



Chart Pack for ECB FXCG Meeting

Spring 2026

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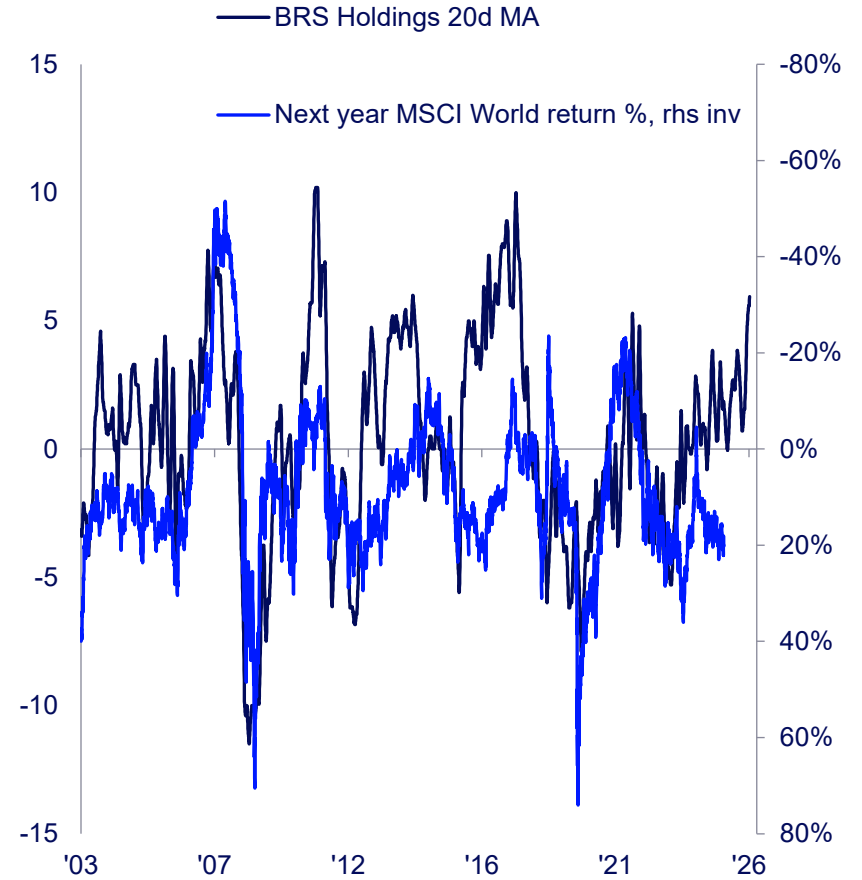
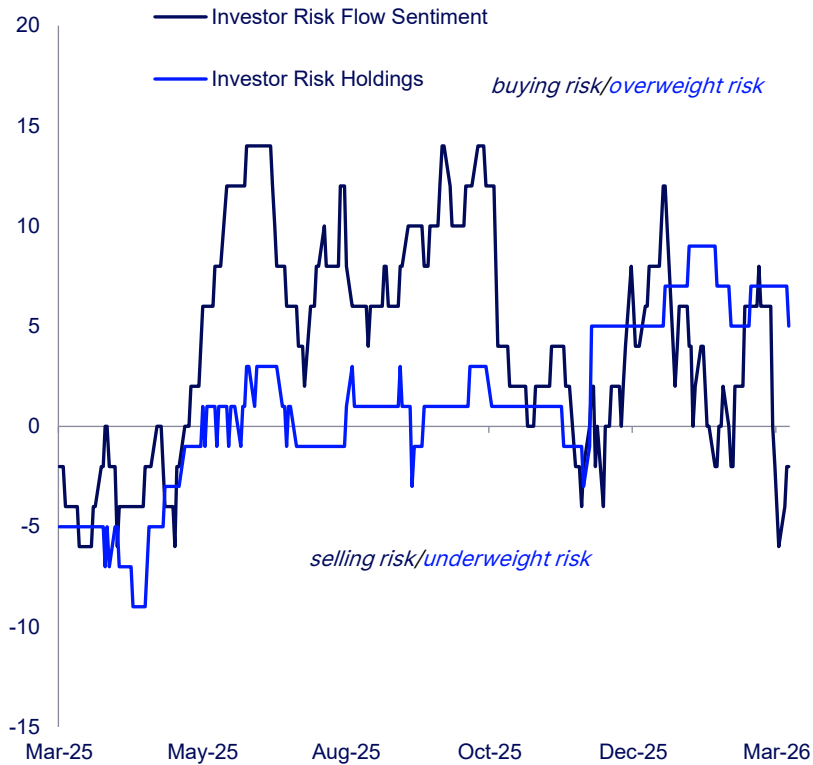


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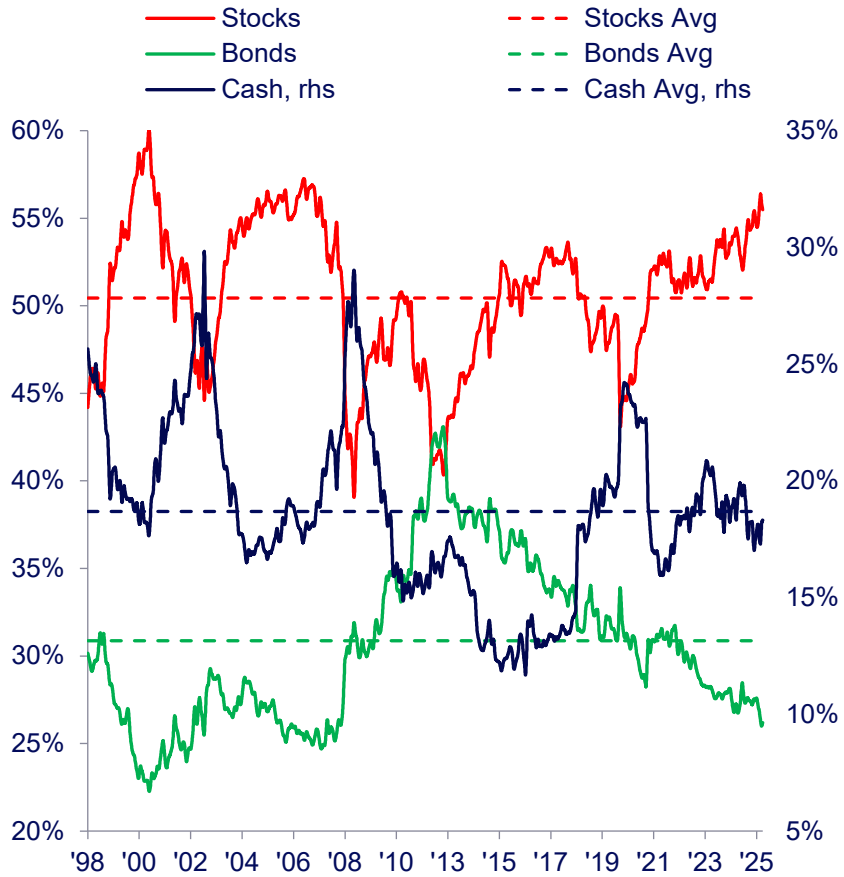
Stay wary of de-grossing

Daily behaviour less positive



Source: State Street Markets, Bloomberg

Asset Allocation – High EQ allocation



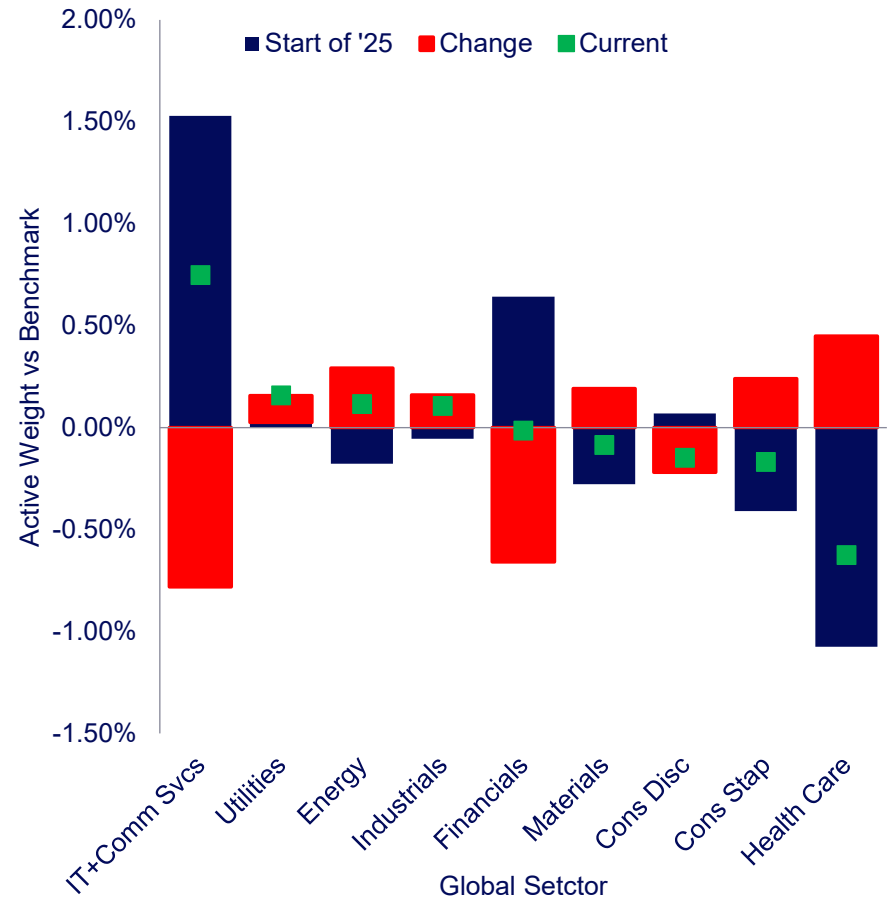
Source: State Street Markets

Equity market risk is heavily concentrated in Tech – but rotating

US is still the favourite market



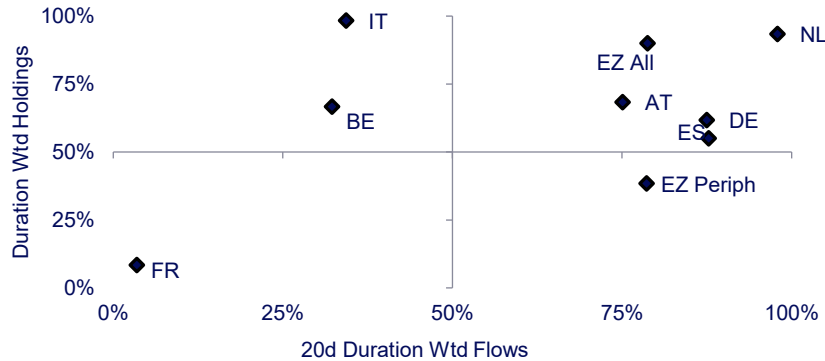
Tech is the only game in town



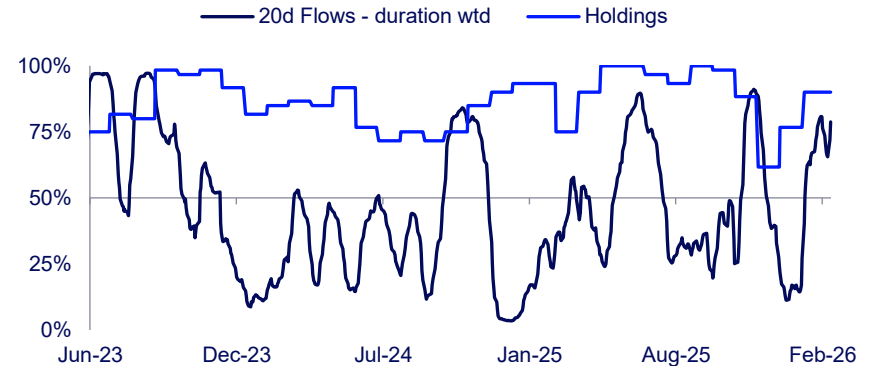
Source: State Street Markets, Bloomberg; updated on 9 March 2026

Investor behaviour in Eurozone assets and the EUR

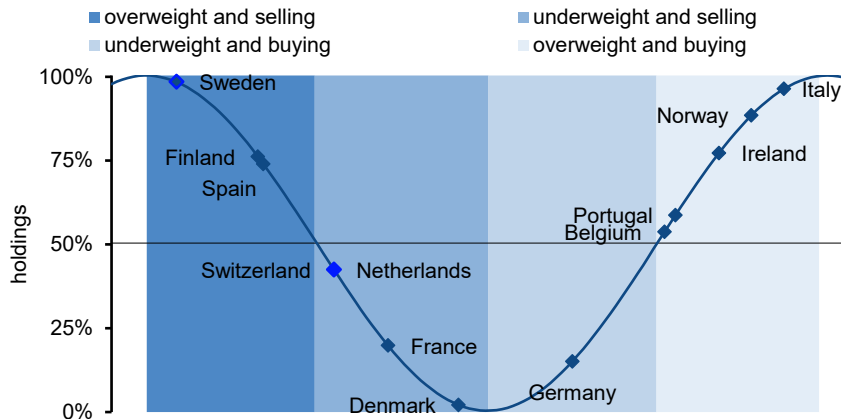
Sovereign Bond Flows and Holdings – crowded, mixed flows



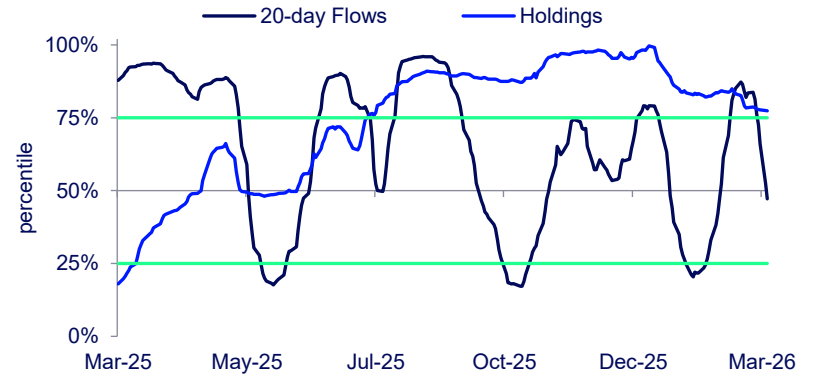
Investors have high EGB holdings, more inclined to sell



Equities – FR, DE underheld, IT crowded but buying; ES crowded and selling



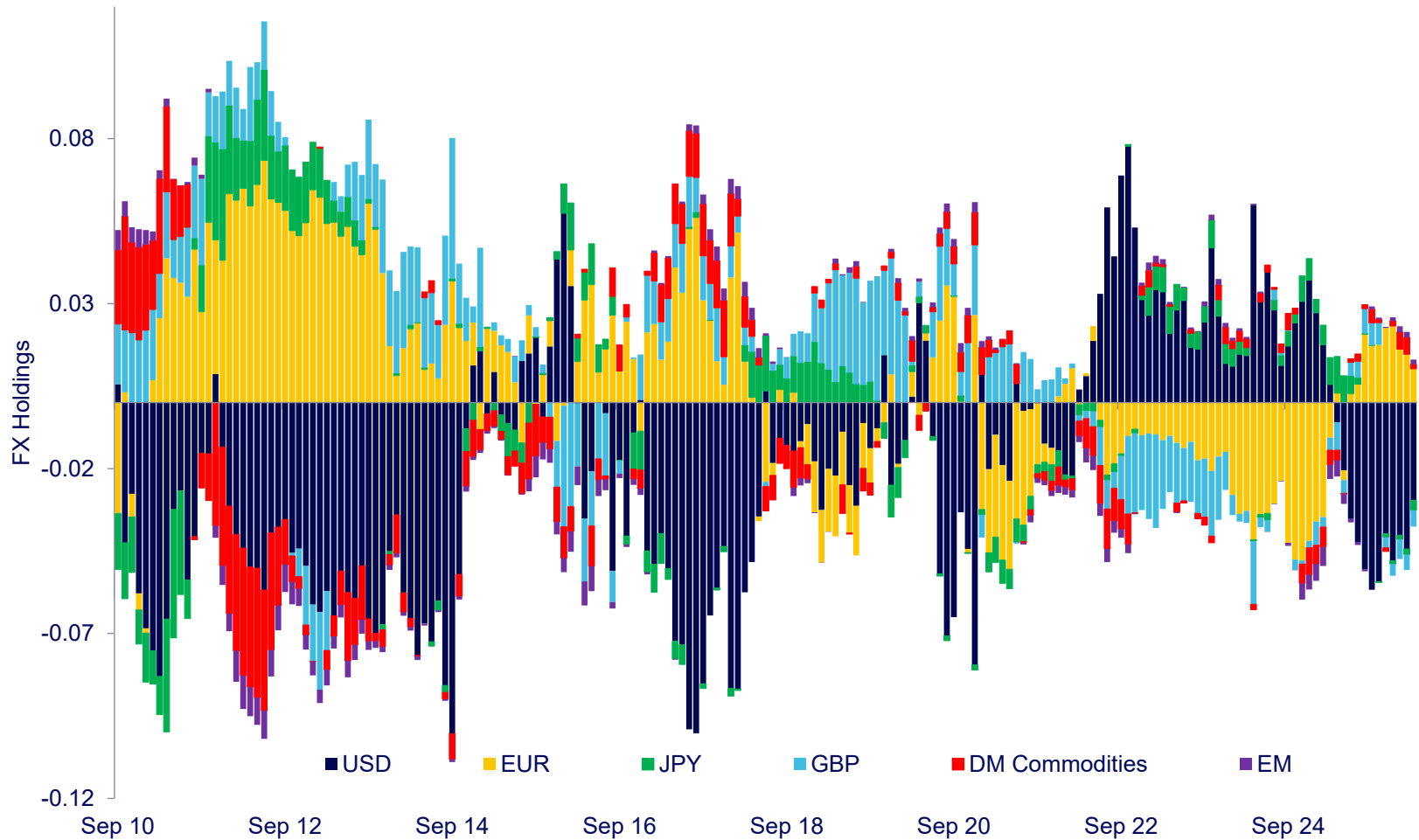
EUR – sizeable overweight and selling (vs USD mainly)



Source: State Street Markets, data as of 11 March 2026

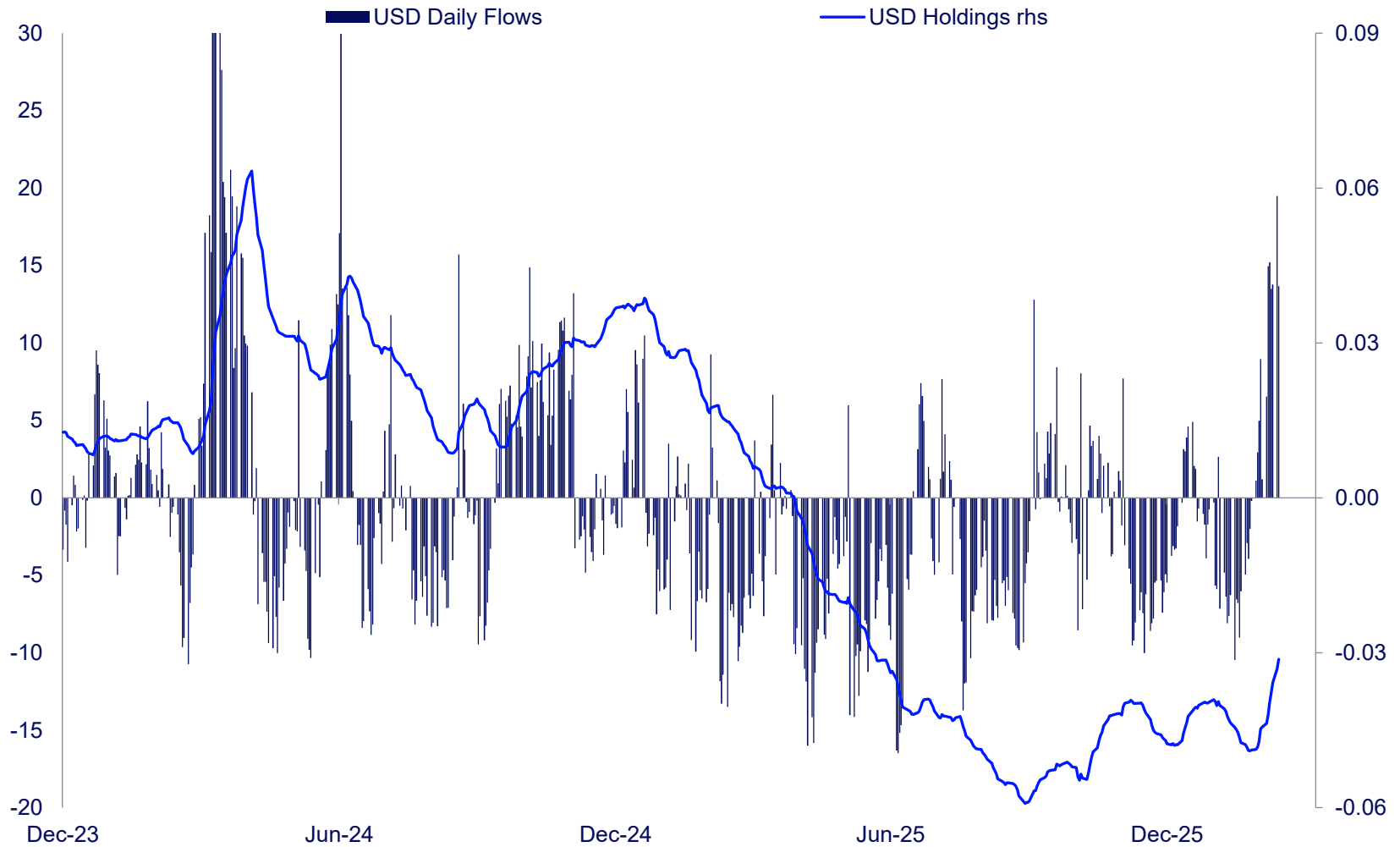
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USD – the big underweight is closing



Source: State Street Markets

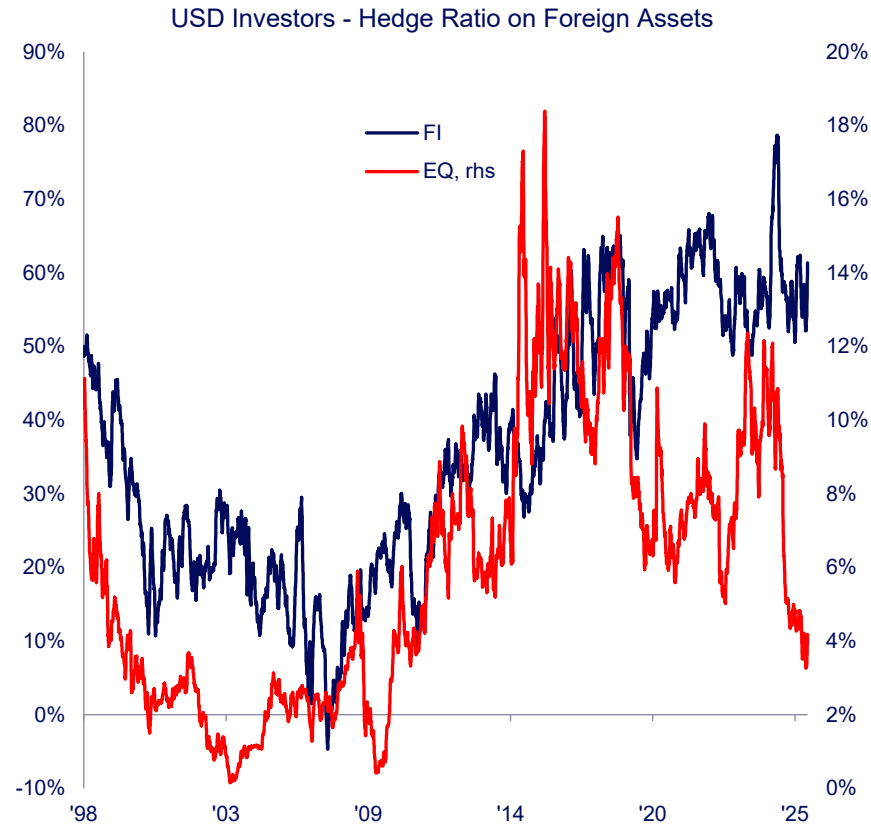
A resurgence of dollar buying



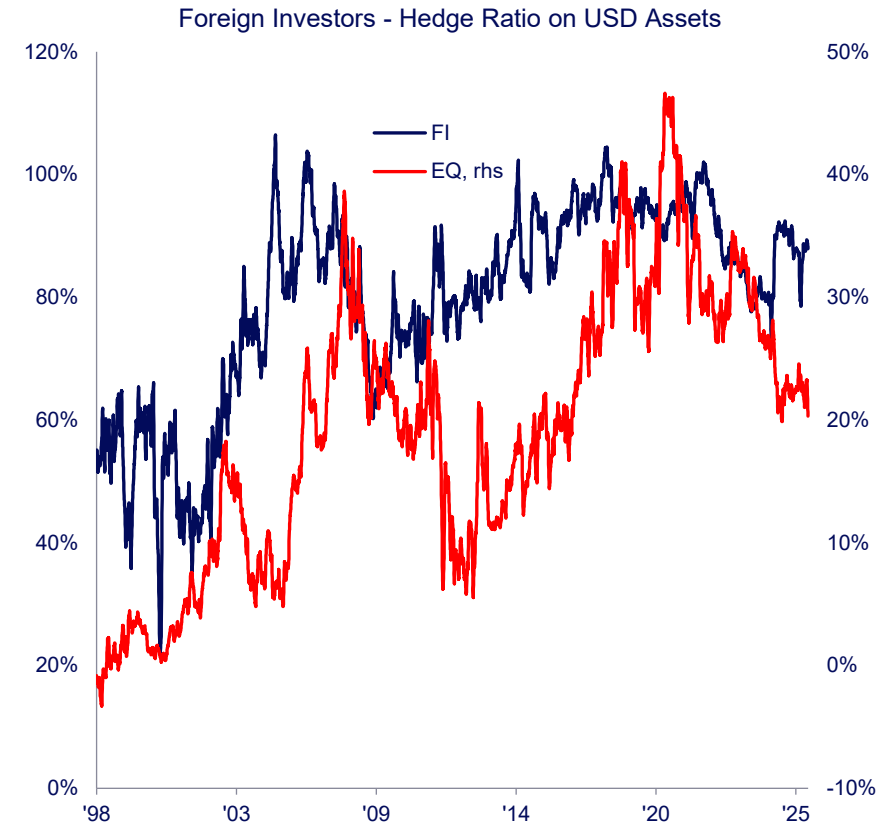
Source: State Street Markets

Who is left to sell?

USD owners of foreign bonds can hedge less



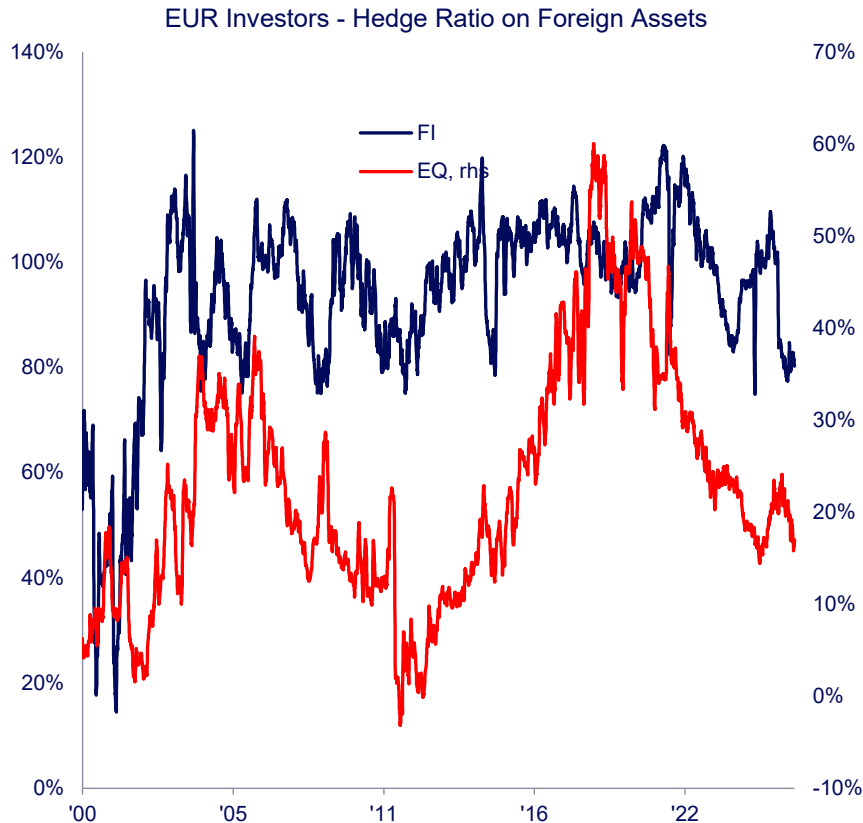
Foreign owners of US assets can hedge more



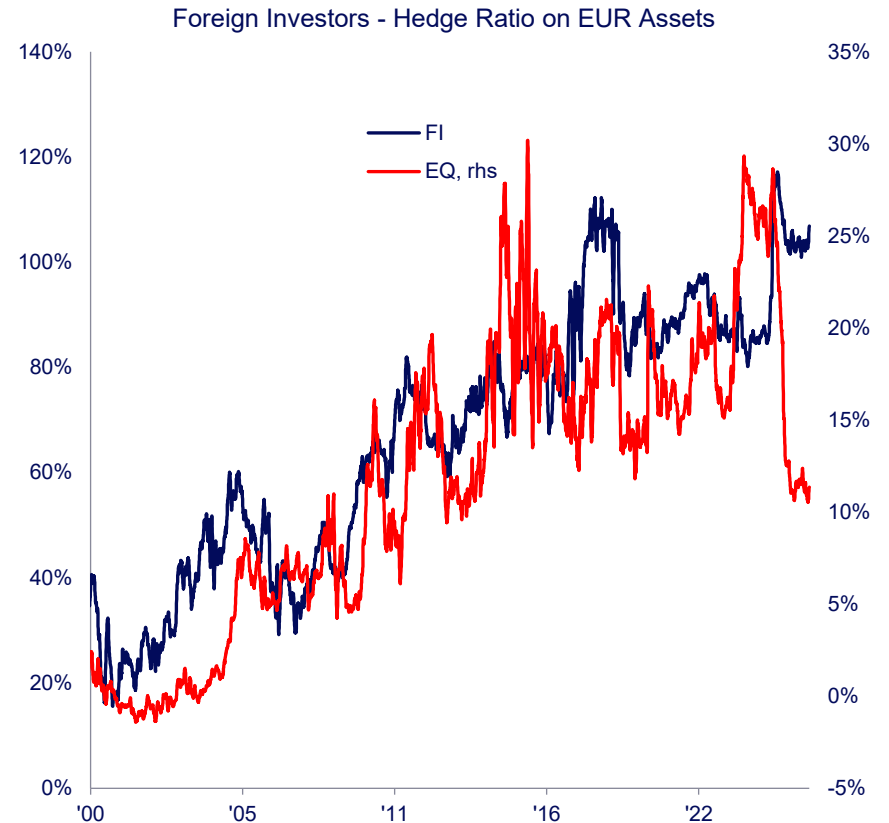
Source: State Street Markets

The flip side – Euro overweight unwinding and hedging patterns might not help

EZ owners of foreign FI can hedge more, but might be done



Foreign owners of EZ FI can hedge less, EQ unhedged



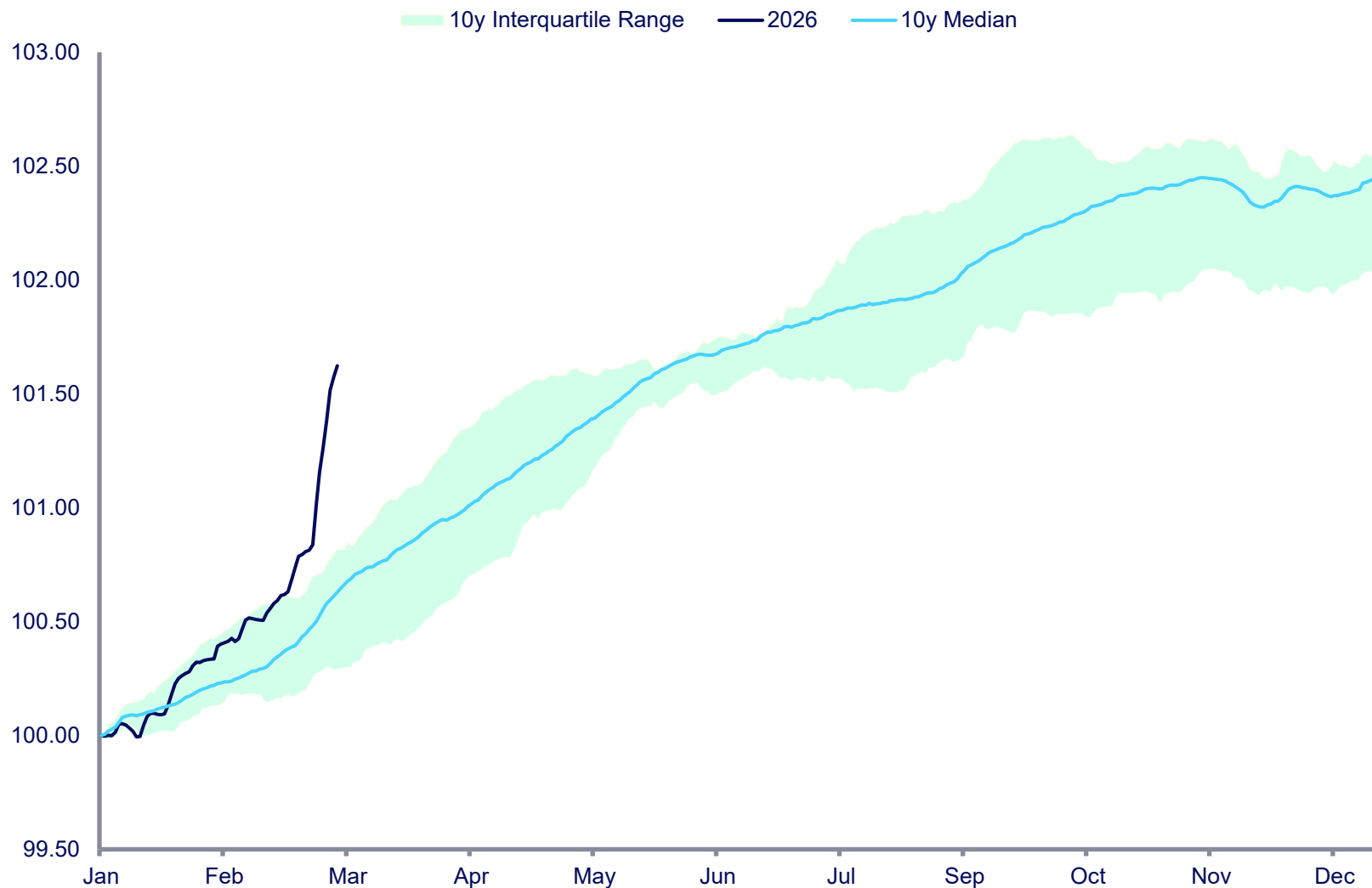
Source: State Street Markets

Topics for discussion

- 1) Do participants think high allocations to stocks persist with a sustained rise in oil price?
- 2) The USD is a clear beneficiary of events, but a sizeable overweight in EURUSD remains. What do participants think is required to shake belief in the position further?
- 3) Do recent events undermine the USD position as primary reserve currency and encourage further switching to EUR, RMB, Gold, etc.

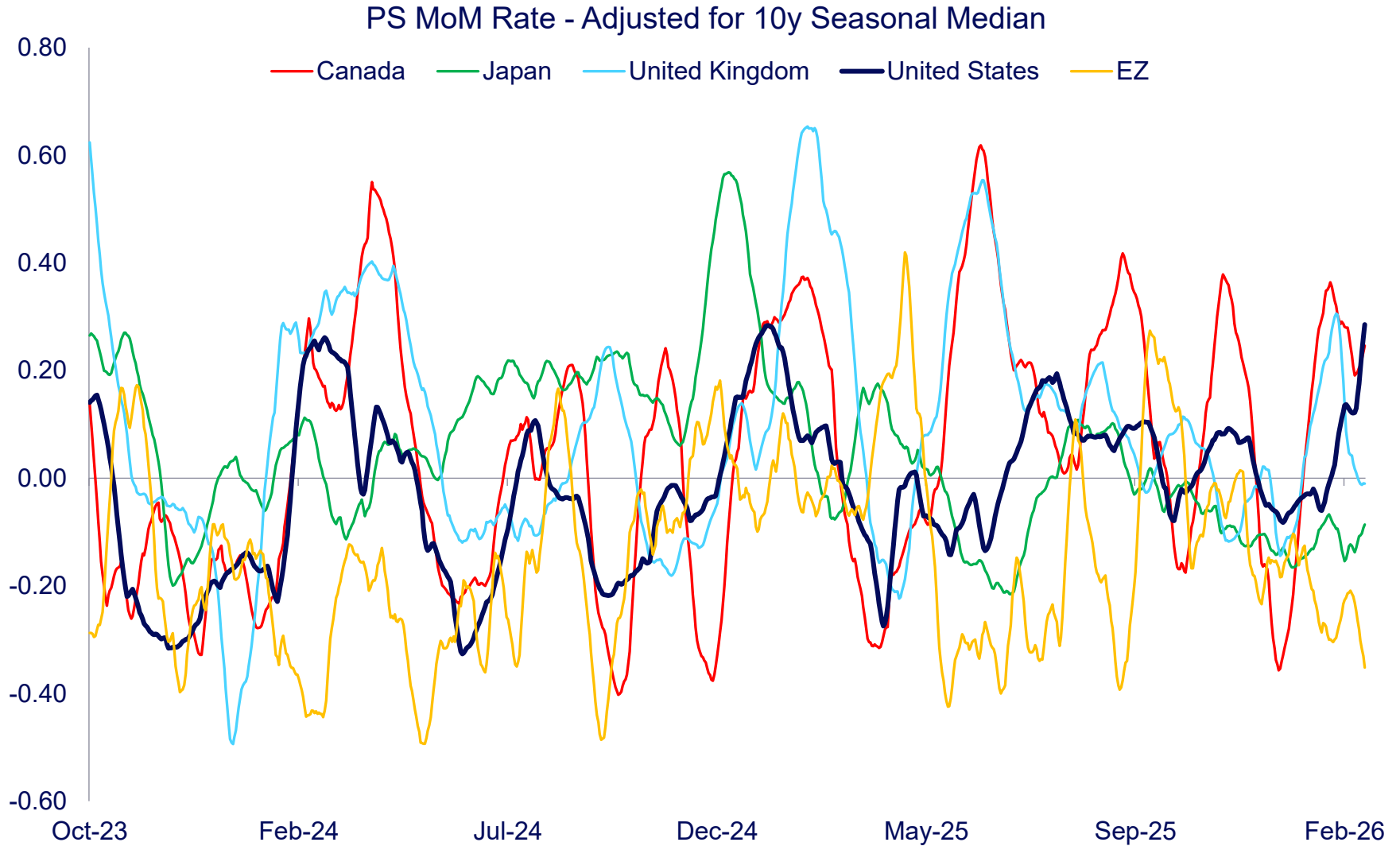
Appendix - PriceStats

US Prices – 2026 was off to a big start before Iran



Source: State Street Markets, PriceStats

Acceleration in US and nowhere else



Source: State Street Markets, PriceStats

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