



QUANTSTRAT FX

# QUANTSTRAT FX MONTHLY INSIGHTS

FEBRUARY 2026

## A BRIEF ON QUANTSTRAT FX

QuantStrat FX is a sophisticated, fully automated trading system designed to manage FX investments with precision and discipline. It operates on data-driven, quantitative models that dynamically adapt to changing market structures, liquidity conditions, and macroeconomic volatility. By removing emotional bias and discretionary intervention, QuantStrat FX provides a systematic and rule-based approach to navigating the complexities of the foreign exchange market, with a core focus on capital preservation and risk adjusted returns.

## MARKET OVERVIEW: A SHIFT IN SENTIMENT

January 2026 closed with a "Sell America" theme that dominated currency markets. However, as we moved into February, the narrative shifted toward a "relief rally" for the Greenback. The nomination of Kevin Warsh as the next Federal Reserve Chair has introduced a more hawkish tone to the outlook, leading markets to push back expectations for the next rate cut to April.

Geopolitical tensions—particularly involving U.S.- Iran relations and ongoing tariff discussions—remain the primary drivers of volatility. While equity markets saw a sharp, AI-driven correction mid-month, safe-haven flows have periodically supported both the USD and Gold, which continues to hover near the \$5,000/oz psychological threshold.





QUANTSTRAT FX

## KEY MARKET DRIVERS

**USD Dynamics:** Strong labor data fueled directional bursts, while liquidity sweeps around high-impact releases challenged "breakout-only" traders.

**GBP Volatility:** Growth concerns and shifts in risk sentiment led to large intraday expansions followed by sharp retracements.

**Commodity Sensitivity:** Significant repositioning in Gold triggered AUD swings, creating clear overextension phases and subsequent pullback opportunities.

**CAD Stability:** Oil price stabilization allowed for clean, controlled directional flows, particularly in CAD crosses.

**Market Character:** The month moved in a cycle of Expansion → Exhaustion → Pullback to Value → Continuation. High-probability entry zones formed consistently after volatility spikes, heavily favoring the QuantStrat execution model.

## THE QUANTITATIVE EDGE: TRADING THE "SNAPBACK" TO VALUE

### Performance Highlights

Our core models remain focused on navigating the current high-volatility environment. The QuantStrategy FX institutional-grade system continues to prioritize:



**AUD/CAD (Multiple Profitable Cycles):** The pair repeatedly expanded and then returned to value zones. By exploiting these pullbacks before the trend continued, we compounded gains across four distinct cycles (+29, +26, +40, and +28 pips).

**EUR/AUD (+76 & +63 pips):** The model avoided chasing the initial move, entering instead during deep retracements to capture cleaner profit profiles.

**USD/CAD (+89 pips):** After initial upside volatility, the market pulled back into a support structure. Our entry caught the market at a "discount" relative to macro USD strength, delivering high pip capture upon the continuation.

Our Break-Even (B.E.) Discipline served as a critical capital defense mechanism this month. Several trades in GBP/AUD and GBP/USD closed at break-even due to shallow pullbacks or liquidity-driven "fake moves."

By shifting to B.E. immediately after the market began moving in our favor, we compressed drawdowns and preserved capital for the high-conviction expansion trades that followed.





QUANTSTRAT FX

# CONCLUSION – FEBRUARY EDGE SUMMARY

The success of February 2026 was rooted in Patience and Value.

1. Wait for Exhaustion: We did not chase the peak of the move.
2. Buy the Pullback: We waited for the market to return to a sensible price.
3. Exit into Expansion: We took profit as momentum returned.

This structural discipline allowed QuantStrat to finish the month strongly profitable despite ongoing macro uncertainty.

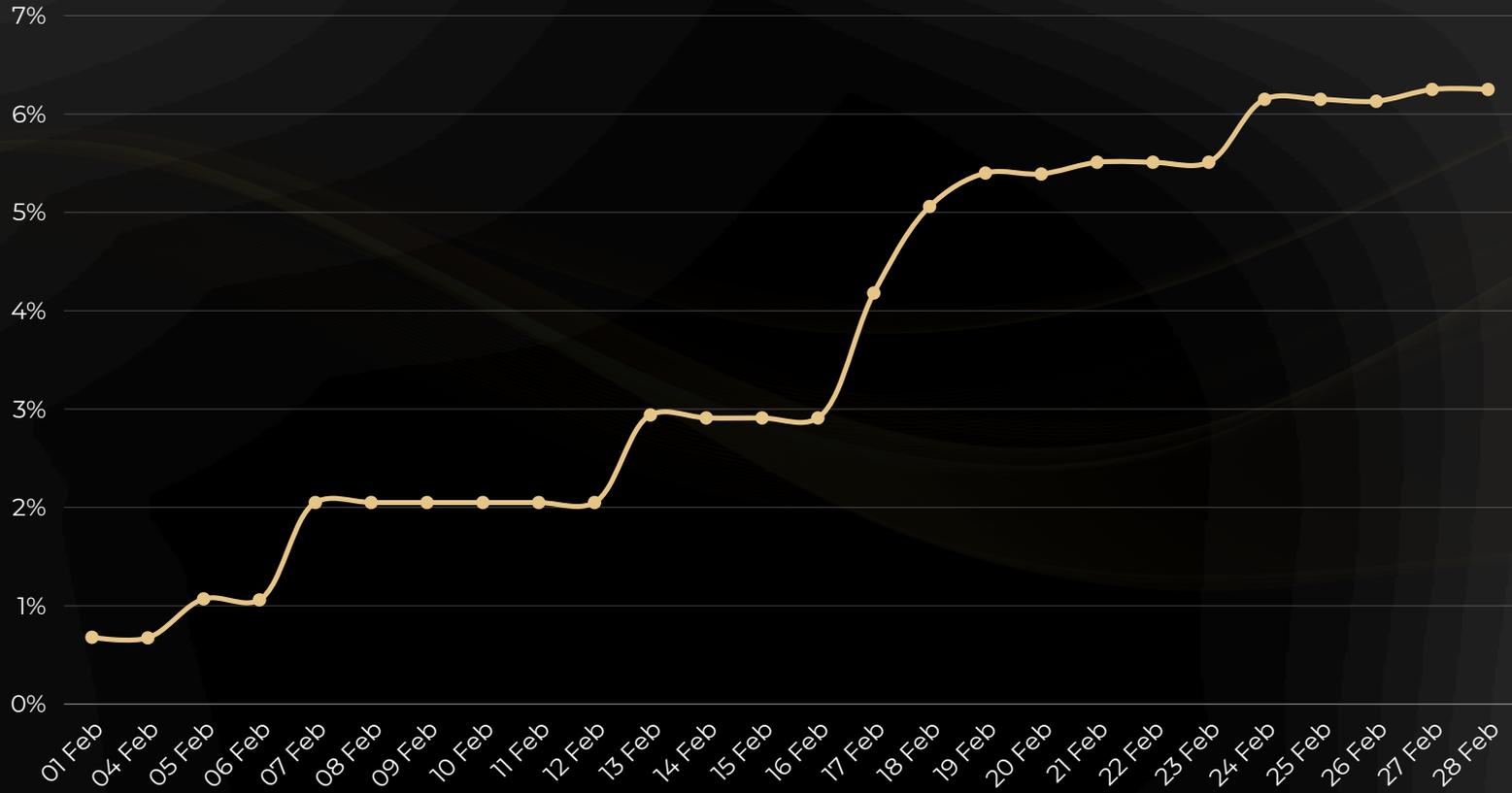




QUANTSTRAT FX

# FEBRUARY 2026 PERFORMANCE HIGHLIGHTS

Balance Growth (%)



**Return On Investment**  
6.52%

**WIN RATE**  
84.84%

**PROFIT FACTOR**  
52.79

**Number of trades**  
20 (11 long, 9 short)

**MAX DD**  
0.63%

**Trades**  
20





QUANTSTRAT FX

## TOP PERFORMING CURRENCY PAIRS

Currency Pair	Profit Factor
GBPNZD	136.02
EURUSD	105.12
EURJPY	41.34
EURAUD	37.00
AUDCHF	36.06

QuantStrat FX executed 20 trades throughout February 2026, delivering an exceptional 95% win rate and an outstanding profit factor of 52.79. The strategy's disciplined execution and capital preservation framework kept maximum drawdown compressed to just 0.63%, while generating a 6.25% return on investment for the month.

Performance was driven by high-probability pullback entries within volatile expansion cycles. Notable contributions came from EURAUD (+136.02 pips), GBPAUD (+105.12 pips), and AUDCAD (+41.34 pips), where the system capitalized on exhaustion phases before entering continuation moves. Rather than chasing impulsive breakouts, the model focused on "snapback to value" setups, significantly enhancing risk-to-reward efficiency.

February was not a pure trend environment but a cycle of Expansion → Exhaustion → Pullback → Continuation. QuantStrat's break-even discipline proved critical, with several GBP crosses protected from liquidity-driven fake moves. By shifting positions to break-even once momentum confirmed, drawdowns were minimized and capital was preserved for the higher-conviction expansion trades.

In a macro landscape shaped by shifting USD sentiment, geopolitical tensions, and volatility spikes, success came from systematically waiting for value and precision execution.

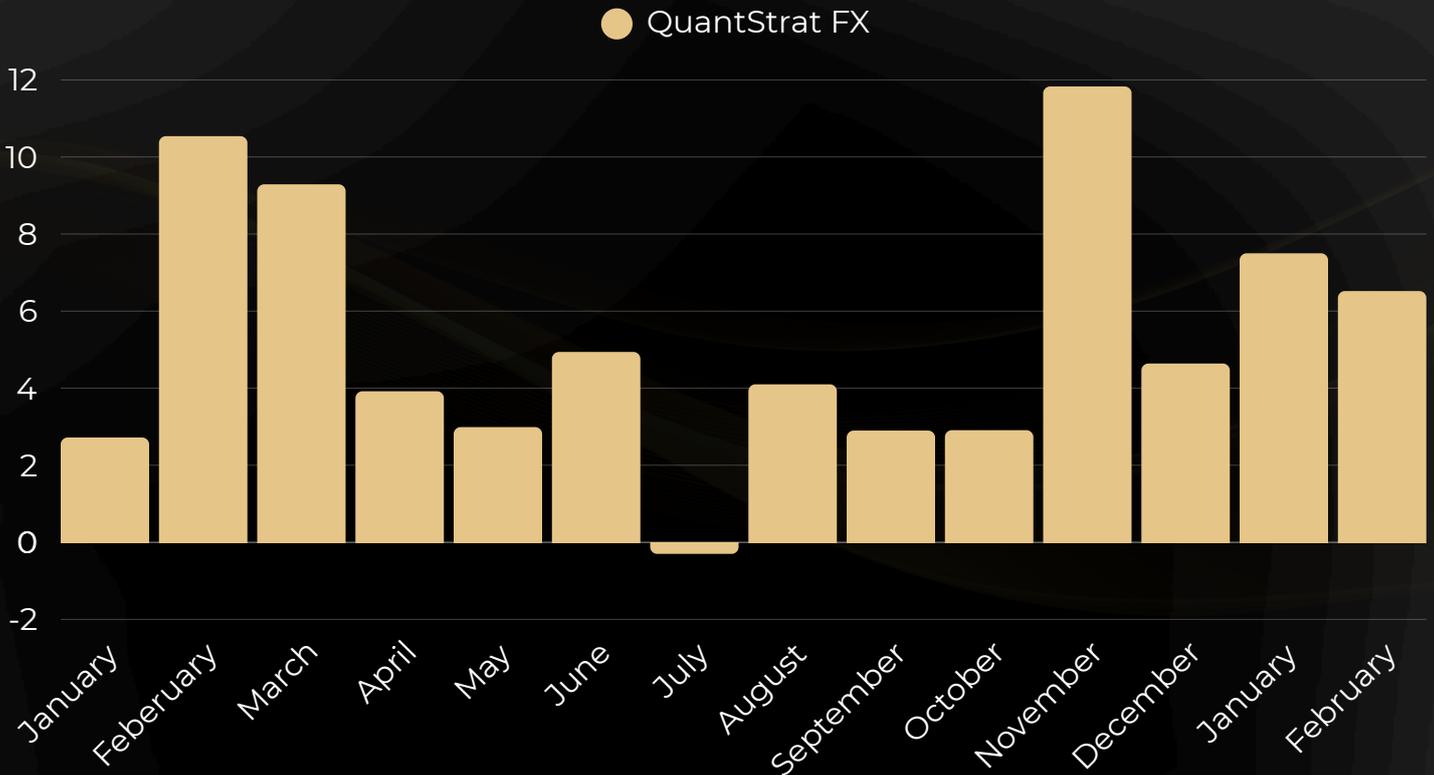




QUANTSTRAT FX

# PAST PERFORMANCE

2025 - 2026 Performance %



For additional data from 2020 to the present, please refer to our website [www.quantstratfx.com](http://www.quantstratfx.com)

For more information about QuantStrat FX, visit:  
[www.quantstratfx.com](http://www.quantstratfx.com) Contact: [Info@QuantStratFX.com](mailto:Info@QuantStratFX.com)





QUANTSTRAT FX

## LOOKING FORWARD

The March 2026 strikes on Iran by U.S. and Israeli forces—and the subsequent death of Iran’s Supreme Leader—have triggered a significant repricing of global risk. In the current high-volatility environment, FX markets are prioritizing energy security and liquidity above standard macroeconomic data. The following outlook reflects the immediate "risk-off" repricing necessitated by the conflict in the Middle East.

For FX traders, this isn't just about "risk-off" sentiment; it's a dual-pronged shock where geopolitical instability meets energy supply disruption. As the Strait of Hormuz faces potential closure, the market is distinguishing between "Safe Haven" currencies, "Energy Exporters," and "Energy Importers." Sustained energy spikes threaten to reignite inflation. Traders are now pricing in a "higher for longer" stance for the Fed, as the U.S. economy remains more resilient to energy shocks than the Eurozone or Japan.

The central theme for current trading is "The Energy Tax vs. The Safe-Haven Premium." Currencies tied to net energy importing economies are facing structural headwinds, while those backed by commodity exports or primary haven status are seeing selective support.

The coming weeks are packed with high-impact events that will test market resolve. The QuantStrat FX EA program continues to monitor global macro developments. If the market gaps lower against FX positions, risk management are in position to err on caution and execute partial or full exit to safeguard capital. The "panic phase" is currently dominating, but the fluid nature of the conflict creates two distinct windows for profits: the Volatility Premium during the war and the Relief Rally upon de-escalation.

With the right tools and discipline, QuantStrat FX continues to monitor global macro developments, and market structure dynamics to position itself for sustainable, risk-adjusted returns.

**For more information about QuantStrat FX, visit:**  
**[www.quantstratfx.com](http://www.quantstratfx.com) Contact: [Info@QuantStratFX.com](mailto:Info@QuantStratFX.com)**





QUANTSTRAT FX

## DISCLAIMER

Disclaimer: Trading foreign exchange involves substantial risk and may not be suitable for all investors. Past performance is not indicative of future results. QuantStrat FX does not guarantee profits or protection from losses.

Market conditions, liquidity, and volatility can change rapidly due to economic events, geopolitical developments, or unexpected news. No trading system, strategy, or risk management technique can guarantee profits or eliminate risk entirely.

Participants should carefully consider their financial situation, investment objectives, and risk tolerance before participating. Any projections, outlooks, or forward-looking statements are for informational purposes only and do not constitute investment advice or a guarantee of performance.

