

## FX Alpha

## Close USD/JPY call spread

## Key takeaways

- We close long USD/JPY call spread trade with 150/155 strike and Oct 14 expiry.
- We remain constructive on USD/JPY but close it before expiry next week and given increased risk of intervention around 155.
- But MoF officials may not be incentivized to intervene until new administration comes in.

## Close USD/JPY call spread

We restructured our spot long USD/JPY trade to a 3m 150/155 strike call spread on 15 July for 0.6426% and spot ref of 147.37 (see: [FX Alpha: Switch from spot USD/JPY long to a call spread 15 July 2025](#)). We close the trade for 1.6% with spot ref of 152.54 as expiry comes next week and the risk of policy intervention may increase with USD/JPY rising toward 155 – a critical level. That said, we think MoF officials may not be incentivized to intervene until the new administration comes in and instead may want to let the market discipline to function.

## 5 reasons to buy USD/JPY for 4Q25

Fundamentally, we remain constructive on USD/JPY for 4Q25 as 1) the BoJ pricing looks too hawkish vs the Fed pricing; 2) CPI inflation below 2% in 2026 could raise the hurdle for further hikes especially under the Takaichi administration; 3) Japanese manufacturers may be slow to pass through the increased tariffs; 4) Japan's already active outward FDI may accelerate due to the US-Japan investment deal; 5) position liquidation could be more bullish for USD than for JPY. For the detail, see: [FX Viewpoint: USD/JPY – contrarian long for 4Q25 06 October 2025](#). We remain long EUR/JPY via outright call (see: [Liquid Insight: Case for a higher EUR/JPY 22 April 2025](#)).

For a list of open and closed trades over the past 12 months, see the most recent [Global FX weekly](#).

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Currency Strategy  
Global

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