



2) Financial fair value (based on a regression of spot on S&P, VIX, Crude, CRB, US 10y, DXY, carry):

According to our short term 'financial fair value' metric, EM FX is cheap almost across the board, with ZAR being the the most undervalued currency. TRY is also cheap, while RUB less so. However, these results should be taken with a pinch of salt, as the short-term valuation metric provides a better picture when currencies are trading within relatively tight ranges, rather than trending strongly and breaking new ground (as is the case currently for many EM currencies) due to domestic factors/factors not captured by the model.

Financial fair value (USD crosses):