

FX Alpha

Long CHF/JPY: Target Reached

Key takeaways

- We close long CHF/JPY after the pair hits our 189 target. Pair may struggle short term but upside risks remain
- We remain bearish on JPY (vs EUR, USD) on policy mix & on rising term premium. More obv carry trades are finding favour
- Incessant rise in gold prices should be +ve for CHF as markets continue to add protection against rising term premium

Close long CHF/JPY

We entered long CHF/JPY spot trade at the start of September (see note: [FX Viewpoint, 08 September 2025](#)) on our view that CHF would benefit from the rise in Japan term-premium and ongoing appreciation in gold. The trade was also supported by bullish CHF quant signal (see note: [FX Quant Insight, 08 September 2025](#)) and bearish JPY fundamental view (see note: [Japan Rates and FX Viewpoint, 03 September 2025](#)). The impulsive nature of the current move is likely to encounter profit taking and hedging flows whilst reduced chances of BoJ rate hikes may will focus markets on more obvious carry trades particularly versus Latam FX. Therefore, with the spot price having rallied from 184.30 to our target of 189.00, we now close the trade.

Fading moment & technical levels

The bullish CHF signal we observed at the start of September has weakened (see note: [FX Quant Insight, 29 September 2025](#)) with gold price also looking to form a short-term peak (see note: [Commodities Technical Advantage, 06 October 2025](#)). We believe the JPY weakness could have more room to run and we continue to hold short JPY positions vs the USD and EUR (see note: [FX Viewpoint: USD/JPY – contrarian long for 4Q25 06 October 2025](#)). With CHF/JPY at all time highs, the anchor of technical support levels is largely absent but the proximity of 190 may slow upside momentum. However, with a potential mix of easy monetary policy and loose fiscal policy likely to undermine JPY, the direction of travel suggests further CHF/JPY appreciation from current levels.

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

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