

CAD Risk Continues To Build As Speculators Add To Both Sides

Data in this report cover up to Tuesday Dec 18 & were released Friday Dec 21.

- The aggregate USD long position climbed a modest \$0.3bn on the week, to \$29.5bn. Positive adjustments were observed for CAD, AUD, NZD and EUR and almost fully offset by negative adjustments for GBP, CHF, JPY and MXN. JPY, EUR, GBP, CHF and AUD are held net short while CAD, MXN, and NZD are close to neutral.

- Speculators are adding to CAD risk at an accelerated pace. Gross long and gross short positions have been generally climbing since early November while leaving the net short position relatively unchanged. The net short AUD position narrowed an impressive \$0.8bn this week, to \$2.5bn. AUD bears have been steadily liquidating their gross shorts for most of the past three months, halving the net short from its extended \$5.2bn level reached in late September.

- The net short EUR position has narrowed for a second consecutive week and details are encouraging. The adjustments remain relatively minor in size however EUR bulls appear to be tentatively adding to gross longs following an aggressive liquidation from the record levels reached in January. Bears are also tentatively covering gross shorts after more than doubling the position from early April.

- The bearish GBP position is building at an accelerated pace and the recent rise in gross shorts has given way to a sizeable liquidation of GBP gross longs. JPY remains the largest held net short and speculators have been de-risking since early October.

18-Dec	Sentiment		\$mns	
	Bias	Trend	Position	w/w chg.
CAD	bearish	decreasing	-554	318
AUD	bearish	decreasing	-2,518	763
NZD	neutral	neutral	234	1,282
MXN	neutral	neutral	-19	-302
EUR	bearish	decreasing	-7,544	418
GBP	bearish	increasing	-4,797	-1,486
CHF	bearish	increasing	-2,888	-589
JPY	bearish	increasing	-11,417	-656
Gold	bullish	increasing	9,491	1,969
Total USD pos'n (excl. gold)			29,504	254

CAD — NON-COMMERCIAL POSITIONING

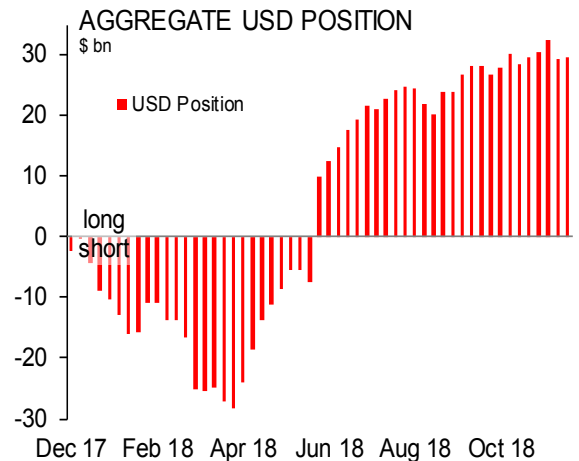
Date	(\$MM)	Position - Contracts of 100,000 CAD					
		Net	Long	Short	Net	Net w/w	Open Int.
18-Dec	-554		51,566	59,023	-7,457	4,212	191,476
11-Dec	-871		41,672	53,341	-11,669	1,267	161,530
4-Dec	-975		38,736	51,672	-12,936	-4,306	156,750
27-Nov	-649		41,427	50,057	-8,630	-2,341	145,122



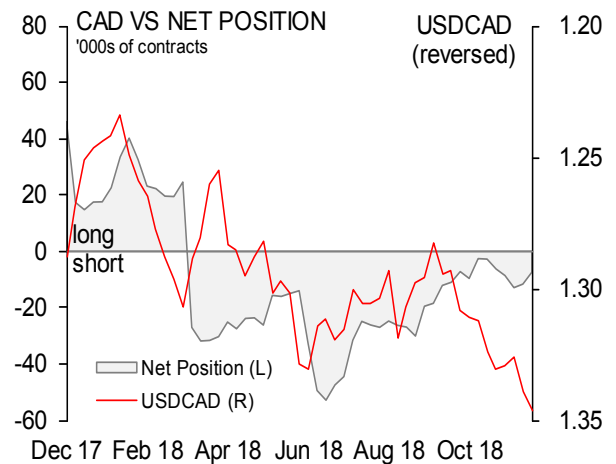
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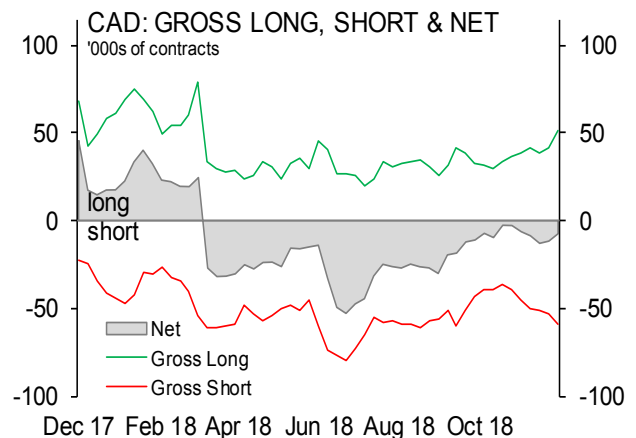
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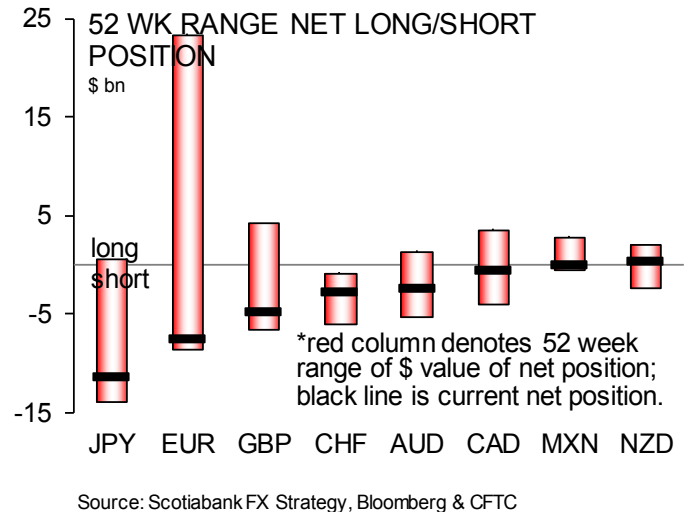
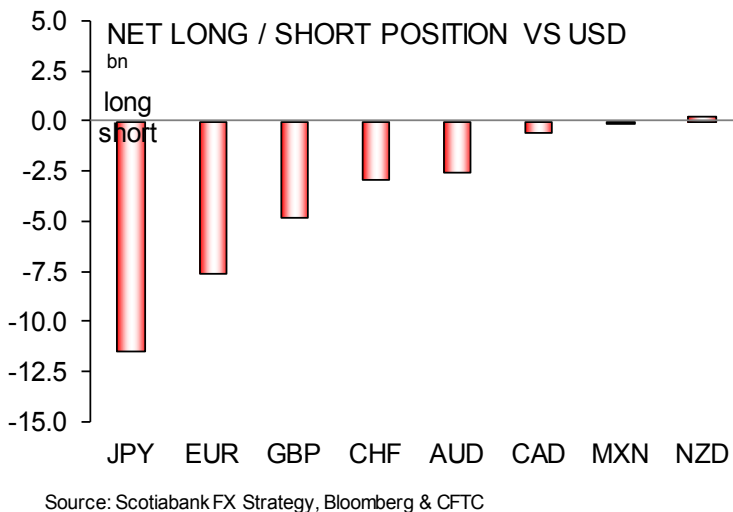
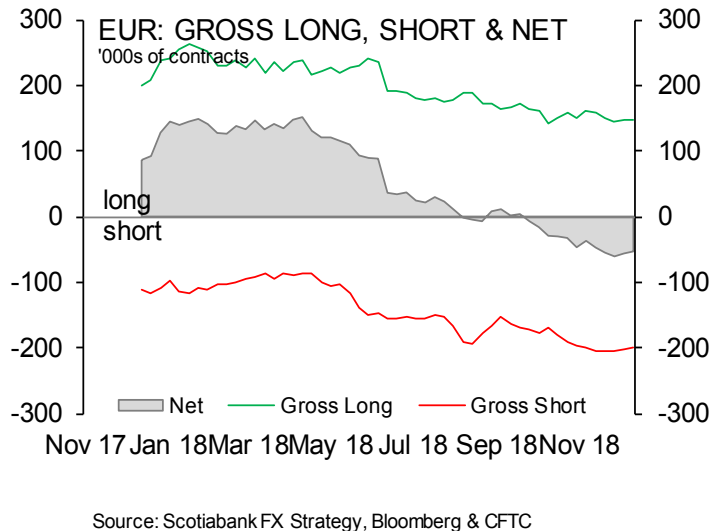
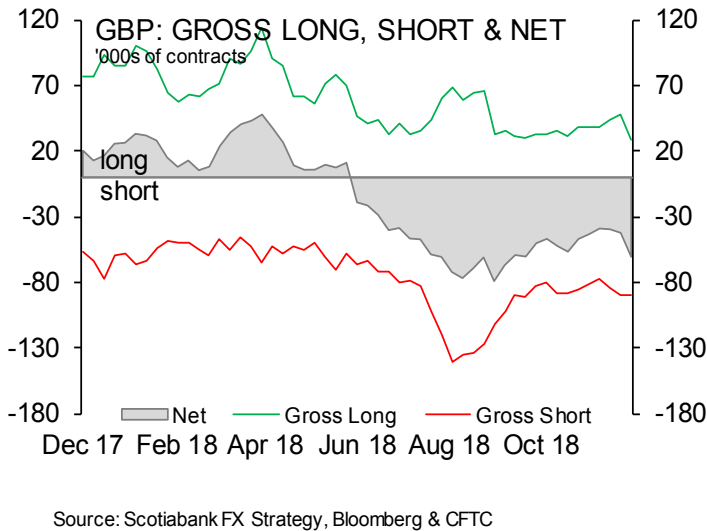
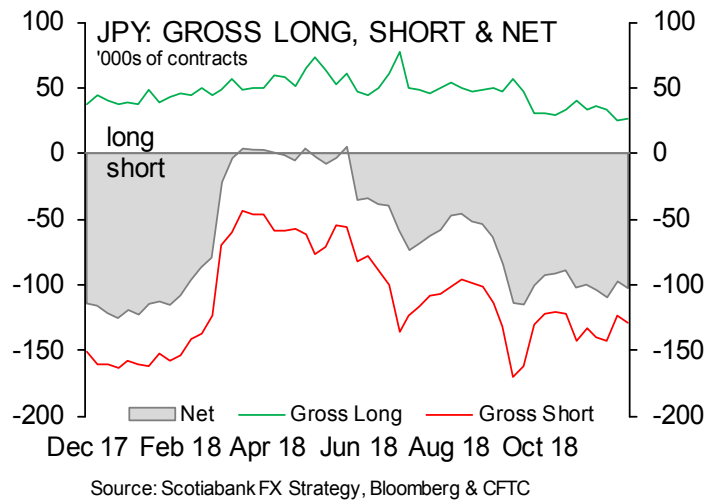
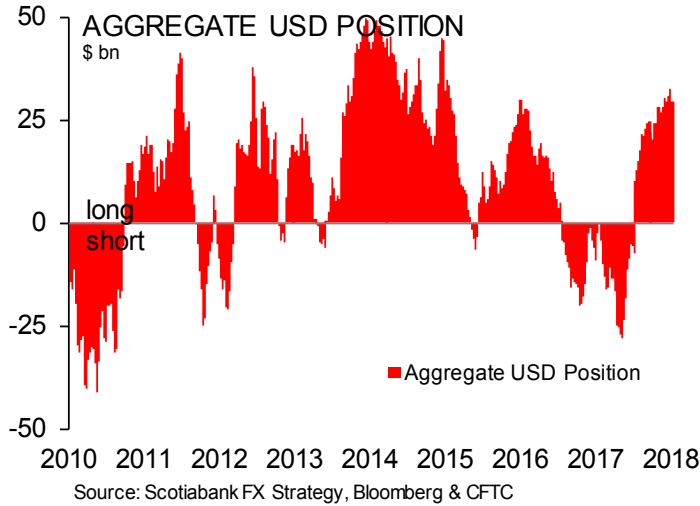
Source: Scotiabank FX Strategy, Bloomberg & CFTC



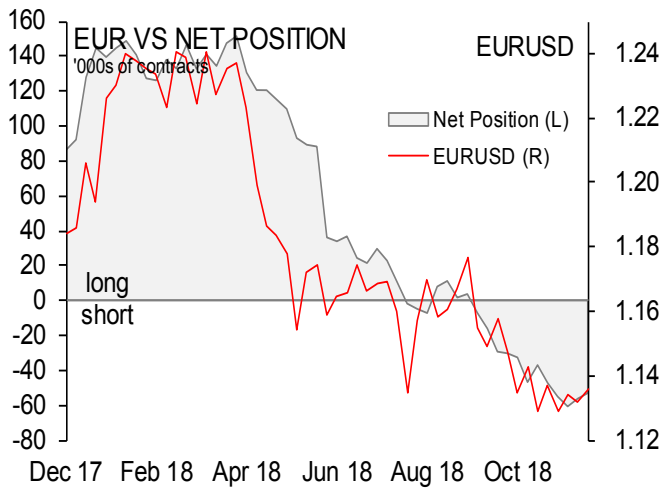
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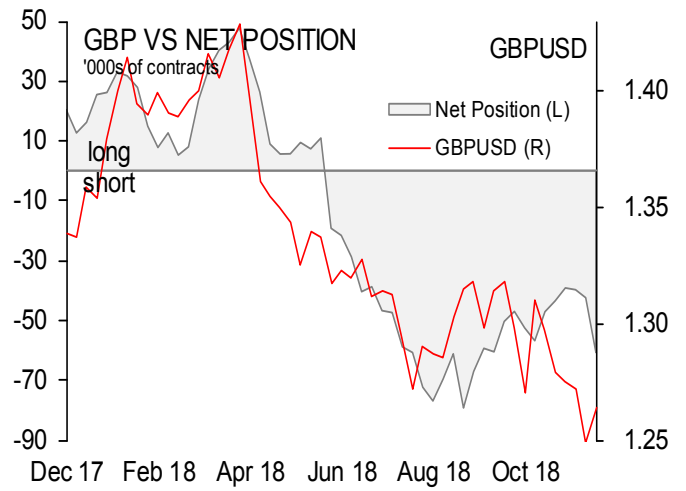
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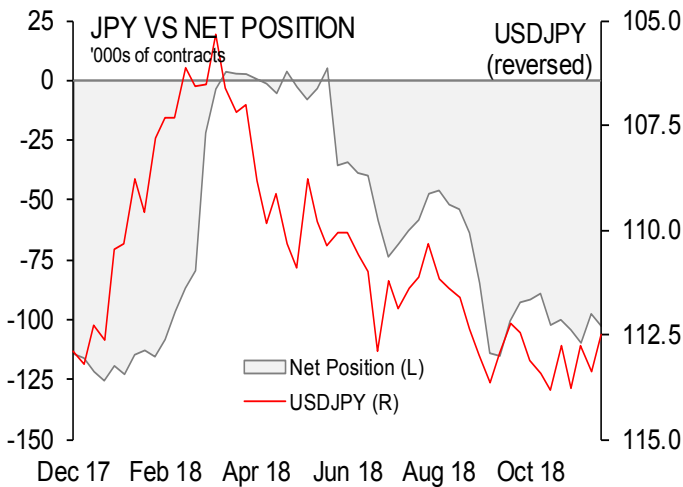
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EUR — NON-COMMERCIAL POSITIONING

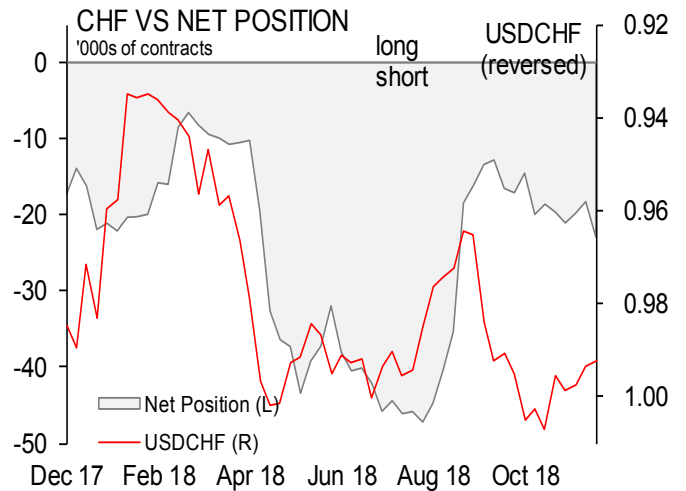
Date	(\$MM)	Position - Contracts of 125,000 EUR				Open Int.
	Net	Long	Short	Net	Net w/w	
18-Dec	-7,544	147,654	200,778	-53,124	3,163	505,711
11-Dec	-7,962	146,082	202,369	-56,287	4,489	613,745
4-Dec	-8,617	144,859	205,635	-60,776	-5,705	545,537
27-Nov	-7,771	149,719	204,790	-55,071	-7,842	538,454

GBP — NON-COMMERCIAL POSITIONING

Date	(\$MM)	Position - Contracts of 62,500 GBP				Open Int.
	Net	Long	Short	Net	Net w/w	
18-Dec	-4,797	29,162	89,885	-60,723	-18,304	204,948
11-Dec	-3,311	47,649	90,068	-42,419	-2,669	255,703
4-Dec	-3,160	43,935	83,685	-39,750	-600	235,704
27-Nov	-3,119	37,930	77,080	-39,150	4,328	227,895



Source: Scotiabank FX Strategy, Bloomberg & CFTC



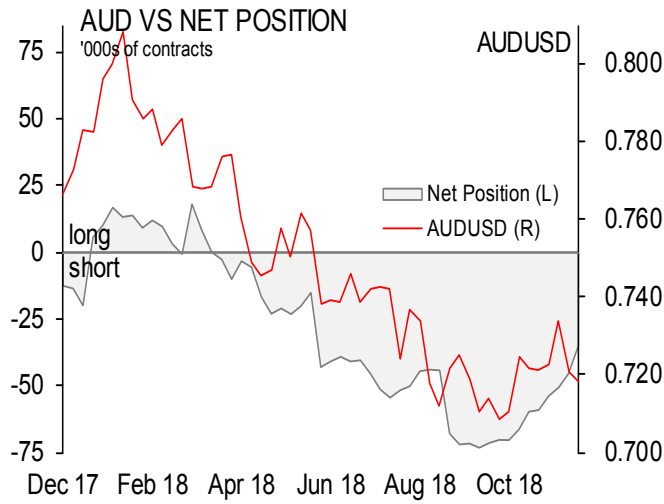
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JPY — NON-COMMERCIAL POSITIONING

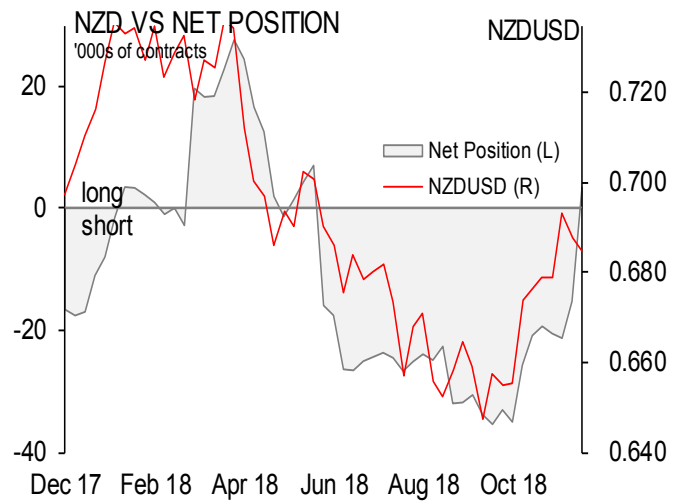
Date	(\$MM)	Position - Contracts of 12.5MM JPY				Open Int.
	Net	Long	Short	Net	Net w/w	
18-Dec	-11,417	26,957	129,728	-102,771	-5,165	214,868
11-Dec	-10,761	25,495	123,101	-97,606	12,160	213,055
4-Dec	-12,167	32,717	142,483	-109,766	-5,442	226,835
27-Nov	-11,460	35,817	140,141	-104,324	-4,259	231,711

CHF — NON-COMMERCIAL POSITIONING

Date	(\$MM)	Position - Contracts of 125,000 CHF				Open Int.
	Net	Long	Short	Net	Net w/w	
18-Dec	-2,888	8,437	31,363	-22,926	-4,659	70,943
11-Dec	-2,299	16,858	35,125	-18,267	1,528	81,518
4-Dec	-2,481	17,913	37,708	-19,795	1,273	79,008
27-Nov	-2,637	16,871	37,939	-21,068	-1,443	78,973



Source: Scotiabank FX Strategy, Bloomberg & CFTC



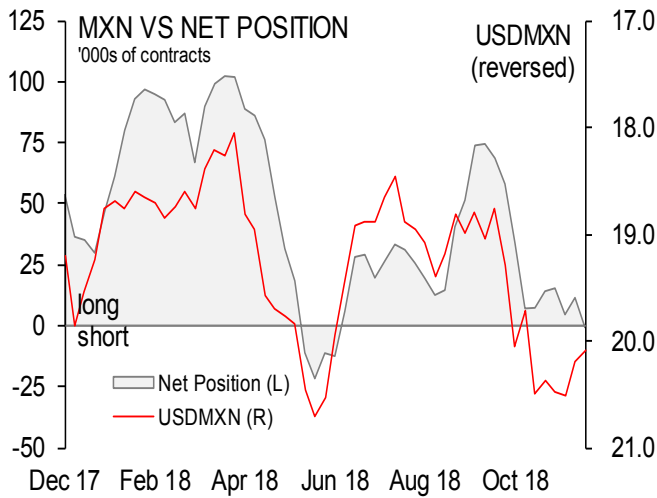
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AUD — NON-COMMERCIAL POSITIONING

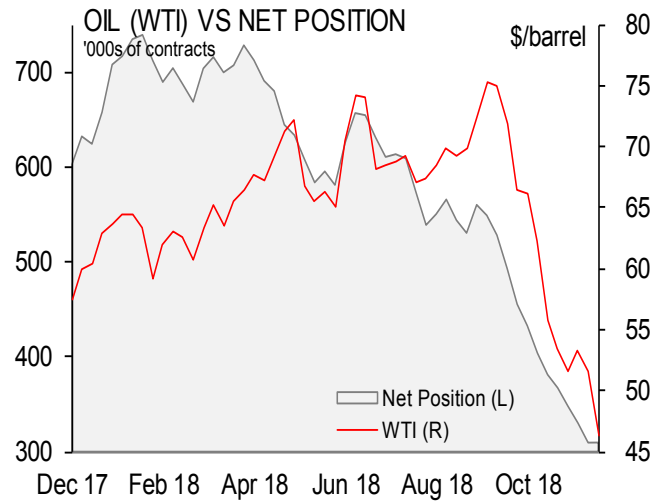
Date	(\$MM)	Position - Contracts of 100,000 AUD				Open Int.
	Net	Long	Short	Net	Net w/w	
18-Dec	-2,518	17,970	53,039	-35,069	10,462	112,262
11-Dec	-3,281	14,520	60,051	-45,531	5,224	148,414
4-Dec	-3,724	16,743	67,498	-50,755	3,148	148,755
27-Nov	-3,894	12,168	66,071	-53,903	5,277	136,796

NZD — NON-COMMERCIAL POSITIONING

Date	(\$MM)	Position - Contracts of 100,000 NZD				Open Int.
	Net	Long	Short	Net	Net w/w	
18-Dec	234	18,820	15,409	3,411	18,652	29,675
11-Dec	-1,048	19,127	34,368	-15,241	6,056	62,587
4-Dec	-1,476	17,694	38,991	-21,297	-757	56,348
27-Nov	-1,394	16,373	36,913	-20,540	-1,193	54,184



Source: Scotiabank FX Strategy, Bloomberg & CFTC



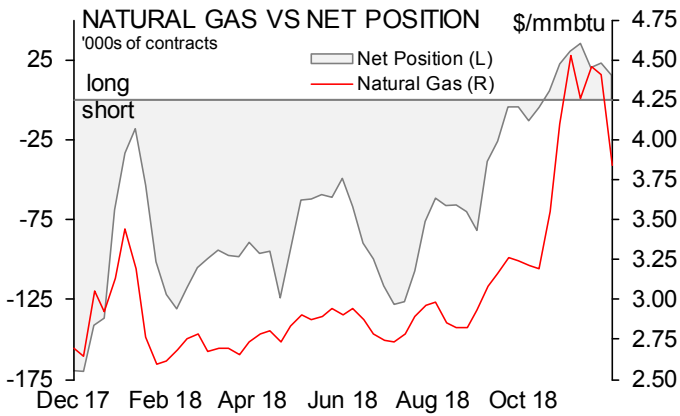
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MXN — NON-COMMERCIAL POSITIONING

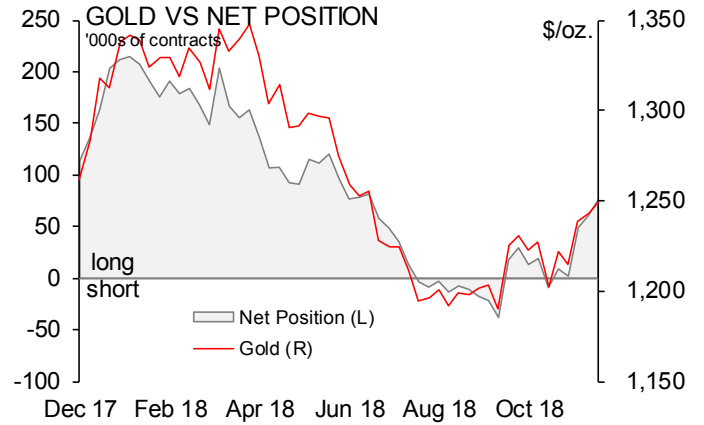
Date	(\$MM)	Position - Contracts of 500,000 MXN				Open Int.
	Net	Long	Short	Net	Net w/w	
18-Dec	-19	49,996	50,765	-769	-12,211	122,610
11-Dec	283	66,195	54,753	11,442	6,919	184,120
4-Dec	110	64,314	59,791	4,523	-10,804	191,512
27-Nov	374	77,867	62,540	15,327	1,244	189,912

NYMEX Crude — NON-COMMERCIAL POSITIONING

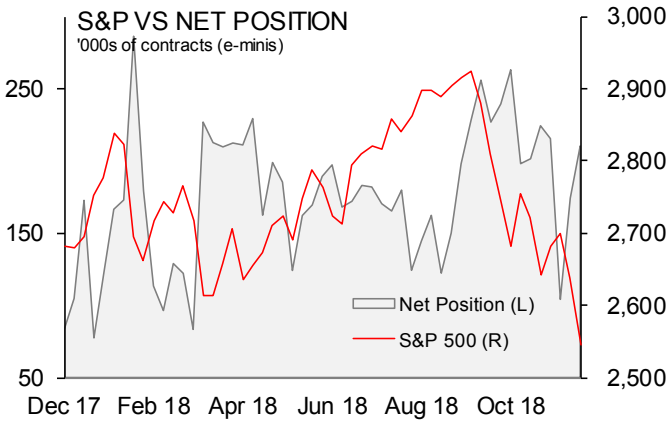
Date	(\$MM)	Position - Contracts of 1000 barrels				Open Int.
	Net	Long	Short	Net	Net w/w	
18-Dec	14,316	502,715	193,107	309,608	102	2,063,376
11-Dec	15,986	504,584	195,078	309,506	-20,640	2,050,634
4-Dec	17,580	505,292	175,146	330,146	-17,975	2,048,735
27-Nov	17,949	511,679	163,558	348,121	-19,066	2,020,092



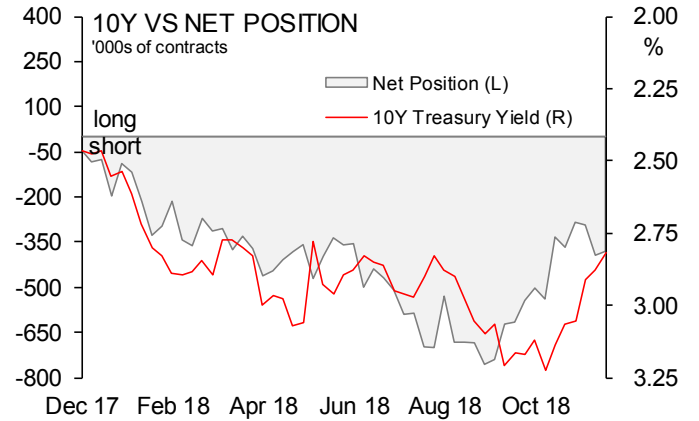
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