

Aggregate USD Long Climbs To Fresh Multi-Year High

Data in this report cover up to Tuesday Oct 2 & were released Friday Oct 5.

- This week's positioning adjustments were limited to the G4 currencies and AUD as speculators cut bullish EUR longs and bearish GBP shorts. JPY risk was added to both sides and pared back for AUD. The aggregate USD long has climbed to a fresh, marginal multi-year high reaching levels last seen in December 2015. JPY and EUR are the largest net shorts and followed by modest bearish positions in AUD, GBP and CHF. NZD, CAD, and MXN are close to neutral.

- CAD positioning remains close to neutral with a relatively modest \$0.7bn net short. Speculators have added risk to both sides over the past few weeks however the builds have been relatively minor. AUD risk is being pared back considerably, and the net short has meaningfully narrowed from the extended \$5.2bn near-record bearish position reached in late September. Short covering has driven the bulk of the AUD narrowing however gross longs are also being liquidated and are currently at their lowest level since early 2015.

- EUR positioning continues to deteriorate. Gross longs have been roughly halved and gross shorts have more than doubled, driving a remarkable turn in sentiment from the record bullish \$23.4bn net long reached in mid-April. EUR overtook AUD as the second largest net short in early November and the \$7.8bn net short position is closing on the largest, JPY—at \$11.5bn.

- The \$3.1bn net short GBP position is relatively modest following a nearly unbroken run of short covering since August.

	Sentiment		\$mns	
	27-Nov	Bias	Trend	Position
CAD	bearish	neutral	-649	-177
AUD	bearish	decreasing	-3,894	375
NZD	bearish	neutral	-1,394	-81
MXN	neutral	neutral	374	28
EUR	bearish	increasing	-7,771	-1,059
GBP	bearish	decreasing	-3,119	356
CHF	bearish	neutral	-2,637	-172
JPY	bearish	increasing	-11,460	-368
Gold	neutral	neutral	227	-859
Total USD pos'n (excl. gold)			30,551	1,098

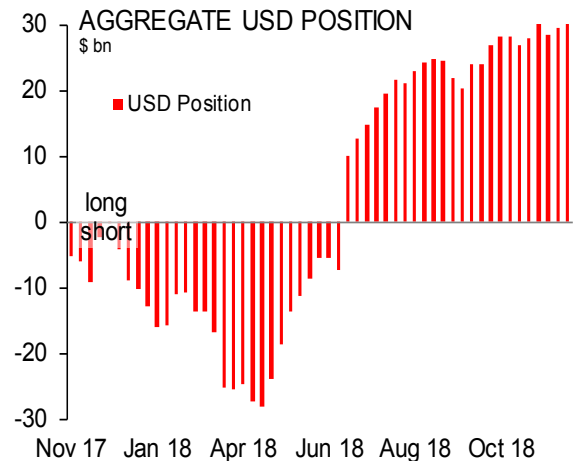
CAD — NON-COMMERCIAL POSITIONING

Date	(\$MM)	Position - Contracts of 100,000 CAD					Open Int.
		Net	Long	Short	Net	Net w/w	
27-Nov	-649	41,427	50,057	-8,630	-2,341	145,122	
20-Nov	-473	39,059	45,348	-6,289	-3,498	140,651	
13-Nov	-211	36,773	39,564	-2,791	-159	121,999	
6-Nov	-201	33,753	36,385	-2,632	7,023	116,284	

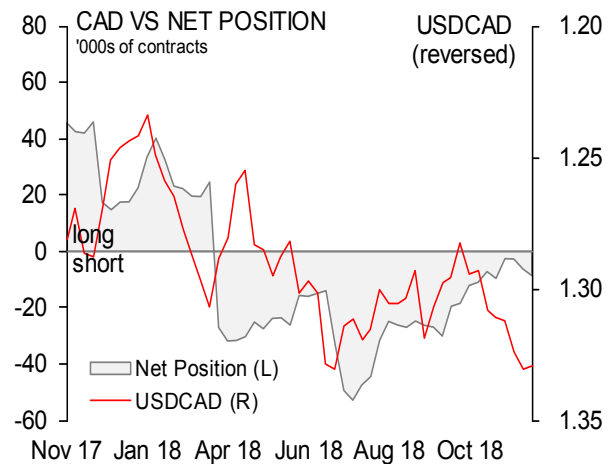
FOLLOW US ON TWITTER @SCOTIABANKFX

Shaun Osborne
Chief FX Strategist
416.945.4538
shaun.osborne@scotiabank.com

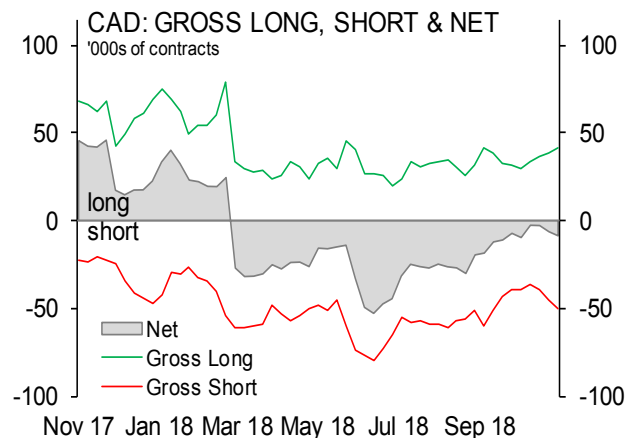
Eric Theoret, CFA, CMT
FX Strategist
416.863.7030
eric.theoret@scotiabank.com



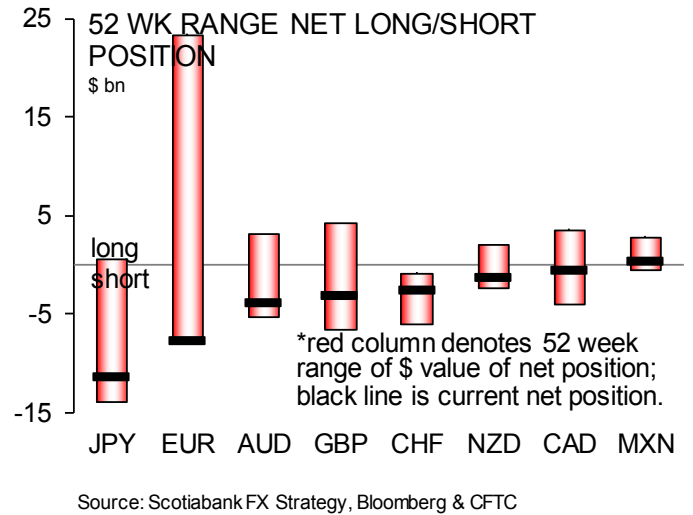
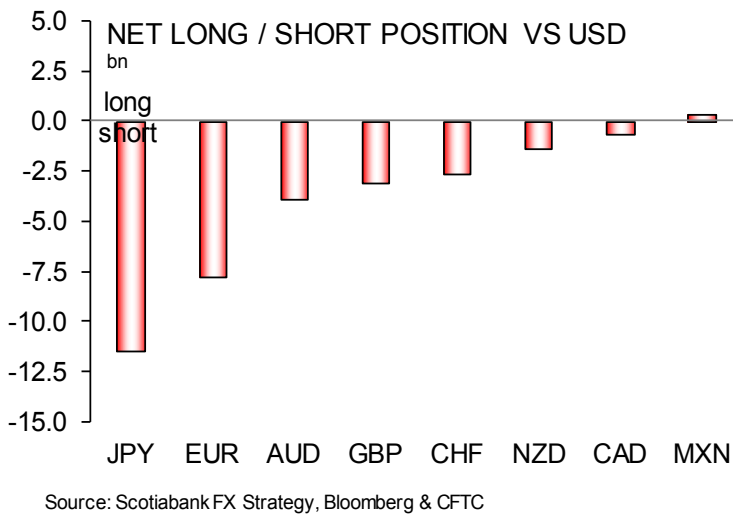
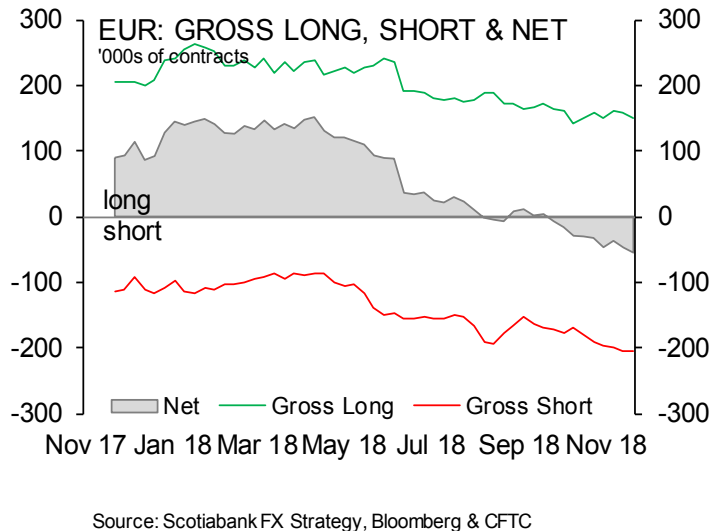
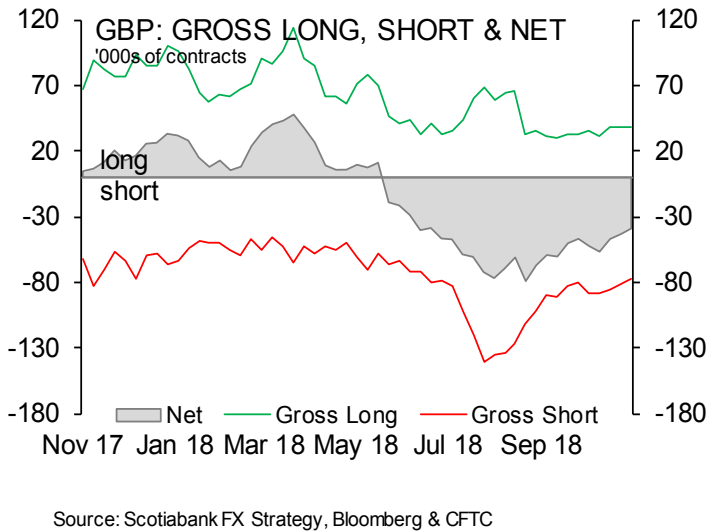
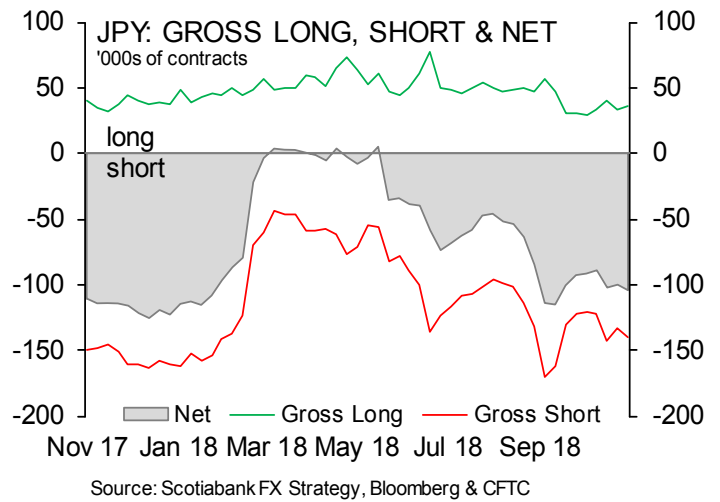
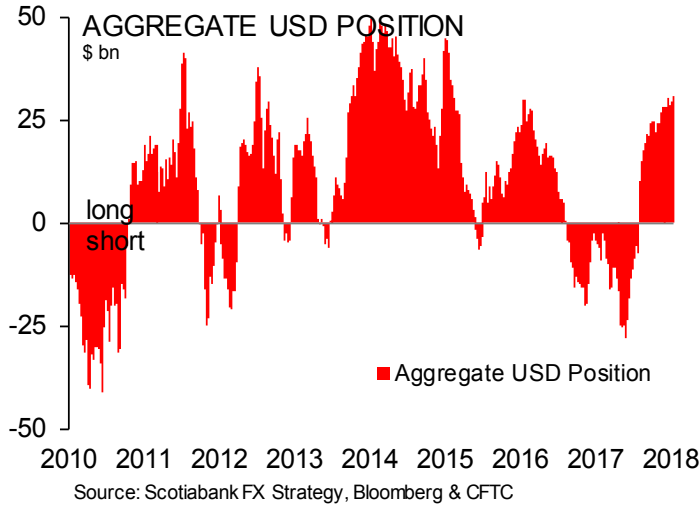
Source: Scotiabank FX Strategy, Bloomberg & CFTC



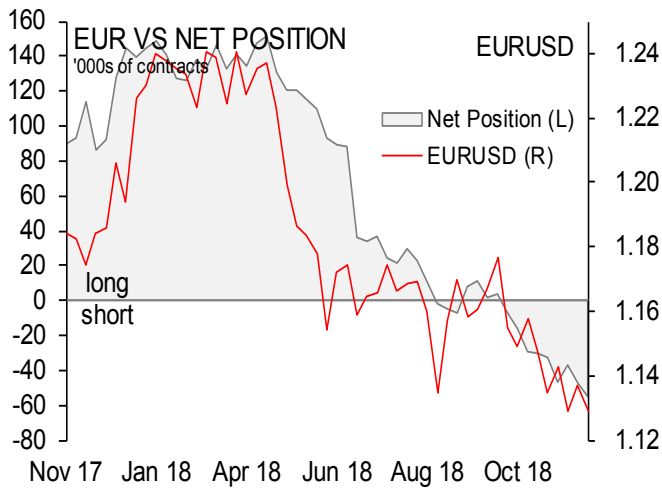
Source: Scotiabank FX Strategy, Bloomberg & CFTC



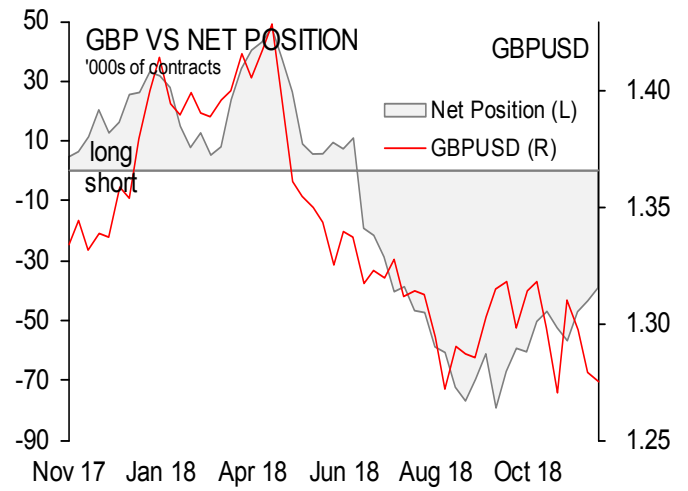
Source: Scotiabank FX Strategy, Bloomberg & CFTC



This report is intended for gbmreports@konradgroup.com. Unauthorized distribution of this report is prohibited.



Source: Scotiabank FX Strategy, Bloomberg & CFTC



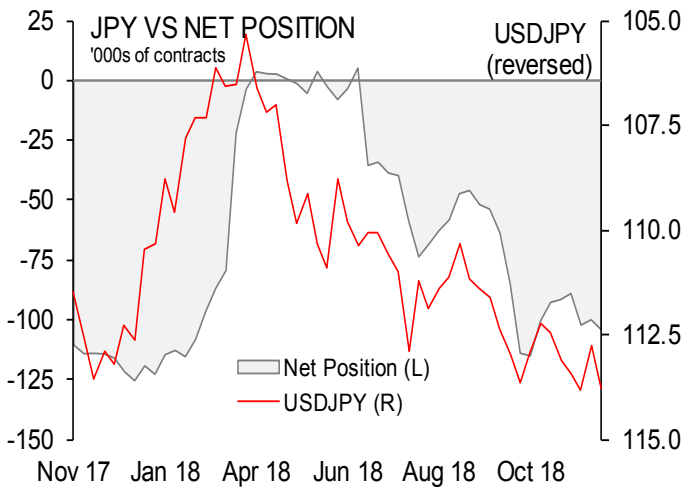
Source: Scotiabank FX Strategy, Bloomberg & CFTC

EUR — NON-COMMERCIAL POSITIONING

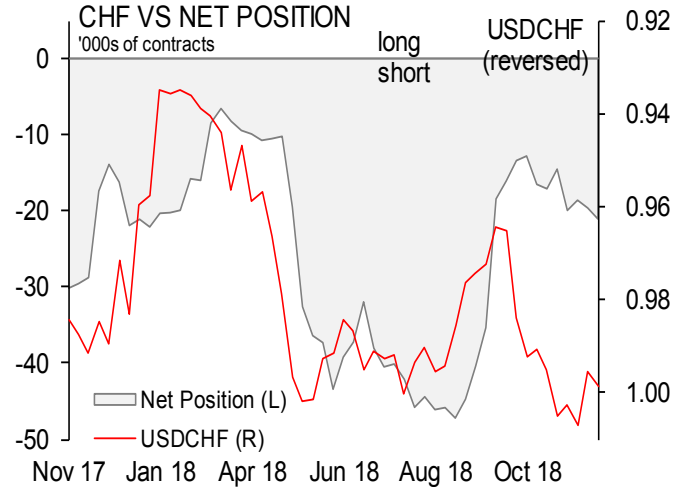
Date	(\$MM)	Position - Contracts of 125,000 EUR				Open Int.
	Net	Long	Short	Net	Net w/w	
27-Nov	-7,771	149,719	204,790	-55,071	-7,842	538,454
20-Nov	-6,712	157,633	204,862	-47,229	-10,210	535,707
13-Nov	-5,224	161,860	198,879	-37,019	9,824	520,240
6-Nov	-6,691	148,973	195,816	-46,843	-14,181	510,193

GBP — NON-COMMERCIAL POSITIONING

Date	(\$MM)	Position - Contracts of 62,500 GBP				Open Int.
	Net	Long	Short	Net	Net w/w	
27-Nov	-3,119	37,930	77,080	-39,150	4,328	227,895
20-Nov	-3,475	37,710	81,188	-43,478	3,629	227,556
13-Nov	-3,821	38,606	85,713	-47,107	9,692	229,052
6-Nov	-4,650	31,670	88,469	-56,799	-4,317	227,514



Source: Scotiabank FX Strategy, Bloomberg & CFTC



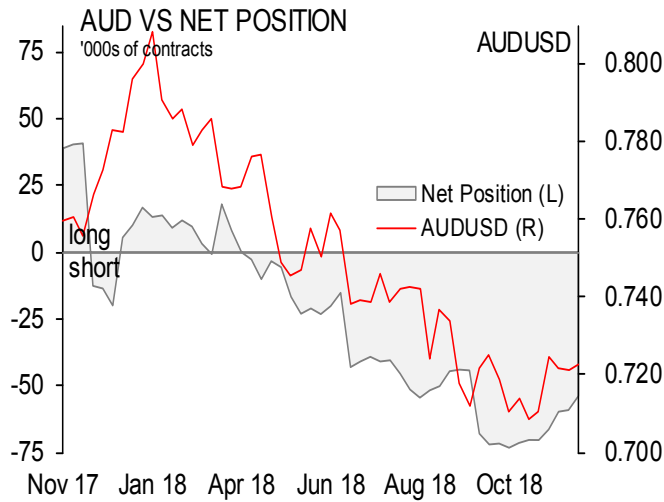
Source: Scotiabank FX Strategy, Bloomberg & CFTC

JPY — NON-COMMERCIAL POSITIONING

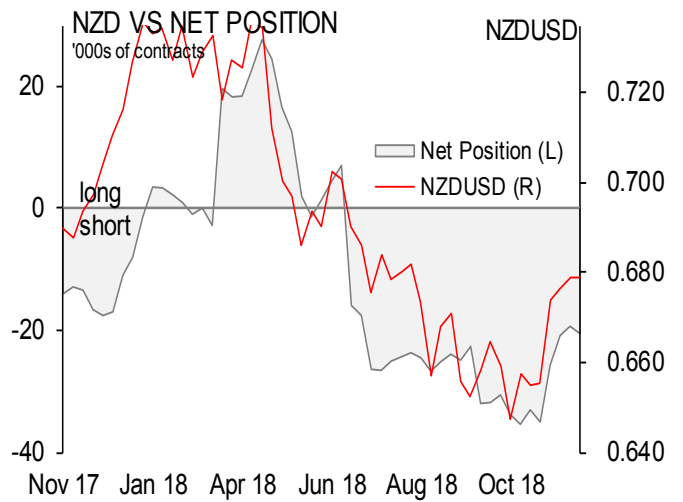
Date	(\$MM)	Position - Contracts of 12.5MM JPY				Open Int.
	Net	Long	Short	Net	Net w/w	
27-Nov	-11,460	35,817	140,141	-104,324	-4,259	231,711
20-Nov	-11,092	33,462	133,527	-100,065	2,229	223,144
13-Nov	-11,235	40,192	142,486	-102,294	-13,172	231,730
6-Nov	-9,821	33,060	122,182	-89,122	2,498	209,453

CHF — NON-COMMERCIAL POSITIONING

Date	(\$MM)	Position - Contracts of 125,000 CHF				Open Int.
	Net	Long	Short	Net	Net w/w	
27-Nov	-2,637	16,871	37,939	-21,068	-1,443	78,973
20-Nov	-2,464	17,418	37,043	-19,625	-1,023	81,100
13-Nov	-2,309	15,841	34,443	-18,602	1,346	77,629
6-Nov	-2,487	16,747	36,695	-19,948	-5,426	77,205



Source: Scotiabank FX Strategy, Bloomberg & CFTC



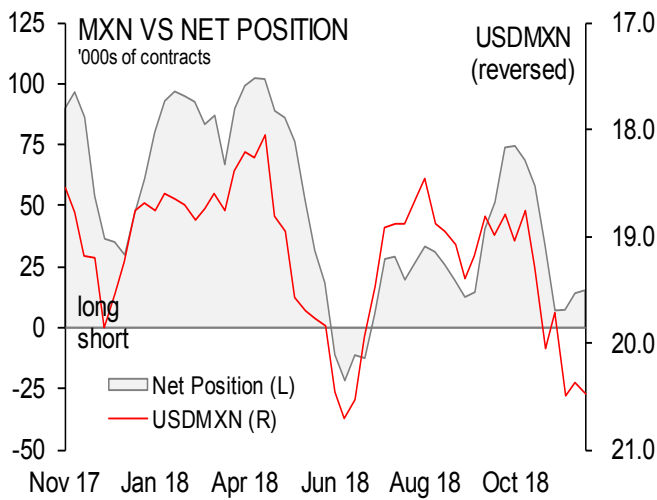
Source: Scotiabank FX Strategy, Bloomberg & CFTC

AUD — NON-COMMERCIAL POSITIONING

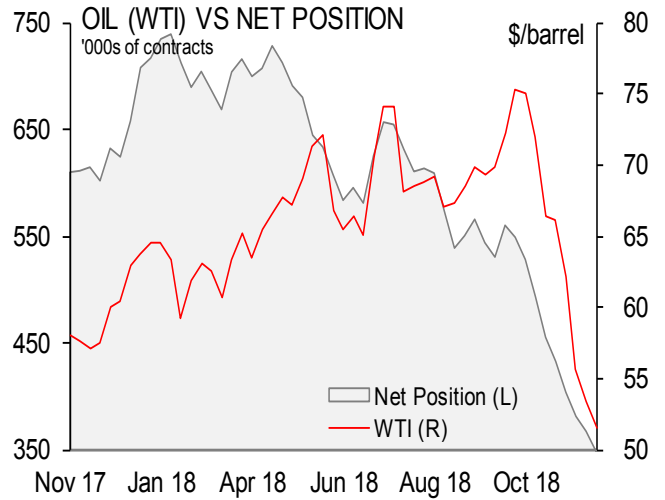
Date	(\$MM)	Position - Contracts of 100,000 AUD				Open Int.
	Net	Long	Short	Net	Net w/w	
27-Nov	-3,894	12,168	66,071	-53,903	5,277	136,796
20-Nov	-4,269	15,968	75,148	-59,180	600	141,872
13-Nov	-4,315	18,800	78,580	-59,780	6,665	146,295
6-Nov	-4,815	20,825	87,270	-66,445	3,967	150,565

NZD — NON-COMMERCIAL POSITIONING

Date	(\$MM)	Position - Contracts of 100,000 NZD				Open Int.
	Net	Long	Short	Net	Net w/w	
27-Nov	-1,394	16,373	36,913	-20,540	-1,193	54,184
20-Nov	-1,313	15,489	34,836	-19,347	1,521	53,661
13-Nov	-1,411	11,138	32,006	-20,868	4,858	50,015
6-Nov	-1,734	10,434	36,160	-25,726	9,305	51,288



Source: Scotiabank FX Strategy, Bloomberg & CFTC



Source: Scotiabank FX Strategy, Bloomberg & CFTC

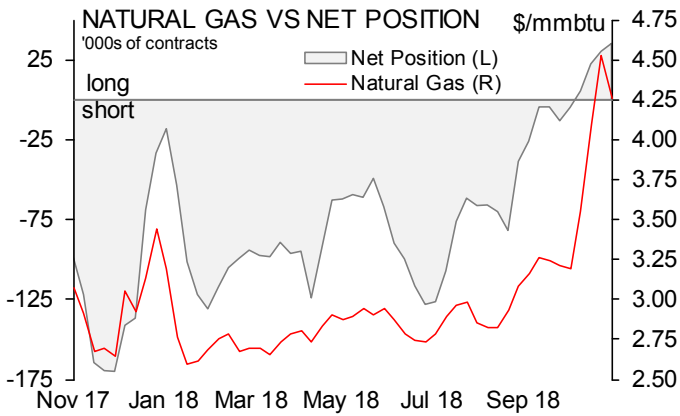
MXN — NON-COMMERCIAL POSITIONING

Date	(\$MM)	Position - Contracts of 500,000 MXN				Open Int.
	Net	Long	Short	Net	Net w/w	
27-Nov	374	77,867	62,540	15,327	1,244	189,912
20-Nov	346	72,611	58,528	14,083	6,796	186,030
13-Nov	178	69,888	62,601	7,287	251	186,246
6-Nov	178	67,588	60,552	7,036	-26,773	184,085

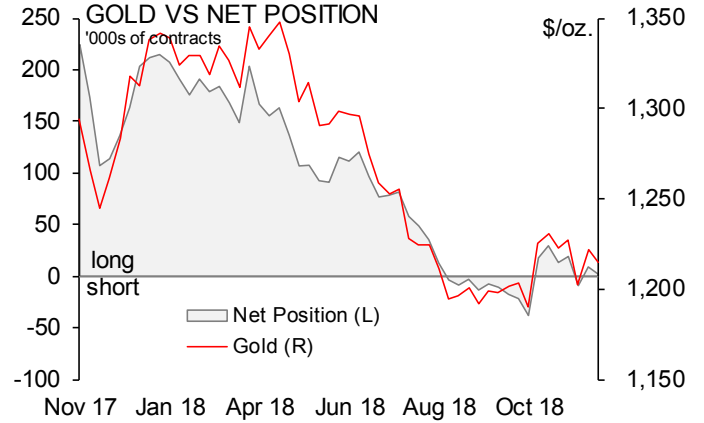
NYMEX Crude — NON-COMMERCIAL POSITIONING

Date	(\$MM)	Position - Contracts of 1000 barrels				Open Int.
	Net	Long	Short	Net	Net w/w	
27-Nov	17,949	511,679	163,558	348,121	-19,066	2,020,092
20-Nov	19,619	528,849	161,662	367,187	-14,011	1,998,866
13-Nov	21,229	561,445	180,247	381,198	-22,585	2,110,793
6-Nov	25,119	554,562	150,779	403,783	-28,855	2,075,239

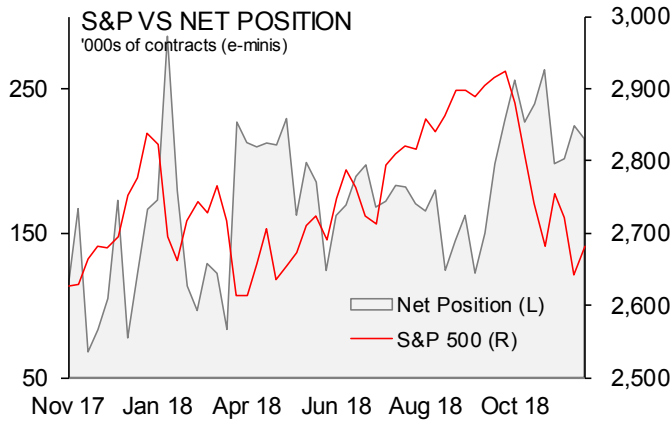
This report is intended for gbmreports@konradgroup.com. Unauthorized distribution of this report is prohibited.



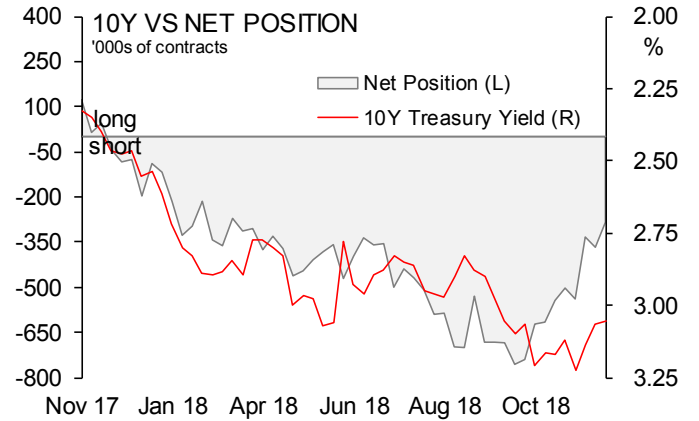
Source: Scotiabank FX Strategy, Bloomberg & CFTC



Source: Scotiabank FX Strategy, Bloomberg & CFTC



Source: Scotiabank FX Strategy, Bloomberg & CFTC



Source: Scotiabank FX Strategy, Bloomberg & CFTC

This report is intended for gbmreports@konradgroup.com. Unauthorized distribution of this report is prohibited.

IMPORTANT NOTICE and DISCLAIMER:

This report is prepared by Scotiabank as a resource for clients of Scotiabank for information and discussion purposes only. This report should be considered a marketing communication and has not been prepared by a member of the research department of Scotiabank, it is solely for the use of sophisticated institutional investors, and this report does not constitute investment advice or any personal recommendation to invest in a financial instrument or "investment research" as defined by the UK Prudential Regulation Authority or UK Financial Conduct Authority. This document has not been prepared in accordance with EU legal requirements designed to promote the independence of investment research and the information contained in this publication is not subject to any prohibition in the EU on dealing ahead of the dissemination of investment research. Opinions, estimates and projections contained herein are our own as of the date hereof and are subject to change without notice. The information and opinions contained herein have been compiled or arrived at from publically available sources believed reliable but no representation or warranty, express or implied, is made as to their accuracy or completeness and neither the information nor the forecast shall be taken as a representation for which Scotiabank or any of its employees incur any responsibility. Neither Scotiabank nor its representatives accept any liability whatsoever for any loss arising from any use of this report or its contents. This report is not, and is not constructed as, an offer to sell or solicitation of any offer to buy any financial instruments and has no regard to the specific investment objectives, financial situation or particular needs of any recipient. It is not intended to provide legal, tax, accounting or other advice. Scotiabank and/or its respective officers, directors or employees may from time to time take positions in the products mentioned herein as principal or agent. Directors, officers or employees of Scotiabank may serve as directors of corporations referred to herein. Scotiabank may have acted as financial advisor and/or underwriter for certain of the corporations mentioned herein and may have received and may receive remuneration for same. This report may include forward-looking statements about the objectives and strategies of Scotiabank. Such forward-looking statements are inherently subject to uncertainties beyond the control of Scotiabank including but not limited to economic and financial conditions globally, regulatory development in Canada and elsewhere, technological developments and competition. The reader is cautioned that the member's actual performance could differ materially from such forward-looking statements. Past performance or simulated past performance is not a reliable indicator of future results. Forecasts are not a reliable indicator of future performance. You should note that the manner in which you implement any of strategies set out in this report may expose you to significant risk and you should carefully consider your ability to bear such risks through consultation with your legal, accounting and other advisors. Information in this report regarding services and products of Scotiabank is applicable only in jurisdictions where such services and products may lawfully be offered for sale and is void where prohibited by law. If you access this report from outside of Canada, you are responsible for compliance with local, national and international laws. Not all products and services are available across Canada or in all countries. All Scotiabank products and services are subject to the terms of applicable agreements. This report and all information, opinions and conclusions contained in it are protected by copyright. This report may not be reproduced in whole or in part, or referred to in any manner whatsoever nor may the information, opinions and conclusions contained in it be referred to without in each case the prior express consent of Scotiabank. Scotiabank is a Canadian chartered bank.

If you are affected by MIFID II, you must advise us in writing at trade.supervision@scotiabank.com.

™Trademark of The Bank of Nova Scotia. Used under license, where applicable. Scotiabank, together with "Global Banking and Markets", is a marketing name for the global corporate and investment banking and capital markets businesses of The Bank of Nova Scotia and certain of its affiliates in the countries where they operate, including, Scotia Capital Inc. and Scotia Capital (USA) Inc., Scotiabank Europe plc, Scotiabank (Ireland) Limited - all members of the Scotia-bank Group and authorized users of the mark. The Bank of Nova Scotia is incorporated in Canada with limited liability. Scotia Capital Inc. is a member of the Canadian Investor Protection Fund. Scotia Capital (USA) Inc. is a broker-dealer registered with the SEC and is a member of FINRA, NYSE, NFA and SIPC. The Bank of Nova Scotia is authorized and regulated by the Office of the Superintendent of Financial Institutions in Canada. The Bank of Nova Scotia is authorized by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of The Bank of Nova Scotia's regulation by the Prudential Regulation Authority are available from us on request. Scotiabank Europe plc is authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

To unsubscribe from receiving further Commercial Electronic Messages click this link: www.unsubscribe.gbm.scotiabank.com.