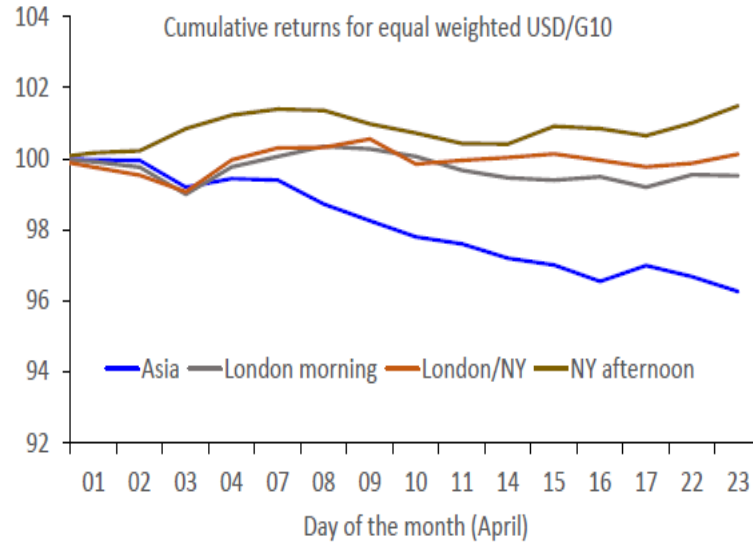


Calamos Global Investment Team: Chart of the Week

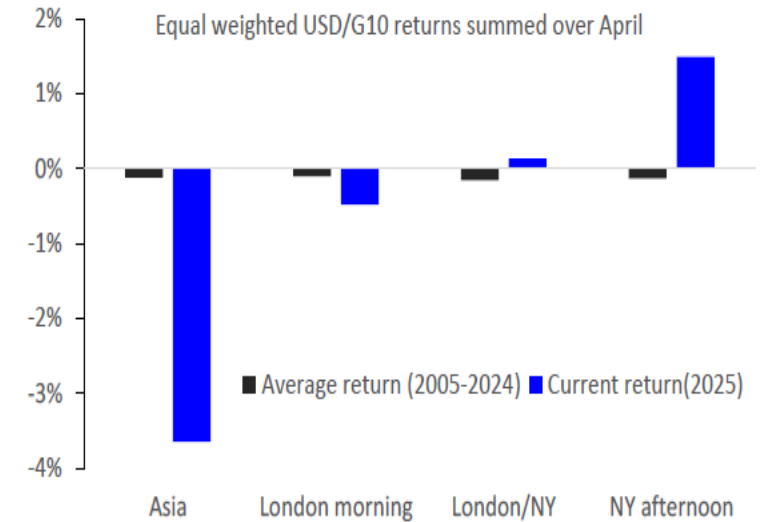
May 2, 2025

- The recent weakness of the US dollar relative to most other major currencies has been well covered, but these charts—courtesy of Deutsche Bank—capture an important phenomena that’s less well covered.
- Throughout April, we’ve seen an interesting cycle of weakness unfold over the global trading day. The US dollar has sold off against most major currencies during Asian trading hours and through early European trading hours. There’s typically been some recovery during US trading hours.
- There are many theories about why this cycle is occurring, but the one that resonates with us is that a material source of US dollar’s weakness in April has been overseas investors selling US assets.
- If we are at the beginning of a “Great Global Rebalancing,” then we should start to see US investors also selling US dollar assets to reallocate overseas.
- This aligns with our view that we are in the very early stages of a new trend in US dollar performance, with wide-ranging impacts on global asset allocations.

USD/G10 weakness in Asian session (00-07 London hours)



Early April dollar weakness against G10 in Asia at historical high



Past performance is no guarantee of future results. Source: Deutsche Bank Research, “A lot of dollar selling in Asia hours,” April 24, 2025, using Source :Deutsche Bank, Refinitiv. Asia: 00-07, London morning (LDN): 7-12, Mixed London/NY (LDN/NY): 12-16, NY afternoon(NY): 16-20. Time zones in London time.

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As a result of political or economic instability in foreign countries, there can be special risks associated with investing in foreign securities, including fluctuations in currency exchange rates, increased price volatility and difficulty obtaining information. In addition, emerging markets may present additional risk due to potential for greater economic and political instability in less developed countries.