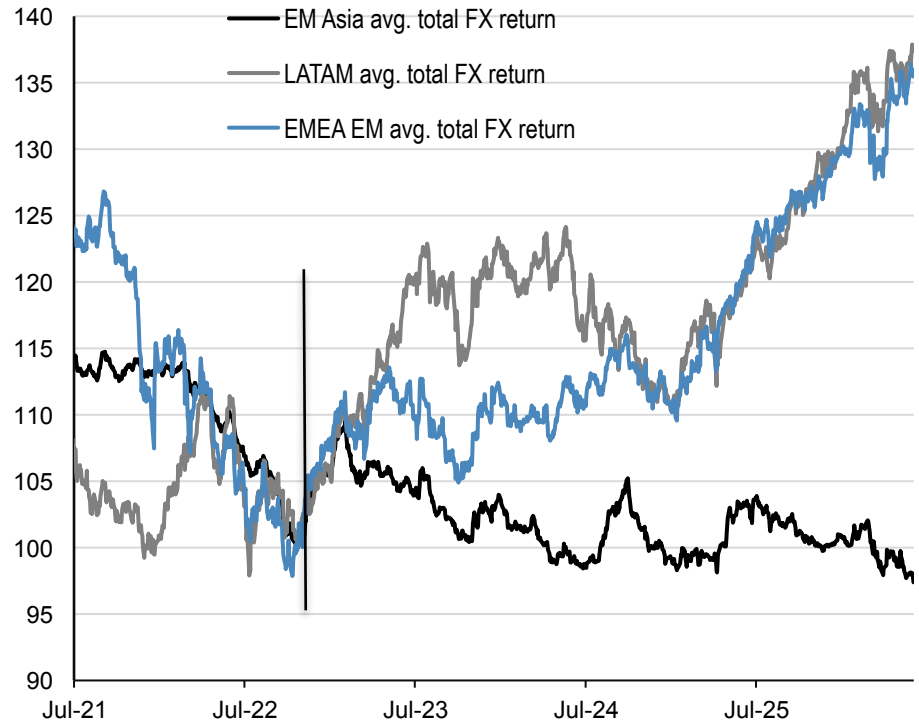
We return to an OW stance in EM FX after we squared our position to MW on April 30

1st principle component measure derived from positioning, flow, vol, skew and technical indicators



Source: J.P. Morgan, Bloomberg Finance L.P., IIF, EPFR

Divergence in regional performance remains considerable



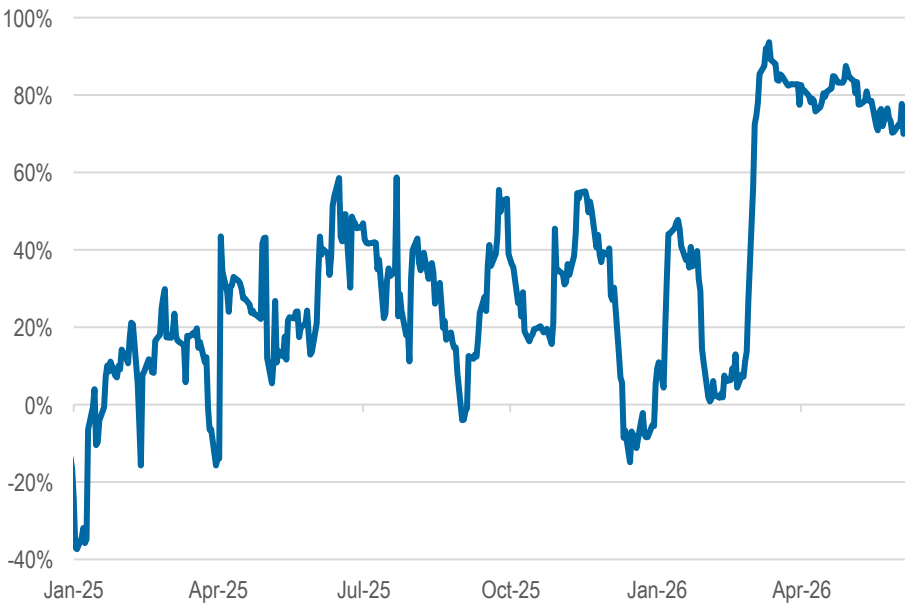
Source: J.P. Morgan, Bloomberg Finance L.P.

- **This is comprised of OWs in Latam (CLP and MXN); OWs in EMEA EM (CZK, HUF, ZAR partially hedged for EURUSD moves via a smaller UW in RSD) and UW in EM Asia (UW THB).**
- Our portfolio remains pro-carry but we also rotate into currencies where central banks are proactively turning hawkish in response to a stronger growth/inflation mix.
- **We remain UW EM Asia, where pressures from the energy shock are most prevalent and where yields are still broadly inadequate to inspire inflows.**

J.P.Morgan

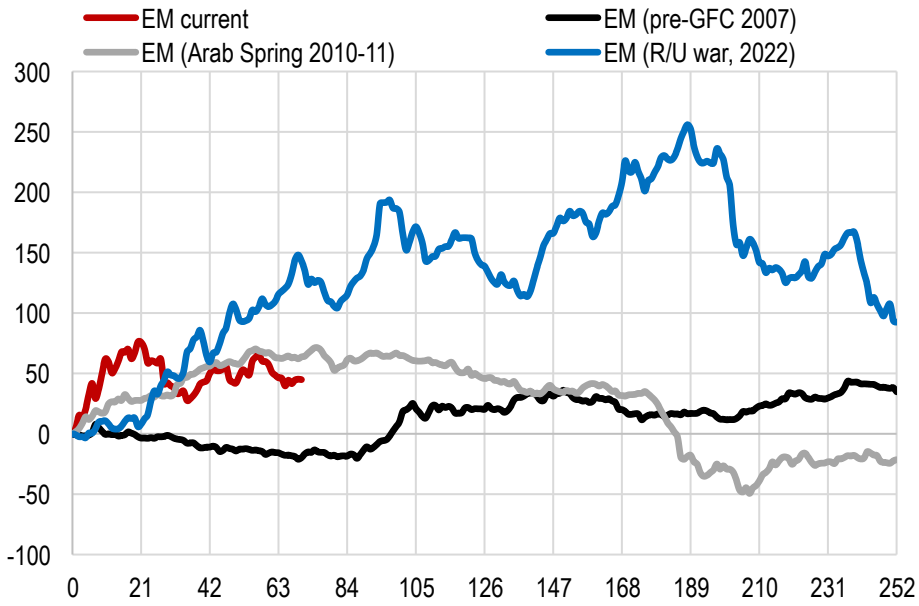
Cross-currents of still large oil volatility, upcoming tightening cycles but better levels and solid fundamentals keep us MW EM Rates

21d rolling correlation between GBI-EM GD yield and 1m fwd Brent crude oil prices, %, using daily changes



Source: J.P. Morgan, Bloomberg Finance L.P.

Left axis: simple average cumulative changes in 5y swap yields (PLN, HUF, CZK, ILS, ZAR, MXN, CLP, INR, KRW, MYR, THB, SGD) from the start of each historical episode and current episode, bp. Bottom axis: business days since start of episode



Source: J.P. Morgan, Bloomberg Finance L.P.

- Rolling correlations of GBI-EM yields to oil prices are still very elevated, albeit off the highs. Accordingly, given the potentially large range of oil price outcomes, it is hard to take a strong directional EM rates view. If oil prices fall sharply on conflict resolution, it is a rather obvious conclusion that EM rates will move sharply lower as an initial reaction.
- **Our portfolio OWs are largely idiosyncratically driven (Hungary, Colombia, Mexico), balanced by UWs in Chile, Peru and Thailand.**
- With higher-for-longer oil prices and resilient EM growth, we view EM rates through the reflationary lens into 2H26. We believe the most comparable periods for EM rates into 2H26 are pre-GFC (2005-07), post-GFC (2010-11) and post-QE (2016-19), where EM growth was recovering but inflationary pressures were not extreme and EM FX was not under pressure.

GBI-EM Model Portfolio: We remain OW EM FX and MW EM rates

GBI-EM Model Portfolio and YTD performance

GBI-EM Model Portfolio and YTD Performance

Portfolio Attribution YTD (bp)

	Bonds	FX	Total
Country positions	+47	+34	**+81**
Overlay contribution	-1	-6	**-8**
Final portfolio	**+46**	**+27**	**+73**

Portfolio Positions

	Bond CTD	Bond Weight	FX Weight
Country positions	0.075	3.02%	2.25%
Overlay position	-0.075	-1.96%	-
Final portfolio	**0.000**	**1.05%**	**2.25%**

Annualized TEV (bp)	**+51**	Annualized vol of final portfolio active positions (inc. overlays)
1-month VaR (bp)	**-26**	Portfolio excess return at the 5th percentile over 1-month period. Historical VaR is -29bp

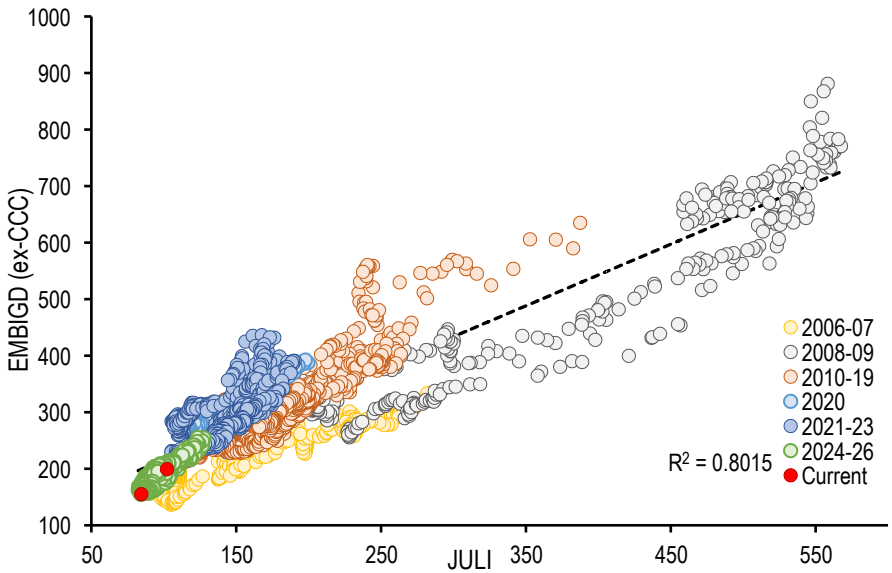
	Final positions		*Country positions*			*YTD excess returns (country positions, bp)*		
	Bond View	**FX View**	**Bond CTD**	**Bond Weight**	**FX Weight**	**Bonds**	**FX**	**Total**
GBI-EM	MW	OW	0.075	+3.02%	+2.25%	+47	+34	+81
EM Asia	UW	UW	(0.100)	-1.65%	-1.00%	-2	+8	+6
EMEA EM	OW	OW	0.150	+3.63%	+1.50%	+41	+16	+57
Latin America	MW	OW	0.025	+1.46%	+1.75%	+8	+10	+18
China	MW	MW	-	-	-	-	-	-
India	MW	MW	-	-	-	-	+0	+0
Indonesia	MW	MW	-	-	-	-	-	-
Malaysia*	MW	MW	-	-	-	-	+0	+0
Thailand	UW	UW	(0.100)	-1.65%	-1.00%	-2	+7	+5
Czech Republic	MW	OW	-	-	+0.75%	-	-2	-2
Hungary	OW	OW	0.150	+3.63%	+1.50%	+29	+16	+45
Poland	MW	MW	-	-	-	-4	-6	-10
Romania	MW	MW	-	-	-	+7	-1	+6
Turkey	MW	MW	-	-	-	-	+5	+5
Serbia	MW	UW	-	-	-1.25%	-	+2	+2
South Africa	MW	OW	-	-	+0.50%	+9	+1	+10
Brazil	MW	MW	-	-	-	-8	+0	-8
Chile	UW	OW	(0.075)	-1.48%	+0.50%	-0	+1	+0
Colombia	OW	MW	0.100	+2.38%	-	+9	-	+9
Dominican Republic	MW	MW	-	-	-	+4	+6	+10
Mexico	OW	OW	0.100	+2.07%	+1.00%	+3	+5	+7
Peru	UW	MW	(0.125)	-1.94%	-	-1	-2	-3
Uruguay	MW	MW	-	-	-	-	-	-
Paraguay	OW	OW	0.025	+0.43%	+0.25%	+1	+0	+1

*FX carry returns calculated using T-Bills (up to 3m)

Source: J.P. Morgan; YTD statistics as of 02-Jul-26 COB. *FX returns calculated using Malaysia T-bills (up to 3m).

EM credit spreads will hold tight levels and could even grind tighter unless there is a concern of a growth shock; Stay MW

In 2006-7, EM sovereigns (ex CCC) were even tighter for a wider level of JULI STW (bp)



Note: VENZ – spread chg to date: -2744, to peak sell off: -1994.
Source: J.P. Morgan.

EM corporate sensitivity to rates by region with local funding and external vulnerability assessment

	CEMBI sensitivity to rates					
	Average life	Duration	YTW	Note	Local funding	External vulnerability
Asia	5.6	3.7	5.5	Overall short duration	Low but rising rates, abundant local liquidity	Low due to strong current accounts and FX reserves
Asia IG	5.9	4.0	5.0	Short for IG	Very strong local investor support	Strong current account surplus with high ratings
Asia HY	4.5	2.9	7.6	Very short duration, high yield		Smaller surpluses and some external concerns
Latin America	7.7	4.7	6.8	Longest region	Rates on the higher side, especially Brazil. Local funding markets still in development phase	Medium risk, but commodity cycle provides some offsets
Latin America IG	9.6	6.0	5.7	Longest segment		
Latin America HY	6.4	3.9	7.8	Long for HY		
Middle East	6.3	4.2	5.8	Average	Strong local investor support, but hard currency liquidity dependent on oil exports	Low due to pegged currrencies, but geopolitics a variable
Middle East IG	6.7	4.5	5.4			
Middle East HY	5.0	3.3	7.5			
EM Europe	5.1	3.5	7.2	Short with high yield	Mixed, EUR funding an option	Mixed, watch Turkey
Africa	7.5	4.3	6.3	Average		High

Source: J.P. Morgan.

- **EM credit spreads will hold tight levels and could even grind tighter unless there is a concern of a growth shock.** EM credit spreads are historically tight, and the risks ahead seem asymmetric for marginal additional tightening vs potentially significant widening. That said, credit spread product is broadly tight across different asset classes. If we compare the EMBIGD (ex CCC) vs the historically tight levels for US IG credit, we can see back in 2006-07 period, EM sovereigns were even tighter for a wider level of JULI.
- **We believe that EM corporates should be less exposed to the negative repercussions from higher rates compared to history as well as other EM asset classes.**
- **There are three broad channels through which higher rates can affect the fundamentals of EM corporates -** direct impact on funding costs in both hard and local currency, external vulnerability concerns on a country level if there is perceived weakness in the balance of payments with currency volatility, and ultimately fears of global recession risk.

EMBIGD Model Portfolio: Remain MW

Portfolio Returns YTD	
Benchmark return	2.95%
Portfolio return	3.39%
Portfolio Performance (bp)	43
Portfolio return -12 months-	11.8%
Benchmark return -12 months-	10.7%

Portfolio Attribution YTD	
Market position return (bp):	4
Credit selection return (bp):	40
Portfolio Outperformance (bp):	43

		As of July 02, 2026			Since Initiation		YTD Changes & Returns				
Credit selection returns	**View**	**Current Position**	**Spread**	**Duration**	**Initiation Date**	**Spread Chg vs EMBIG (bp)**	**Spread Chg (bp)**	**Spread Chg vs EMBIG (bp)**	**Spread Returns (bp)**	**Carry Returns (bp)**	**Credit Returns (bp)**
Argentina	OW	1.0%	414	4.4	3-Oct-24	(741)	(146)	(130)	5	2	7
Colombia	OW	0.5%	190	6.2	8-Jun-26	(12)	(8)	(12)	1	(0)	1
Ecuador	OW	1.0%	414	5.5	25-Nov-25	(182)	(78)	(62)	5	1	6
Egypt	OW	1.0%	342	6.1	8-Apr-26	(71)	(118)	(71)	3	0	3
Saudi Arabia	OW	1.0%	89	6.2	8-May-26	4	6	4	(0)	(0)	(1)
South Africa	OW	1.0%	197	8.0	28-May-26	(6)	(7)	(6)	0	(0)	0
Brazil	UW	-0.5%	176	6.8	8-Jun-26	0	4	0	1	0	1
Indonesia	UW	-1.0%	82	7.1	29-Oct-24	115	22	38	5	1	6
Nigeria	UW	-1.0%	282	5.7	28-May-26	14	13	14	1	(0)	1
Oman	UW	-1.0%	90	5.6	8-May-26	8	9	8	1	0	1
Poland	UW	-1.0%	83	7.6	8-Apr-26	30	(17)	30	3	0	3
Uruguay	UW	-1.0%	60	9.1	18-Feb-26	(7)	(13)	(7)	(0)	1	1
Closed position return (bp):		10.3					Current Credit selection return(bp)				29

Source: J.P. Morgan

J.P.Morgan

Agenda

		Page
1	US Rates: Life, Liberty, and the pursuit of hawkishness	2
2	International rates: Carry on into the summer	10
3	Currencies: Carry plays even if USD takes a break	16
4	Commodities: Patience is a golden virtue	28
5	Emerging Markets: Stay OW EM FX and MW Rates, EM Sovereigns & Corporate	33
6	**Appendix**	**39**

Global economic outlook summary

	Real GDP			Real GDP						Consumer prices			
	% over a year ago			% over previous period, saar						% over a year ago			
	2025	2026	2027	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	4Q25	2Q26	4Q26	2Q27
United States	2.1	2.1	2.0	2.1	2.3	1.5	1.8	2.3	2.3	2.7	3.9	**3.6** ↓	**1.9** ↓
Canada	1.9	0.4	1.5	-0.1	1.0	1.4	1.4	1.7	1.7	2.2	2.6	1.8	1.3
Latin America	2.1	1.9	2.0	1.6	**3.4** ↓	1.6	1.5	1.6	2.0	3.9	4.3	4.4	**3.8** ↑
Argentina	4.4	3.2	3.2	3.0	5.5	4.0	3.0	2.8	3.4	31.8	32.8	29.4	20.5
Brazil	2.3	1.8	1.6	4.5	2.0	0.8	0.4	1.6	1.6	4.5	4.6	4.8	3.6
Chile	2.5	**1.0** ↓	**3.2** ↓	-1.1	**1.0** ↓	**5.0** ↑	3.5	**2.5** ↑	**3.0** ↑	3.4	4.0	3.8	3.4
Colombia	2.6	2.6	1.5	2.4	2.5	1.5	0.5	1.5	2.0	5.3	5.8	6.2	5.9
Ecuador	3.7	3.0	2.0	4.5	0.3	1.0	2.0	3.0	2.3	1.4	1.9	2.2	1.5
Mexico	0.5	1.2	1.7	-2.4	5.5	1.0	2.0	0.8	1.7	3.7	4.0	3.9	3.7
Peru	3.4	3.0	2.9	2.4	2.5	4.0	2.5	3.5	2.7	1.4	**4.0** ↓	**4.1** ↓	**3.2** ↑
Uruguay	1.8	1.1	1.4	3.2	0.4	0.0	1.0	1.3	0.0	4.0	3.1	4.3	5.1
Asia/Pacific	4.5	4.3	3.7	5.9	3.1	3.3	**3.5** ↑	4.0	4.0	1.2	2.0	2.4	2.0
Japan	1.1	0.7	**0.9** ↑	1.8	**0.8** ↑	1.0	**1.3** ↑	**1.0** ↑	0.7	2.7	1.5	3.1	3.5
Australia	2.0	2.0	1.8	1.1	1.6	1.5	1.9	1.5	1.7	3.6	4.3	4.2	3.6
New Zealand	0.2	2.1	2.3	3.2	1.2	3.4	1.2	4.0	1.0	3.1	3.9	3.5	2.3
EM Asia	5.2	4.9	4.2	6.7	**3.6** ↑	3.7	3.9	4.6	4.6	0.9	2.0	2.1	1.7
China	5.0	4.7	4.0	6.7	3.3	3.5	3.7	4.5	4.5	0.6	1.2	1.0	0.7
India	7.7	6.5	6.3	8.0	5.1	5.0	6.2	6.3	6.7	0.8	4.1	5.6	5.5
Ex China/India	4.0	**4.8** ↑	3.6	6.0	**3.4** ↑	**3.5** ↑	**3.3** ↑	3.8	**3.8** ↓	1.8	2.9	3.4	2.4
Hong Kong	3.6	3.4	2.9	12.2	3.0	2.8	2.8	3.0	2.8	1.3	1.6	1.7	1.6
Indonesia	5.1	4.7	4.9	5.7	3.6	3.0	2.6	6.2	6.1	2.8	2.9	3.6	2.7
Korea	1.1	3.7	2.7	7.5	2.0	4.0	3.0	2.5	2.5	2.4	3.0	3.5	2.6
Malaysia	5.2	5.0	4.3	1.7	7.0	5.0	4.5	4.0	4.0	1.4	2.0	2.1	1.8
Philippines	4.4	4.0	5.6	3.8	4.9	5.7	8.2	4.1	5.5	1.7	6.9	8.1	4.9
Singapore	5.0	4.6	2.7	3.9	5.0	2.0	2.0	3.0	3.0	1.2	1.9	2.4	1.9
Taiwan	8.8	9.9	3.7	6.9	4.5	3.2	3.2	4.0	4.0	1.3	2.1	2.2	1.7
Thailand	2.4	**2.8** ↑	2.5	2.7	**0.8** ↑	**2.8** ↑	**2.8** ↑	**2.8** ↓	**2.4** ↓	-0.5	2.8	3.9	1.4
Western Europe	1.5	0.6	1.3	-0.3	0.7	1.0	**1.4** ↑	**1.5** ↑	1.5	2.3	**2.9** ↓	**2.9** ↓	2.1
Euro area	1.5	0.4	1.3	-0.9	0.5	1.0	**1.5** ↑	**1.5** ↑	1.5	2.1	**3.0** ↓	**3.0** ↓	2.0
Germany	0.3	0.8	**1.5** ↑	1.4	0.3	1.3	**1.8** ↑	**1.8** ↑	1.8	2.3	2.7	**2.4** ↓	2.0
France	0.9	0.5	1.0	-0.4	0.0	0.5	**1.3** ↑	**1.3** ↑	**1.0** ↓	0.8	**2.4** ↓	**2.3** ↓	**1.3** ↓
Italy	0.7	0.7	**0.6** ↑	1.1	0.0	**0.5** ↑	**0.8** ↑	**0.8** ↑	**0.5** ↓	1.2	**3.0** ↓	**3.8** ↓	**1.8** ↑
Spain	2.8	**2.4** ↑	**1.8** ↑	2.5	2.0	**2.0** ↑	**2.0** ↑	**1.8** ↑	1.8	3.1	3.6	**3.6** ↑	**2.9** ↑
Norway	1.7	1.0	1.6	0.6	1.4	1.8	1.8	1.8	1.5	3.1	3.3	3.7	2.6
Sweden	1.7	2.1	2.0	-0.6	4.0	2.0	2.3	2.0	1.8	0.5	0.3	0.9	2.0
United Kingdom	**1.3** ↓	**1.1** ↓	1.2	2.5	1.0	0.8	1.0	1.6	1.2	3.4	2.8	3.0	2.7
EMEA EM	2.1	2.0	2.9	-0.6	4.2	3.3	2.8	2.7	2.5	10.6	10.4	**9.3** ↓	**7.8** ↓
Czech Republic	2.5	2.1	2.2	**0.8** ↑	2.5	2.0	2.5	2.1	2.1	2.2	**2.1** ↓	**2.0** ↓	**1.9** ↓
Hungary	0.4	1.9	2.7	3.2	1.8	1.9	2.5	3.0	3.3	3.8	1.9	**1.9** ↓	**2.8** ↓
Israel	2.9	3.6	4.2	-3.8	10.0	5.5	3.8	3.5	3.5	2.5	1.8	1.6	1.5
Poland	3.6	3.4	2.9	2.4	4.3	3.3	3.0	2.8	2.5	2.6	**2.9** ↓	**2.8** ↓	**2.9** ↓
Romania	0.7	0.0	3.0	0.0	3.4	3.6	3.2	2.8	2.4	9.7	10.6	5.4	4.4
Russia	1.0	1.0	1.9	-3.1	4.3	2.0	1.8	1.5	1.8	6.6	**5.6** ↑	**5.6** ↑	**4.9** ↑
South Africa	1.1	1.1	1.4	2.2	0.0	1.5	1.2	1.6	1.6	3.6	4.5	**4.3** ↑	**3.1** ↑
Türkiye	3.6	3.0	4.6	0.5	4.0	5.5	4.6	4.5	3.5	31.6	32.3	29.1	23.5
Global	2.8	2.5	2.5	2.7	2.4	2.1	**2.4** ↑	**2.7** ↑	2.7	2.7	3.4	**3.4** ↓	2.5
Developed markets	1.8	1.4	1.6	1.1	1.5	1.3	**1.6** ↑	**1.9** ↑	1.8	2.6	**3.3** ↓	**3.3** ↓	**2.1** ↓
Emerging markets	4.2	4.0	3.7	4.9	3.6	3.3	3.4	3.9	3.9	2.8	3.6	3.6	2.9
Emerging ex China	3.6	3.5	3.4	3.3	3.9	3.2	3.2	3.3	3.5	4.7	5.6	5.8	4.8
Global — PPP weighted	3.3	2.9	2.9	3.2	2.7	**2.5** ↑	**2.7** ↑	3.0	3.1	2.9	3.7	3.8	**2.9** ↓

Source: Government agencies and J.P. Morgan Global Economics. Details on request. Note: For some emerging economies seasonally adjusted GDP data are estimated by J.P. Morgan. Bold denotes changes from last edition of *Global Data Watch*, with arrows showing the direction of changes. Underline indicates beginning of J.P. Morgan forecasts. Unless noted, concurrent nominal GDP weights calculated with current FX rates are used in computing our global and regional aggregates. Regional CPI aggregates exclude Argentina and Ecuador. Source: J.P. Morgan. Any long-form nomenclature

J.P.Morgan

Global Central Bank Watch

	Official rate	Current rate (%pa)	4-qrtr change (bp) Last	Next	Last change	Next mtg	Forecast next change	Forecast (%pa) Sep 26	Dec 26	Mar 27	Jun 27	Sep 27
Global		3.97	-53	-13				3.97	3.96	3.91	3.85	3.84
excluding US		4.06	-39	-28				4.06	4.04	3.98	3.90	3.78
Developed		3.08	-36	16				3.16	3.19	3.19	3.19	3.24
Emerging		5.28	-78	-54				5.16	5.08	4.96	4.83	4.73
Latin America		10.02	-69	-99				9.85	9.65	9.46	9.26	9.03
EMEA EM		14.80	-413	-254				14.38	13.88	13.19	12.69	12.26
EM Asia		2.33	-5	-3				2.29	2.32	2.34	2.30	2.30
The Americas		4.53	-73	6				4.50	4.48	4.45	4.42	4.59
United States	Fed funds	3.75	-75	25	10 Dec 25 (-25bp)	29 Jul 26	Sep 27 (+25bp)	3.75	3.75	3.75	3.75	4.00
Canada	O/N rate	2.25	-50	0	29 Oct 25 (-25bp)	15 Jul 26	On hold	2.25	2.25	2.25	2.25	2.25
Brazil	SELIC O/N	14.25	-75	-250	17 Jun 26 (-25bp)	5 Aug 26	Aug 26 (-25bp)	13.75	13.25	12.75	12.25	11.75
Mexico	Repo rate	6.50	-150	0	7 May 26 (-25bp)	6 Aug 26	On hold	6.50	6.50	6.50	6.50	6.50
Chile	Disc rate	4.50	-50	75	16 Dec 25 (-25bp)	28 Jul 26	1Q27 (+25bp)	4.50	4.50	4.75	5.00	5.25
Colombia	Repo rate	**12.00**	275	-25	30 Jun 26 (+75bp)	31 Jul 26	**Jul 26 (+50bp)**	**12.50**	**12.50**	**12.50**	**12.25**	11.75
Peru	Reference	4.25	-25	100	11 Sep 25 (-25bp)	9 Jul 26	7 Oct 26 (+25bp)	4.25	4.50	4.75	5.00	5.25
Europe/Africa		5.36	-87	-58				5.41	5.34	5.18	5.03	4.78
Euro area	Depo rate	2.25	25	0	11 Jun 26 (+25bp)	23 Jul 26	Sep 26 (+25bp)	2.50	2.50	2.50	2.50	2.25
United Kingdom	Bank rate	3.75	-50	0	18 Dec 25 (-25bp)	30 Jul 26	Nov 26 (+25bp)	3.75	4.00	4.00	3.75	3.75
Norway	Dep rate	4.25	0	0	7 May 26 (+25bp)	13 Aug 26	Sep 26 (+25bp)	4.50	4.50	4.50	4.25	4.25
Sweden	Repo rate	1.75	-25	25	23 Sep 25 (-25bp)	20 Aug 26	Dec 26 (+25bp)	1.75	2.00	2.00	2.00	2.00
Czech Republic	2-wk repo	3.75	25	25	18 Jun 26 (+25bp)	6 Aug 26	Aug 26 (+25bp)	4.00	4.00	4.00	4.00	4.00
Hungary	Base rate	6.00	-50	-125	23 Jun 26 (-25bp)	21 Jul 26	Jul 26 (-25bp)	5.25	5.00	4.75	4.75	4.75
Israel	Base rate	3.75	-75	-75	25 May 26 (-25bp)	6 Jul 26	Jul 26 (-25bp)	3.25	3.00	3.00	3.00	3.00
Poland	7-day interv	3.75	-125	0	4 Mar 26 (-25bp)	8 Jul 26	On hold	3.75	3.75	3.75	3.75	3.75
Romania	Base rate	6.50	0	-50	7 Aug 24 (-25bp)	8 Jul 26	May 27 (-25bp)	6.50	6.50	6.50	6.25	6.00
Russia	Key pol rate	14.25	-575	-325	19 Jun 26 (-25bp)	24 Jul 26	Jul 26 (-25bp)	13.75	13.00	12.25	11.50	11.00
South Africa	Repo rate	7.00	-25	-50	28 May 26 (+25bp)	23 Jul 26	Jul 26 (+25bp)	7.25	7.25	7.25	7.00	6.50
Türkiye	1-wk repo	37.00	-900	-600	22 Jan 26 (-100bp)	23 Jul 26	10 Sep 26 (-100bp)	36.00	35.00	33.00	32.00	31.00
Asia/Pacific		2.28	3	3				2.25	2.31	2.33	2.32	2.31
Australia	Cash rate	4.35	50	-25	5 May 26 (+25bp)	11 Aug 26	Aug '27 (-25bp)	4.35	4.35	4.35	4.35	4.10
New Zealand	Cash rate	2.25	-100	100	26 Nov 25 (-25bp)	8 Jul 26	Jul 26 (+25bp)	2.75	3.00	3.25	3.25	3.25
Japan	O/N call rate	1.00	52	50	16 Jun 26 (+25bp)	31 Jul 26	Oct 26 (+25bp)	1.00	1.25	1.25	1.50	1.50
Hong Kong	Disc. wndw	4.00	-75	25	10 Dec 25 (-25bp)	-	Sep 27 (+25bp)	4.00	4.00	4.00	4.00	4.25
China	7-day rev repo	1.40	0	-20	7 May 25 (-10bp)	-	3Q 26 (-10bp)	1.30	1.30	1.30	1.20	1.20
Korea	Base rate	2.50	0	100	29 May 25 (-25bp)	16 Jul 26	Jul 26 (+25bp)	2.75	3.00	3.25	3.50	3.50
Indonesia	BI RRR	5.75	25	25	18 Jun 26 (+25bp)	22 Jul 26	Jul-26 (+25bp)	6.00	6.00	6.00	6.00	6.00
India	Repo rate[4]	5.25	-25	0	5 Dec 25 (-25bp)	5 Aug 26	On hold	5.25	5.25	5.25	5.25	5.25
Malaysia	O/N rate	2.75	0	25	9 Jul 25 (-25bp)	9 Jul 26	On hold	2.75	3.00	3.00	3.00	3.00
Philippines	Rev repo	4.75	-50	125	18 Jun 26 (+25bp)	27 Aug 26	Aug 26 (+25bp)	5.00	5.50	5.75	6.00	6.00
Thailand	1-day repo	1.00	-75	0	25 Feb 26 (-25bp)	26 Aug 26	On hold	1.00	1.00	1.00	1.00	1.00
Taiwan	Official disc.	2.00	0	0	21 Mar 24 (+12.5bp)	17 Sep 26	On hold	2.00	2.00	2.00	2.00	2.00

Source: J.P. Morgan.

Bold denotes move since last GDW and forecast changes. Underline denotes policy meeting during upcoming week. Aggregates are GDP-weighted averages.

Any long-form nomenclature for references to China; Hong Kong; and Taiwan within this research material is Mainland China; Hong Kong SAR (China) and Taiwan (China).

J.P.Morgan

US & International Rates forecast

		26-Jun	Sep-26	Dec-26	Mar-27	Jun-27	YTD chg. (bp)
US	Fed funds	3.50-3.75	3.50-3.75	3.50-3.75	3.50-3.75	3.50-3.75	-
	SOFR	3.64	3.60	3.60	3.60	3.65	-
	2Y bmk yield	4.10	4.15	4.20	4.20	4.30	65
	5Y bmk yield	4.15	4.40	4.45	4.50	4.50	47
	10Y bmk yield	4.40	4.65	4.70	4.75	4.75	27
	30Y bmk yield	4.88	5.10	5.15	5.15	5.15	7
	2s/10s bmk curve	30	50	50	55	45	-38
	10s/30s bmk curve	49	45	45	40	40	-20
	2s/30s bmk curve	78	95	95	95	85	-57
Euro area	Refi rate	2.40	2.65	2.65	2.65	2.65	-
	Depo rate	2.25	2.50	2.50	2.50	2.50	-
	3M Euribor	2.29	2.50	2.50	2.50	2.50	28
	2Y bmk yield	2.51	2.60	2.55	2.45	2.40	40
	5Y bmk yield	2.59	2.70	2.65	2.60	2.55	14
	10Y bmk yield	2.86	2.95	2.90	2.85	2.80	1
	30Y bmk yield	3.42	3.45	3.45	3.40	3.35	-6
	2s/10s bmk curve	34	35	35	40	40	-39
	10s/30s bmk curve	56	50	55	55	55	-6
	2s/30s bmk curve	91	85	90	95	95	-45
vs. 6s	2Y swap spread	19	20	19	18	17	5
	5Y swap spread	12	12	13	13	14	2
	10Y swap spread	4	2	4	6	7	-1
	30Y swap spread	-34	-34	-31	-29	-26	-11
10Y spread to Germany (curve adj.)	Austria	25	28	28	28	28	-3
	Belgium	57	55	58	60	55	7
	Finland	35	33	33	33	33	5
	France	78	75	80	85	75	10
	Greece	69	70	70	70	70	8
	Ireland	17	15	15	15	15	-3
	Italy	78	85	85	80	80	12
	Netherlands	12	10	10	10	10	0
	Portugal	39	38	38	38	38	9
	Spain	49	45	45	45	45	7
	EU	42	38	35	35	35	9

		26-Jun	Sep-26	Dec-26	Mar-27	Jun-27	YTD chg. (bp)
UK	Base rate	3.75	3.75	4.00	4.00	3.75	-
	2Y bmk yield	4.14	4.25	4.20	4.15	4.10	39
	5Y bmk yield	4.29	4.35	4.35	4.35	4.25	22
	10Y bmk yield	4.75	4.80	4.80	4.75	4.70	19
	30Y bmk yield	5.47	5.45	5.45	5.45	5.40	28
	2s/10s bmk curve	61	55	60	60	60	-19
	10s/30s bmk curve	72	65	65	70	70	8
	2s/30s bmk curve	133	120	125	130	130	-11
vs. SONIA	2Y swap spread	-14	-10	-12	-15	-17	11
	5Y swap spread	-23	-22	-24	-26	-26	15
	10Y swap spread	-45	-45	-47	-50	-50	11
	30Y swap spread	-69	-70	-68	-65	-65	3
Japan	Policy rate	0.75	1.00	1.25	1.25	1.50	-
	2Y bmk yield	1.41	1.45	1.50	1.50	1.60	24
	5Y bmk yield	1.88	1.95	2.00	2.00	2.05	33
	10Y bmk yield	2.61	2.95	2.95	2.95	3.05	54
	20Y bmk yield	3.51	3.85	3.85	3.85	3.95	52
	30Y bmk yield	3.79	4.10	4.10	4.10	4.10	39
	2s/10s bmk curve	120	150	145	145	145	30
	10s/30s bmk curve	119	115	115	115	105	-15
	2s/30s bmk curve	238	265	260	260	250	15
Australia	Cash rate	4.35	4.35	4.35	4.35	4.35	-
	3Y bmk yield	4.37	4.30	4.10	4.10	4.00	24
	10Y bmk yield	4.74	4.70	4.50	4.60	4.50	0
New Zealand	Cash rate	2.25	2.75	3.00	3.25	3.25	-
	2Y bmk yield	3.32	3.50	3.50	3.50	3.50	31
	10Y bmk yield	4.34	4.40	4.30	4.20	4.15	-10
Sweden	Repo rate	1.75	1.75	2.00	2.00	2.00	-
	2-year govt	2.12	2.35	2.35	2.30	2.25	3
	10-year govt	2.65	2.80	2.80	2.75	2.75	-17
Norway	Depo rate	4.25	4.50	4.50	4.50	4.25	-
	2-year govt	4.47	4.55	4.45	4.20	4.00	50
	10-year govt	4.38	4.30	4.25	4.10	4.00	29

Source: J.P. Morgan. Levels as of 1pm London time. **Newly issued benchmark change is from inception up to COB

Commodities price forecasts

J. P. Morgan commodities price forecast

Quarterly and annual averages

		1Q26A	2Q26A	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27	2026	2027
Energy											
WTI Crude	US$/bbl	73	93	81	74	67	63	56	52	80	59
Brent Crude	US$/bbl	78	97	86	80	71	67	60	56	85	63
US Natural Gas (Henry Hub)	US$/MMBtu	4.0	2.9	3.6	4.2	4.0	3.5	3.6	3.9	3.7	3.7
European Natural Gas (TTF)	EUR/MWh	40	46	55	60	60	40	40	45	50	46
UK Natural Gas (NBP)	GBp/Therm	101	115	136	152	152	98	98	114	126	116
Japan Korea Marker (JKM)	US$/MMBtu	13.2	17.9	19.1	20.8	20.8	14.5	14.5	15.7	17.8	16.4
Base Metals											
Aluminum	US$/mt	3,198	3,562	3,800	3,700	3,450	3,200	2,900	2,750	3,565	3,075
Copper	US$/mt	12,824	13,352	14,500	14,800	14,000	13,800	13,800	13,600	13,869	13,800
Nickel	US$/mt	17,338	18,090	17,000	17,250	17,500	18,000	18,000	17,500	17,419	17,750
Zinc	US$/mt	3,237	3,464	3,500	3,400	3,300	3,200	3,050	3,000	3,400	3,138
Precious Metals											
Gold	US$/t oz	4,873	4,508	4,300	4,500	4,600	4,700	4,800	5,000	4,545	4,775
Silver	US$/t oz	83.7	73.1	62.5	63.0	63.0	63.5	64.0	65.0	70.6	63.9
Platinum	US$/t oz	2,204	1,916	1,700	1,800	1,875	1,900	1,950	1,950	1,905	1,919
Palladium	US$/t oz	1,706	1,409	1,300	1,350	1,400	1,350	1,250	1,200	1,441	1,300
Agriculture											
Wheat	USc/bu	556	608	560	580	570	570	560	600	576	575
Corn	USc/bu	438	444	450	470	460	460	450	480	450	463
Soybeans	USc/bu	1,117	1,162	1,050	1,100	1,100	1,130	1,100	1,150	1,107	1,120
Sugar (ICE #11)	Usc/lb	14.6	14.2	15.5	17.0	17.0	16.5	17.0	17.5	15.3	17.0
Cotton (ICE #2)	Usc/lb	64	77	74	75	75	76	76	76	73	76
MDE-Bursa Palm Oil	MYR/tonne	4,173	4,505	4,500	4,500	4,600	4,500	4,600	4,700	4,420	4,600

Source: J.P. Morgan Commodities Research. *1Q26 and 2Q26 are realized.

Global FX forecasts (1 of 2)

Exchange rates vs. U.S dollar		Current					JPM forecast gain/loss vs March 27*			Actual change in local FX vs USD			
Majors		29-May	Jun 26	Sep 26	Dec 26	Mar 27	Spot	Forwards	Consensus**	Past 1mo	Past 3mo	YTD	Past 12mos
	EUR	1.16	1.17	1.15	1.14	1.13	-3.0%	-4.1%	-5.0%	-0.3%	-1.4%	-0.9%	2.4%
	JPY	159	158	160	164	164	-2.9%	-5.2%	-7.3%	0.7%	-2.0%	-1.6%	-9.5%
	GBP	1.34	1.34	1.31	1.28	1.30	-3.3%	-3.1%	-4.5%	-0.3%	-0.4%	-0.3%	-0.5%
	AUD	0.72	0.73	0.71	0.69	0.69	-3.8%	-3.2%	-5.5%	0.8%	0.8%	7.5%	11.3%
	CAD	1.38	1.37	1.38	1.39	1.39	-0.5%	-1.7%	-2.9%	-1.0%	-1.3%	-0.7%	-0.1%
	NZD	0.60	0.62	0.62	0.61	0.61	2.1%	1.4%	0.0%	2.5%	-0.4%	3.8%	0.1%
JPM USD index		107.1	106.7	107.1	107.4	107.5	0.4%	1.1%	1.6%	-0.2%	1.0%	-0.6%	-2.5%
DXY		99.1	98.6	100.3	101.5	101.9	2.8%	-4.0%	5.1%	0.1%	1.5%	0.8%	-0.2%
Europe, Middle East & Africa													
	CHF	0.78	0.78	0.79	0.80	0.81	-2.9%	-6.0%	-4.0%	1.2%	-1.6%	1.3%	5.2%
	ILS	2.80	2.85	2.80	2.70	2.70	3.9%	3.2%	7.4%	6.5%	11.8%	13.6%	24.4%
	SEK	9.25	9.23	9.39	9.47	9.47	-2.3%	-3.8%	-6.0%	0.7%	-2.4%	-0.5%	3.2%
	NOK	9.25	9.06	9.13	9.21	9.29	-0.4%	0.1%	-2.2%	0.9%	2.8%	9.0%	9.4%
	CZK	20.85	20.77	21.22	21.49	21.77	-4.2%	-4.6%	-6.2%	0.2%	-1.6%	-1.3%	5.2%
	PLN	3.63	3.68	3.74	3.77	3.81	-4.6%	-4.4%	-6.1%	0.5%	-1.5%	-1.1%	2.8%
	HUF	304	299	296	298	296	2.7%	3.5%	1.2%	2.9%	4.8%	7.5%	16.7%
	TRY	45.89	46.60	49.00	51.40	53.70	-14.5%	14.0%	-2.5%	-1.7%	-4.2%	-6.4%	-14.8%
	ZAR	16.23	16.40	16.40	16.00	16.00	1.4%	4.0%	1.7%	3.7%	-1.8%	2.0%	9.7%
Americas	ARS	1410	1450	1500	1550	1600	-11.9%	7.0%	5.3%	-1.3%	-0.8%	3.0%	-16.0%
	BRL	5.04	5.05	5.10	5.20	5.15	-2.0%	5.0%	2.1%	-1.0%	1.6%	8.5%	12.3%
	CLP	890	880	875	870	865	2.8%	2.8%	0.6%	2.1%	-1.9%	1.2%	5.1%
	COP	3640	3750	3850	3900	3900	-6.7%	0.7%	-3.7%	-0.5%	3.1%	3.8%	13.2%
	MXN	17.35	17.40	17.35	17.30	17.30	0.3%	2.8%	2.3%	1.1%	-0.7%	3.8%	11.4%
	PEN	3.41	3.55	3.60	3.60	3.60	-5.2%	-3.8%	-7.2%	3.2%	-1.8%	-1.5%	6.1%

Source: J.P. Morgan
* Positive indicates JPM more bullish on local currency than spot, consensus or forward rates.
** Bloomberg FX Consensus Forecasts compares 4Q'26

J.P.Morgan

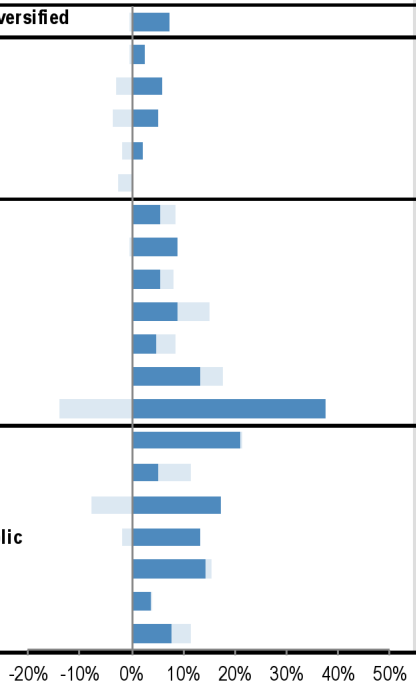
Global FX forecasts (2 of 2)

Exchange rates vs. U.S dollar		Current					JPM forecast gain/loss vs March 27*			Actual change in local FX vs USD			
Majors		15-May	Jun 26	Sep 26	Dec 26	Mar 27	Spot	Forwards	Consensus**	Past 1mo	Past 3mo	YTD	Past 12mos
Asia	CNY	6.77	6.80	6.75	6.70	6.70	1.0%	-1.4%	0.6%	1.1%	1.4%	3.3%	6.2%
	HKD	7.84	7.82	7.83	7.83	7.83	0.1%	-0.8%	-0.4%	0.0%	-0.2%	-0.7%	0.1%
	IDR	17874	17200	17300	17300	17300	3.3%	5.3%	-0.9%	-3.3%	-6.2%	-6.6%	-8.9%
	INR	95.00	93.50	95.00	96.60	97.00	-2.1%	1.1%	-2.8%	-0.2%	-4.2%	-5.4%	-10.0%
	KRW	1507	1440	1430	1430	1430	5.4%	4.6%	1.0%	-1.2%	-4.5%	-4.5%	-9.0%
	MYR	3.96	3.90	3.85	3.80	3.75	5.7%	5.0%	3.7%	-0.3%	-1.8%	2.4%	7.0%
	PHP	61.60	60.50	60.00	60.00	60.00	2.7%	4.0%	0.3%	0.0%	-6.4%	-4.5%	-9.5%
	SGD	1.28	1.27	1.26	1.25	1.25	2.2%	0.0%	0.8%	0.3%	-0.9%	0.7%	0.8%
	TWD	31.36	31.50	31.40	31.40	31.40	-0.1%	0.7%	-0.6%	0.7%	-0.4%	0.2%	-4.6%
	THB	32.54	32.00	31.90	31.80	31.70	2.7%	1.1%	1.3%	0.5%	-4.5%	-3.2%	0.7%
EMCI		47.3	45.8	45.6	45.4	45.3	-4.1%	0.1%	-2.2%	0.3%	-0.8%	1.9%	3.8%
Exchange rates vs Euro										Actual change in local FX vs EUR			
	JPY	185	185	184	187	185	0.1%	-1.1%	-2.4%	0.9%	-0.6%	-0.8%	-11.6%
	GBP	0.87	0.87	0.88	0.89	0.87	-0.3%	1.0%	0.6%	-0.1%	1.1%	0.5%	-2.9%
	CHF	0.91	0.91	0.91	0.91	0.91	0.1%	-2.0%	1.1%	1.5%	-0.2%	2.2%	2.7%
	SEK	10.78	10.80	10.80	10.80	10.70	0.7%	0.3%	-1.0%	1.0%	-1.0%	0.4%	0.8%
	NOK	10.78	10.60	10.50	10.50	10.50	2.6%	4.4%	3.0%	1.2%	4.3%	9.9%	6.9%
	CZK	24.28	24.30	24.40	24.50	24.60	-1.3%	-0.5%	-1.2%	0.4%	-0.2%	-0.4%	2.6%
	PLN	4.23	4.30	4.30	4.30	4.30	-1.7%	-0.3%	-1.2%	0.7%	-0.1%	-0.3%	0.4%
	HUF	354	350	340	340	335	5.8%	7.9%	6.6%	3.2%	6.3%	8.5%	13.9%
	RON	5.25	5.30	5.35	5.40	5.40	-2.7%	-0.1%	-3.0%	-2.8%	-3.0%	-3.1%	-3.8%
	TRY	53.48	54.52	56.35	58.60	60.68	-11.9%	18.9%	2.7%	-1.4%	-2.9%	-5.5%	-16.7%
	BRL	5.87	5.91	5.87	5.93	5.82	0.9%	9.5%	7.6%	-0.7%	3.1%	9.9%	9.7%
	MXN	20.20	20.36	19.95	19.72	19.55	3.3%	7.2%	7.7%	1.4%	0.7%	4.7%	8.8%

↑ indicates a revision resulting in a stronger currency forecast, ↓ indicates a revision resulting in a weaker currency forecast. Source: J.P.Morgan

* Positive indicates JPM more bullish on local currency than spot, consensus or forward rates. ** Bloomberg FX Consensus Forecasts compares 1Q'27

GBI-EM Global Diversified Return Forecast



	Total Return			Yield			Carry and Duration Rt			FX Spot vs. USD			FX Spot Return vs. USD		
	2H26F	1H27	By 1H27	Current	2H26F	1H27F	2H26F	1H27	By 1H27	Current	2H26F	1H27F	2H26F	1H27	By 1H27
GBI-EM Global Diversified	4.2%	3.1%	7.4%	6.24%	6.18%	6.10%	5.1%	2.3%	7.5%				-0.9%	0.8%	-0.1%
China	7.7%	-5.0%	2.3%	1.80%	1.75%	1.70%	3.0%	-0.5%	2.5%	6.78	6.85	6.85	4.5%	-4.5%	-0.2%
India	-2.6%	5.1%	2.4%	7.15%	7.30%	7.40%	4.0%	1.6%	5.7%	94.94	89.00	89.50	-6.4%	3.5%	-3.1%
Indonesia	-9.3%	11.7%	1.3%	6.91%	7.15%	7.30%	0.6%	4.5%	5.1%	18015	17000	17100	-9.9%	6.9%	-3.7%
Malaysia	3.4%	-2.8%	0.5%	3.77%	3.90%	4.00%	2.0%	0.4%	2.4%	4.02	4.00	4.00	1.3%	-3.2%	-1.9%
Thailand	-8.1%	6.0%	-2.6%	2.31%	2.55%	2.70%	-2.8%	2.9%	-0.0%	32.63	32.50	33.50	-5.5%	3.0%	-2.6%
Czech Republic	2.7%	5.7%	8.5%	4.60%	4.50%	4.50%	3.6%	1.7%	5.4%	20.93	21.79	21.21	-0.9%	3.8%	2.9%
Hungary	15.1%	-5.5%	8.7%	5.45%	5.05%	4.80%	12.8%	-3.4%	8.9%	307.89	330.36	318.97	2.0%	-2.1%	-0.1%
Poland	0.4%	7.8%	8.2%	5.25%	5.25%	5.25%	2.6%	2.9%	5.6%	3.67	3.79	3.66	-2.1%	4.7%	2.4%
Romania	6.9%	8.3%	15.8%	6.70%	6.50%	6.30%	7.4%	1.3%	8.8%	4.54	4.57	4.48	-0.5%	6.9%	6.4%
Serbia	2.7%	5.9%	8.7%	5.17%	5.30%	5.30%	3.2%	1.6%	4.9%	101.51	104.91	101.29	-0.5%	4.2%	3.7%
South Africa	10.0%	7.6%	18.4%	9.02%	9.00%	8.50%	6.2%	6.7%	13.3%	16.46	15.70	15.70	3.6%	0.9%	4.5%
Turkey	1.6%	16.4%	18.2%	35.51%	35.50%	35.50%	21.5%	13.3%	37.7%	46.08	48.00	53.50	-16.4%	2.7%	-14.2%
Brazil	21.4%	-0.2%	21.1%	14.79%	13.50%	13.00%	14.5%	5.8%	21.1%	5.15	5.35	5.40	6.0%	-5.6%	0.0%
Chile	9.5%	2.1%	11.8%	5.47%	5.40%	5.60%	4.9%	0.2%	5.1%	915	840	830	4.5%	1.8%	6.4%
Colombia	11.5%	-3.1%	8.0%	12.56%	12.50%	11.75%	14.7%	2.2%	17.3%	3591	3800	3800	-2.8%	-5.3%	-7.9%
Dominican Republic	13.4%	-2.0%	11.1%	9.92%	9.75%	9.50%	7.8%	5.0%	13.2%	58.40	63.50	63.50	5.2%	-6.7%	-1.8%
Mexico	15.3%	0.2%	15.5%	9.10%	8.75%	8.25%	10.4%	3.5%	14.3%	17.50	17.40	17.30	4.4%	-3.1%	1.1%
Peru	-3.9%	8.4%	4.1%	6.08%	6.25%	6.50%	2.3%	1.3%	3.6%	3.47	3.30	3.25	-6.0%	7.0%	0.5%
Uruguay	6.9%	4.4%	11.6%	7.44%	7.50%	7.50%	7.7%	-0.1%	7.6%	40.45	38.50	38.00	-0.7%	4.4%	3.7%

Source: J.P. Morgan; Using current index weights for forward projections. As of 05-June-26 COB.

J.P.Morgan

Disclosures

Analyst Certification: The Research Analyst(s) denoted by an "AC" on the cover of this report certifies (or, where multiple Research Analysts are primarily responsible for this report, the Research Analyst denoted by an "AC" on the cover or within the document individually certifies, with respect to each security or issuer that the Research Analyst covers in this research) that: (1) all of the views expressed in this report accurately reflect the Research Analyst's personal views about any and all of the subject securities or issuers; and (2) no part of any of the Research Analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this report. For all Korea-based Research Analysts listed on the front cover, if applicable, they also certify, as per KOFIA requirements, that the Research Analyst's analysis was made in good faith and that the views reflect the Research Analyst's own opinion, without undue influence or intervention.

All authors named within this report are Research Analysts who produce independent research unless otherwise specified. In Europe, Sector Specialists (Sales and Trading) may be shown on this report as contacts but are not authors of the report or part of the Research Department.

Important Disclosures

Company-Specific Disclosures: Important disclosures, including price charts and credit opinion history tables (if applicable), are available for compendium reports and all J.P. Morgan–covered companies, and certain non-covered companies, by visiting https://www.jpmm.com/research/disclosures, calling 1-800-477-0406, or e-mailing research.disclosure.inquiries@jpmorgan.com with your request.

Company-Specific Disclosures: J.P. Morgan does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. Important disclosures, including price charts and credit opinion history tables (if applicable), are available for compendium reports and all J.P. Morgan–covered companies, and certain non-covered companies, by visiting https://www.jpmm.com/research/disclosures, calling 1-800-477-0406, or e-mailing research.disclosure.inquiries@jpmorgan.com with your request.

History of Investment Recommendations:
A history of J.P. Morgan investment recommendations disseminated during the preceding 12 months can be accessed on the Research & Commentary page of http://www.jpmorganmarkets.com where you can also search by analyst name, sector or financial instrument.

Explanation of Emerging Markets Sovereign Research Ratings System and Valuation & Methodology:
Ratings System: J.P. Morgan uses the following issuer portfolio weightings for Emerging Markets Sovereign Research: Overweight (over the next three months, the recommended risk position is expected to outperform the relevant index, sector, or benchmark credit returns); Marketweight (over the next three months, the recommended risk position is expected to perform in line with the relevant index, sector, or benchmark credit returns); and Underweight (over the next three months, the recommended risk position is expected to underperform the relevant index, sector, or benchmark credit returns). NR is Not Rated. In this case, J.P. Morgan has removed the rating for this security because of either legal, regulatory or policy reasons or because of lack of a sufficient fundamental basis. The previous rating no longer should be relied upon. An NR designation is not a recommendation or a rating. NC is Not Covered. An NC designation is not a rating or a recommendation. Recommendations will be at the issuer level, and an issuer recommendation applies to all of the index-eligible bonds at the same level for the issuer. When we change the issuer-level rating, we are changing the rating for all of the issues covered, unless otherwise specified. Ratings for quasi-sovereign issuers in the EMBIG may differ from the ratings provided in EM corporate coverage.

Valuation & Methodology: For J.P. Morgan's Emerging Markets Sovereign Research, we assign a rating to each sovereign issuer (Overweight, Marketweight or Underweight)

based on our view of whether the combination of the issuer's fundamentals, market technicals, and the relative value of its securities will cause it to outperform, perform in line with, or underperform the credit returns of the EMBIGD index over the next three months. Our view of an issuer's fundamentals includes our opinion of whether the issuer is becoming more or less able to service its debt obligations when they become due and payable, as well as whether its willingness to service debt obligations is increasing or decreasing.

J.P. Morgan Emerging Markets Sovereign Research Ratings Distribution, as of July 4, 2026

	Overweight (buy)	**Marketweight** (hold)	**Underweight** (sell)
Emerging Markets Sovereign Research Universe*	9%	84%	7%
IB clients**	100%	84%	100%

*Please note that the percentages may not add to 100% because of rounding.
**Percentage of subject issuers within each of the "Overweight, "Marketweight" and "Underweight" categories for which J.P. Morgan has provided investment banking services within the previous 12 months.
For purposes of FINRA ratings distribution rules only, our Overweight rating falls into a buy rating category; our Marketweight rating falls into a hold rating category; and our Underweight rating falls into a sell rating category. The Emerging Markets Sovereign Research Rating Distribution is at the issuer level. Issuers with an NR or an NC designation are not included in the table above. This information is current as of the end of the most recent calendar quarter.

Explanation of Credit Research Valuation Methodology, Ratings and Risk to Ratings:
J.P. Morgan uses a bond-level rating system that incorporates valuations (relative value) and our fundamental view on the security. Our fundamental credit view of an issuer is based on the company's underlying credit trends, overall creditworthiness and our opinion on whether the issuer will be able to service its debt obligations when they become due and payable. We analyze, among other things, the company's cash flow capacity and trends and standard credit ratios, such as gross and net leverage, interest coverage and liquidity ratios. We also analyze profitability, capitalization and asset quality, among other variables, when assessing financials. Analysts also rate the issuer, based on the rating of the benchmark or representative security. Unless we specify a different recommendation for the company's individual securities, an issuer recommendation applies to all of the bonds at the same level of the issuer's capital structure. We may also rate certain loans and preferred securities, as applicable. This report also sets out within it the material underlying assumptions used.

We use the following ratings for bonds (issues), issuers, loans, and preferred securities: Overweight (over the next three months, the recommended risk position is expected to outperform the relevant index, sector, or benchmark); Neutral (over the next three months, the recommended risk position is expected to perform in line with the relevant index, sector, or benchmark); and Underweight (over the next three months, the recommended risk position is expected to underperform the relevant index, sector, or benchmark).

For CDS, we use the following rating system: Long Risk (over the next three months, the credit return on the recommended position is expected to exceed the relevant index, sector or benchmark); Neutral (over the next three months, the credit return on the recommended position is expected to match the relevant index, sector or benchmark); and Short Risk (over the next three months, the credit return on the recommended position is expected to underperform the relevant index, sector or benchmark).

Disclosures

J.P. Morgan Credit Research Ratings Distribution, as of July 04, 2026

	Overweight (buy)	Neutral (hold)	Underweight (sell)
Global Credit Research Universe*	26%	58%	16%
IB clients**	84%	84%	89%

*Please note that the percentages may not add to 100% because of rounding.
**Percentage of subject companies within each of the "Overweight," "Neutral" and "Underweight" categories for which J.P. Morgan has provided investment banking services within the previous 12 months.
For purposes of FINRA ratings distribution rules only, our Overweight rating falls into a buy rating category; our Neutral rating falls into a hold rating category; and our Underweight rating falls into a sell rating category. The Credit Research Rating Distribution is at the issuer level. Issuers with an NR or an NC designation are not included in the table above. This information is current as of the end of the most recent calendar quarter.

Analysts' Compensation: The research analysts responsible for the preparation of this report receive compensation based upon various factors, including the quality and accuracy of research, client feedback, competitive factors, and overall firm revenues.

Registration of non-US Analysts: Unless otherwise noted, the non-US analysts listed on the front of this report are employees of non-US affiliates of J.P. Morgan Securities LLC, may not be registered as research analysts under FINRA rules, may not be associated persons of J.P. Morgan Securities LLC, and may not be subject to FINRA Rule 2241 or 2242 restrictions on communications with covered companies, public appearances, and trading securities held by a research analyst account.

Other Disclosures

J.P. Morgan is a marketing name for investment banking businesses of JPMorgan Chase & Co. and its subsidiaries and affiliates worldwide.

UK MIFID FICC research unbundling exemption: UK clients should refer to UK MIFID Research Unbundling exemption for details of J.P. Morgan's implementation of the FICC research exemption and guidance on relevant FICC research categorisation.

Any long form nomenclature for references to China; Hong Kong; Taiwan; and Macau within this research material are Mainland China; Hong Kong SAR (China); Taiwan (China); and Macau SAR (China).

J.P. Morgan Research may, from time to time, write on issuers or securities targeted by economic or financial sanctions imposed or administered by the governmental authorities of the U.S., EU, UK or other relevant jurisdictions (Sanctioned Securities). Nothing in this report is intended to be read or construed as encouraging, facilitating, promoting or otherwise approving investment or dealing in such Sanctioned Securities. Clients should be aware of their own legal and compliance obligations when making investment decisions.

Any digital or crypto assets discussed in this research report are subject to a rapidly changing regulatory landscape. For relevant regulatory advisories on crypto assets, including bitcoin and ether, please see https://www.jpmorgan.com/disclosures/cryptoasset-disclosure.

Disclosures

The author(s) of this research report may not be licensed to carry on regulated activities in your jurisdiction and, if not licensed, do not hold themselves out as being able to do so.

Exchange-Traded Funds (ETFs): J.P. Morgan Securities LLC ("JPMS") acts as authorized participant for substantially all U.S.-listed ETFs. To the extent that any ETFs are mentioned in this report, JPMS may earn commissions and transaction-based compensation in connection with the distribution of those ETF shares and may earn fees for performing other trade-related services, such as securities lending to short sellers of the ETF shares. JPMS may also perform services for the ETFs themselves, including acting as a broker or dealer to the ETFs. In addition, affiliates of JPMS may perform services for the ETFs, including trust, custodial, administration, lending, index calculation and/or maintenance and other services.

Options and Futures related research: If the information contained herein regards options- or futures-related research, such information is available only to persons who have received the proper options or futures risk disclosure documents. Please contact your J.P. Morgan Representative or visit https://www.theocc.com/components/docs/riskstoc.pdf for a copy of the Option Clearing Corporation's Characteristics and Risks of Standardized Options or https://www.finra.org/sites/default/files/2020-08/Security_Futures_Risk_Disclosure_Statement_2020.pdf for a copy of the Security Futures Risk Disclosure Statement.

Changes to Interbank Offered Rates (IBORs) and other benchmark rates: Certain interest rate benchmarks are, or may in the future become, subject to ongoing international, national and other regulatory guidance, reform and proposals for reform. For more information, please consult: https://www.jpmorgan.com/global/disclosures/interbank_offered_rates

Private Bank Clients: Where you are receiving research as a client of the private banking businesses offered by JPMorgan Chase & Co. and its subsidiaries ("J.P. Morgan Private Bank"), research is provided to you by J.P. Morgan Private Bank and not by any other division of J.P. Morgan, including, but not limited to, the J.P. Morgan Corporate and Investment Bank and its Global Research division.

Legal entity responsible for the production and distribution of research: The legal entity identified below the name of the Reg AC Research Analyst who authored this material is the legal entity responsible for the production of this research. Where multiple Reg AC Research Analysts authored this material with different legal entities identified below their names, these legal entities are jointly responsible for the production of this research. Where more than one legal entity is listed under an analyst's name, the first legal entity is responsible for the production unless stated otherwise. Research Analysts from various J.P. Morgan affiliates may have contributed to the production of this material but may not be licensed to carry out regulated activities in your jurisdiction (and do not hold themselves out as being able to do so). Unless otherwise stated below in the legal entity disclosures, this material has been distributed by the legal entity responsible for production, or where more than one legal entity is listed under the analyst's name, the first legal entity will be responsible for distribution. If you have any queries, please contact the relevant Research Analyst in your jurisdiction or the entity in your jurisdiction that has distributed this research material.

Legal Entities Disclosures and Country-/Region-Specific Disclosures:
Argentina: JPMorgan Chase Bank N.A Sucursal Buenos Aires is regulated by Banco Central de la República Argentina ("BCRA"- Central Bank of Argentina) and Comisión Nacional de Valores ("CNV"- Argentinian Securities Commission - ALYC y AN Integral N°51).
Australia: J.P. Morgan Securities Australia Limited ("JPMSAL") (ABN 61 003 245 234/AFS Licence No: 238066) is regulated by the Australian Securities and Investments Commission and is a Market Participant of ASX Limited, a Clearing and Settlement Participant of ASX Clear Pty Limited and a Clearing Participant of ASX Clear (Futures) Pty Limited. This material is issued and distributed in Australia by or on behalf of JPMSAL only to "wholesale clients" (as defined in section 761G of the Corporations Act 2001). A list of all financial products covered can be found by visiting https://www.jpmm.com/research/disclosures. J.P. Morgan seeks to cover companies of relevance to the domestic and international investor base across all Global Industry Classification Standard (GICS) sectors, as well as across a range of market capitalisation sizes. If applicable, in the course of conducting public side due diligence on the subject company(ies), the Research Analyst team may at times perform such diligence through corporate engagements such as site visits, discussions with company representatives, management presentations, etc. Research issued by JPMSAL has been prepared in accordance with J.P. Morgan Australia's Research Independence Policy which can be found at the following link: J.P. Morgan Australia - Research Independence Policy.

Disclosures

Brazil: Banco J.P. Morgan S.A. is regulated by the Comissao de Valores Mobiliarios (CVM) and by the Central Bank of Brazil. Ombudsman J.P. Morgan: 0800-7700847 / 0800-7700810 (For Hearing Impaired) / ouvidoria.jp.morgan@jpmchase.com.
Canada: J.P. Morgan Securities Canada Inc. is a registered investment dealer, regulated by the Canadian Investment Regulatory Organization and the Ontario Securities Commission and is the participating member on Canadian exchanges. This material is distributed in Canada by or on behalf of J.P.Morgan Securities Canada Inc.
Chile: Inversiones J.P. Morgan Limitada is an unregulated entity incorporated in Chile.
China: J.P. Morgan Securities (China) Company Limited has been approved by CSRC to conduct the securities investment consultancy business.
Colombia: Banco J.P. Morgan Colombia S.A. is supervised by the Superintendencia Financiera de Colombia (SFC). Any reference in this material to products or services offered abroad by entities other than the Bank in Colombia is included exclusively for descriptive purposes. Such references do not constitute, and should not be construed as, promotional activity or the provision of financial products or services within Colombian territory, as defined under applicable Colombian regulation.
Dubai International Financial Centre (DIFC): JPMorgan Chase Bank, N.A., Dubai Branch is regulated by the Dubai Financial Services Authority (DFSA) and its registered address is Dubai International Financial Centre - The Gate, West Wing, Level 3 and 9 PO Box 506551, Dubai, UAE. This material has been distributed by JP Morgan Chase Bank, N.A., Dubai Branch to persons regarded as professional clients or market counterparties as defined under the DFSA rules.
European Economic Area (EEA): Unless specified to the contrary, research is distributed in the EEA by J.P. Morgan SE ("JPM SE"), which is authorised as a credit institution by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and jointly supervised by the BaFin, the German Central Bank (Deutsche Bundesbank) and the European Central Bank (ECB). JPM SE is a company headquartered in Frankfurt with registered address at TaunusTurm, Taunustor 1, Frankfurt am Main, 60310, Germany. The material has been distributed in the EEA to persons regarded as professional investors (or equivalent) pursuant to Art. 4 para. 1 no. 10 and Annex II of MiFID II and its respective implementation in their home jurisdictions ("EEA professional investors"). This material must not be acted on or relied on by persons who are not EEA professional investors. Any investment or investment activity to which this material relates is only available to EEA relevant persons and will be engaged in only with EEA relevant persons.
Hong Kong: J.P. Morgan Securities (Asia Pacific) Limited (CE number AAJ321) is regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission in Hong Kong, and J.P. Morgan Broking (Hong Kong) Limited (CE number AAB027) is regulated by the Securities and Futures Commission in Hong Kong. JP Morgan Chase Bank, N.A., Hong Kong Branch (CE Number AAL996) is regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission, is organized under the laws of the United States with limited liability. Where the distribution of this material is a regulated activity in Hong Kong, the material is distributed in Hong Kong by or through J.P. Morgan Securities (Asia Pacific) Limited and/or J.P. Morgan Broking (Hong Kong) Limited.
India: J.P. Morgan India Private Limited (Corporate Identity Number - U67120MH1992FTC068724), having its registered office at J.P. Morgan Tower, Off. C.S.T. Road, Kalina, Santacruz - East, Mumbai – 400098, is registered with the Securities and Exchange Board of India (SEBI) as a 'Research Analyst' having registration number INH000001873. J.P. Morgan India Private Limited is also registered with SEBI as a member of the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited (SEBI Registration Number – INZ000239730) and as a Merchant Banker (SEBI Registration Number - MB/INM000002970). Telephone: 91-22-6157 3000, Facsimile: 91-22-6157 3990 and Website: http://www.jpmipl.com. JPMorgan Chase Bank, N.A. - Mumbai Branch is licensed by the Reserve Bank of India (RBI) (Licence No. 53/ Licence No. BY.4/94; SEBI - IN/CUS/014/ CDSL : IN-DP-CDSL-444-2008/ IN-DP-NSDL-285-2008/ INBI00000984/ INE231311239) as a Scheduled Commercial Bank in India, which is its primary license allowing it to carry on Banking business in India and other activities, which a Bank branch in India are permitted to undertake. For non-local research material, this material is not distributed in India by J.P. Morgan India Private Limited. Compliance Officer: Ashutosh Sharma; ashutosh.j.sharma@jpmchase.com; +912261575002. Grievance Officer: Ramprasadh K, jpmipl.research.feedback@jpmorgan.com; +912261573000. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. Please visit Terms and Conditions and Most Important Terms and Conditions (MITC). The annual Compliance audit report is available at http://www.jpmipl.com/#research.
Indonesia: PT J.P. Morgan Sekuritas Indonesia is a member of the Indonesia Stock Exchange and is registered and supervised by the Otoritas Jasa Keuangan (OJK).
Korea: J.P. Morgan Securities (Far East) Limited, Seoul Branch, is a member of the Korea Exchange (KRX). JPMorgan Chase Bank, N.A., Seoul Branch, is licensed as a branch office of foreign bank (JPMorgan Chase Bank, N.A.) in Korea. Both entities are regulated by the Financial Services Commission (FSC) and the Financial Supervisory Service (FSS). For non-macro research material, the material is distributed in Korea by or through J.P. Morgan Securities (Far East) Limited, Seoul Branch.
Japan: JPMorgan Securities Japan Co., Ltd. and JPMorgan Chase Bank, N.A., Tokyo Branch are regulated by the Financial Services Agency in Japan.
Malaysia: This material is issued and distributed in Malaysia by JPMorgan Securities (Malaysia) Sdn Bhd (18146-X), which is a Participating Organization of Bursa Malaysia Berhad and holds a Capital Markets Services License issued by the Securities Commission in Malaysia.

Disclosures

Mexico: J.P. Morgan Casa de Bolsa, S.A. de C.V., J.P. Morgan Grupo Financiero is member of the Mexican Stock Exchange ("Bolsa Mexicana de Valores") and the Institutional Stock Exchange ("Bolsa Institucional de Valores"), and it is authorized to act as a broker dealer by the National Banking and Securities Exchange Commission ("Comisión Nacional Bancaria y de Valores").
New Zealand: This material is issued and distributed by JPMSAL in New Zealand only to "wholesale clients" (as defined in the Financial Markets Conduct Act 2013). JPMSAL is registered as a Financial Service Provider under the Financial Service providers (Registration and Dispute Resolution) Act of 2008.
Philippines: J.P. Morgan Securities Philippines Inc. is a Trading Participant of the Philippine Stock Exchange and a member of the Securities Clearing Corporation of the Philippines and the Securities Investor Protection Fund. It is regulated by the Securities and Exchange Commission.
Singapore: This material is issued and distributed in Singapore by or through J.P. Morgan Securities Singapore Private Limited (JPMSS) [MDDI (P) 057/08/2025 and Co. Reg. No.: 199405335R], which is a member of the Singapore Exchange Securities Trading Limited, and/or JPMorgan Chase Bank, N.A., Singapore branch (JPMCB Singapore), both of which are regulated by the Monetary Authority of Singapore. This material is issued and distributed in Singapore only to accredited investors, expert investors and institutional investors, as defined in Section 4A of the Securities and Futures Act, Cap. 289 (SFA). This material is not intended to be issued or distributed to any retail investors or any other investors that do not fall into the classes of "accredited investors," "expert investors" or "institutional investors," as defined under Section 4A of the SFA. Recipients of this material in Singapore are to contact JPMSS or JPMCB Singapore in respect of any matters arising from, or in connection with, the material.
South Africa: J.P. Morgan Equities South Africa Proprietary Limited and JPMorgan Chase Bank, N.A., Johannesburg Branch are members of the Johannesburg Securities Exchange and are regulated by the Financial Services Conduct Authority (FSCA).
Taiwan: J.P. Morgan Securities (Taiwan) Limited is a participant of the Taiwan Stock Exchange (company-type) and regulated by the Taiwan Securities and Futures Bureau. Material relating to equity securities is issued and distributed in Taiwan by J.P. Morgan Securities (Taiwan) Limited, subject to the license scope and the applicable laws and the regulations in Taiwan. **To the extent that J.P. Morgan Securities (Taiwan) Limited produces research materials on securities not listed on the Taiwan Stock Exchange or Taipei Exchange ("Non-Taiwan Listed Securities"), these materials shall not constitute securities recommendations for the purpose of applicable Taiwan regulations, and, for the avoidance of doubt, J.P. Morgan Securities (Taiwan) Limited does not act as broker for Non-Taiwan Listed Securities.** According to Paragraph 2, Article 7-1 of Operational Regulations Governing Securities Firms Recommending Trades in Securities to Customers (as amended or supplemented) and/or other applicable laws or regulations, please note that the recipient of this material is not permitted to engage in any activities in connection with the material that may give rise to conflicts of interests, unless otherwise disclosed in the "Important Disclosures" in this material.
Thailand: This material is issued and distributed in Thailand by JPMorgan Securities (Thailand) Ltd., which is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. The registered address is 548 One City Center Building, 50th Floor, Ploenchit Road, Lumphini, Pathum Wan, Bangkok 10330.
UK: Research is produced in the UK by J.P. Morgan Securities plc ("JPMS plc") which is a member of the London Stock Exchange and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority or J.P. Morgan Markets Limited ("JPMML Ltd") which is authorised and regulated by the Financial Conduct Authority. Unless specified to the contrary, this material is distributed in the UK by JPMS plc and is directed in the UK only to: (a) persons having professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) (Order) 2005 ("the FPO"); (b) persons outlined in article 49 of the FPO (high net worth companies, unincorporated associations or partnerships, the trustees of high value trusts, etc.); or (c) any persons to whom this communication may otherwise lawfully be made; all such persons being referred to as "UK relevant persons". This material must not be acted on or relied on by persons who are not UK relevant persons. Any investment or investment activity to which this material relates is only available to UK relevant persons and will be engaged in only with UK relevant persons. A description of J.P. Morgan EMEA's policy for prevention and avoidance of conflicts of interest related to the production of Research can be found at the following link: J.P. Morgan EMEA - Research Independence Policy.
U.S.: J.P. Morgan Securities LLC ("JPMS") is a member of the NYSE, FINRA, SIPC, and the NFA. JPMorgan Chase Bank, N.A. is a member of the FDIC. Material published by non-U.S. affiliates is distributed in the U.S. by JPMS who accepts responsibility for its content.

General: Additional information is available upon request. The information in this material has been obtained from sources believed to be reliable. While all reasonable care has been taken to ensure that the facts stated in this material are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable, JPMorgan Chase & Co. or its affiliates and/or subsidiaries (collectively J.P. Morgan) make no representations or warranties whatsoever to the completeness or accuracy of the material provided, except with respect to any disclosures relative to J.P. Morgan and the Research Analyst's involvement with the issuer that is the subject of the material. Accordingly, no reliance should be placed on the accuracy, fairness or completeness of the information contained in this material. There may be certain discrepancies with data and/or limited content in this material as a result of calculations, adjustments, translations to different languages, and/or local regulatory restrictions, as applicable. These discrepancies should not impact the overall investment analysis, views and/or recommendations of the subject company(ies) that may be discussed in the material. Artificial intelligence tools may have been used in the preparation of this material, including assisting in data analysis, pattern recognition, and content drafting for research material. J.P. Morgan accepts no liability whatsoever for

any loss arising from any use of this material or its contents, and neither J.P. Morgan nor any of its respective directors, officers or employees, shall be in any way responsible for the contents hereof, apart from the liabilities and responsibilities that may be imposed on them by the relevant regulatory authority in the jurisdiction in question, or the regulatory regime thereunder. Opinions, forecasts or projections contained in this material represent J.P. Morgan's current opinions or judgment as of the date of the material only and are therefore subject to change without notice. Periodic updates may be provided on companies/industries based on company-specific developments or announcements, market conditions or any other publicly available information. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or projections, which represent only one possible outcome. Furthermore, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions that have not been verified, and future actual results or events could differ materially. The value of, or income from, any investments referred to in this material may fluctuate and/or be affected by changes in exchange rates. All pricing is indicative as of the close of market for the securities discussed, unless otherwise stated. Past performance is not indicative of future results. Accordingly, investors may receive back less than originally invested. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The opinions and recommendations herein do not take into account individual client circumstances, objectives, or needs and are not intended as recommendations of particular securities, financial instruments or strategies to particular clients. This material may include views on structured securities, options, futures and other derivatives. These are complex instruments, may involve a high degree of risk and may be appropriate investments only for sophisticated investors who are capable of understanding and assuming the risks involved. The recipients of this material must make their own independent decisions regarding any securities or financial instruments mentioned herein and should seek advice from such independent financial, legal, tax or other adviser as they deem necessary. J.P. Morgan may trade as a principal on the basis of the Research Analysts' views and research, and it may also engage in transactions for its own account or for its clients' accounts in a manner inconsistent with the views taken in this material, and J.P. Morgan is under no obligation to ensure that such other communication is brought to the attention of any recipient of this material. Others within J.P. Morgan, including Strategists, Sales staff and other Research Analysts, may take views that are inconsistent with those taken in this material. Employees of J.P. Morgan not involved in the preparation of this material may have investments in the securities (or derivatives of such securities) mentioned in this material and may trade them in ways different from those discussed in this material. This material is not an advertisement for or marketing of any issuer, its products or services, or its securities in any jurisdiction.

Confidentiality and Security Notice: This transmission may contain information that is privileged, confidential, legally privileged, and/or exempt from disclosure under applicable law. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or use of the information contained herein (including any reliance thereon) is STRICTLY PROHIBITED. Although this transmission and any attachments are believed to be free of any virus or other defect that might affect any computer system into which it is received and opened, it is the responsibility of the recipient to ensure that it is virus free and no responsibility is accepted by JPMorgan Chase & Co., its subsidiaries and affiliates, as applicable, for any loss or damage arising in any way from its use. If you received this transmission in error, please immediately contact the sender and destroy the material in its entirety, whether in electronic or hard copy format. This message is subject to electronic monitoring: https://www.jpmorgan.com/disclosures/email

MSCI: Certain information herein ("Information") is reproduced by permission of MSCI Inc., its affiliates and information providers ("MSCI") ©2026. No reproduction or dissemination of the Information is permitted without an appropriate license. MSCI MAKES NO EXPRESS OR IMPLIED WARRANTIES (INCLUDING MERCHANTABILITY OR FITNESS) AS TO THE INFORMATION AND DISCLAIMS ALL LIABILITY TO THE EXTENT PERMITTED BY LAW. No Information constitutes investment advice, except for any applicable Information from MSCI ESG Research. Subject also to msci.com/disclaimer

Sustainalytics: Certain information, data, analyses and opinions contained herein are reproduced by permission of Sustainalytics and: (1) includes the proprietary information of Sustainalytics; (2) may not be copied or redistributed except as specifically authorized; (3) do not constitute investment advice nor an endorsement of any product or project; (4) are provided solely for informational purposes; and (5) are not warranted to be complete, accurate or timely. Sustainalytics is not responsible for any trading decisions, damages or other losses related to it or its use. The use of the data is subject to conditions available at https://www.sustainalytics.com/legal-disclaimers. ©2026 Sustainalytics. All Rights Reserved.

"Other Disclosures" last revised July 04, 2026.

Copyright 2026 JPMorgan Chase & Co. All rights reserved. This material or any portion hereof may not be reprinted, sold or redistributed without the written consent of J.P. Morgan. It is strictly prohibited to use or share without prior written consent from J.P. Morgan any research material received from J.P. Morgan or an authorized third-party ("J.P. Morgan Data") in any third-party artificial intelligence ("AI") systems or models when such J.P. Morgan Data is accessible by a third-party.