

EUR Sentiment Turns More Bearish, JPY Bulls Pull in Horns

Data in this report cover up to Tuesday Sep 3 & were released Friday Sep 6.

- This week's snapshot of FX market positioning and sentiment reveal a USD2.5bn rebuilding in the speculative market's aggregate long USD position, reflecting exposures to the major currencies. This was the speculative market's first "add" to the net long USD position in six weeks.

- The primary driver of the positioning swing was the sharp increase in net EUR short positioning—a USD1.3bn increase in the week, driven mainly by gains in outright EUR shorting activity. Meanwhile, the strongly bullish conviction behind the JPY in recent weeks reversed; net JPY longs fell USD705mn to USD3.3bn. Positioning here remains elevated, from the bullish JPY perspective, but is not excessive. GBP bears retreated by a further USD425mn in net terms, however, to leave the market short at USD6.4bn—still relatively high. It is hard to say that peak GBP bearishness has been seen, given the risks around the Brexit outlook, but GBP valuation and positioning suggests that a lot of bad news is priced in to the pound.

- CAD positioning is neutral while net AUD shorts were pared back modestly and net NZD shorts rose a little. Net MXN longs were little changed, suggesting neutral sentiment.

- Gold sentiment remains very bullish; net longs increased just over USD700mn this week to USD46.5bn.

3-Sep	Sentiment		\$mns	
	Bias	Trend	Position	w/w chg.
CAD	neutral	neutral	401	-420
AUD	bearish	neutral	-4,010	111
NZD	bearish	increasing	-1,944	-287
MXN	bullish	neutral	2,298	-37
EUR	bearish	increasing	-6,740	-1,361
GBP	bearish	decreasing	-6,415	424
CHF	bearish	increasing	-739	-255
JPY	bullish	decreasing	3,266	-706
Gold	bullish	increasing	46,498	701
Total USD pos'n (excl. gold)			13,883	2,532

CAD — NON-COMMERCIAL POSITIONING

Date	(\$MM)	Position - Contracts of 100,000 CAD				Open Int.
		Net	Long	Short	Net	
3-Sep	401	48,206	42,857	5,349	-5,556	167,396
27-Aug	821	48,292	37,387	10,905	-2,132	158,921
20-Aug	979	47,368	34,331	13,037	-1,163	155,837
13-Aug	1,074	50,065	35,865	14,200	-9,966	160,861

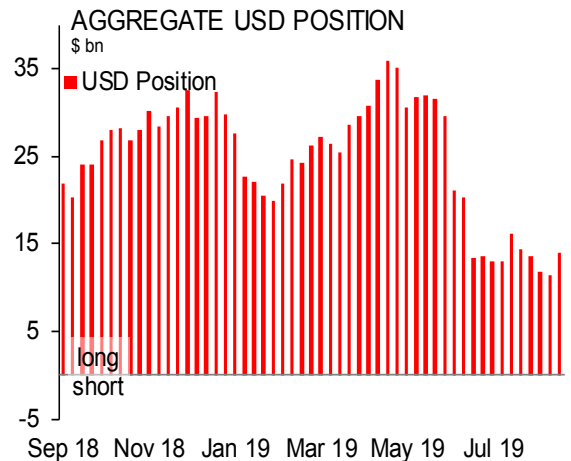


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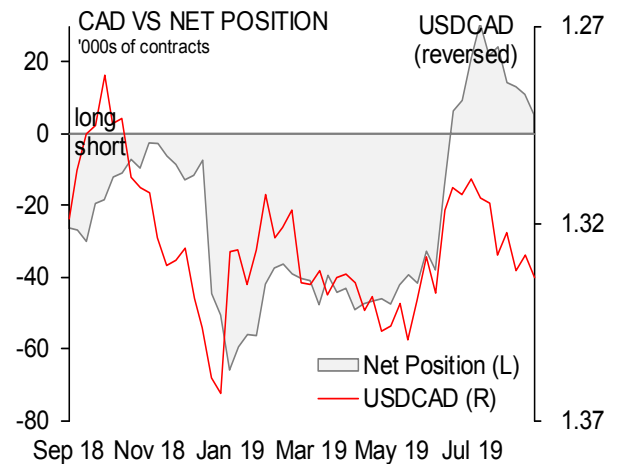
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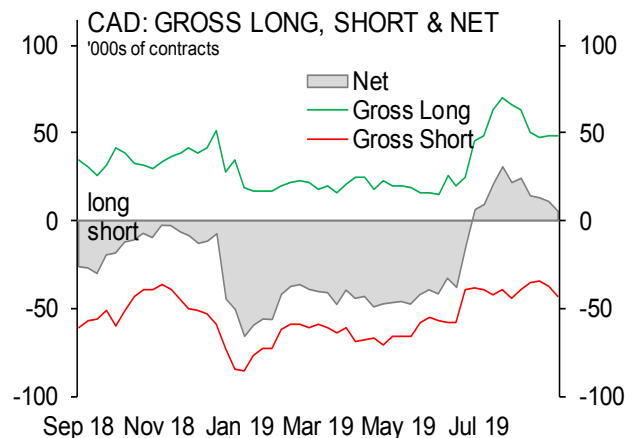
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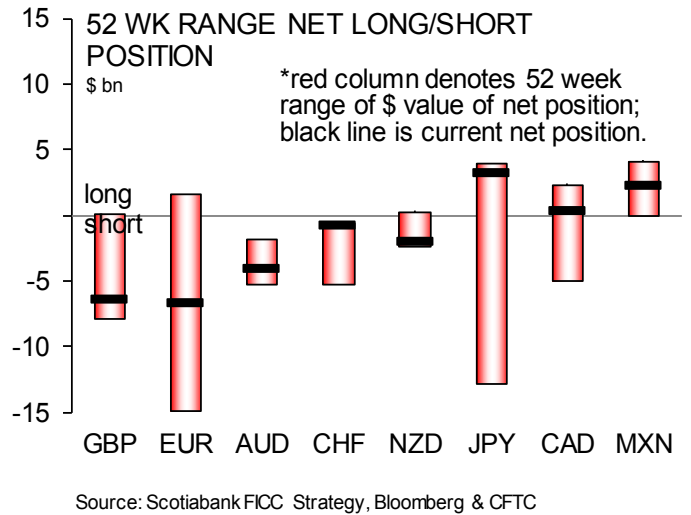
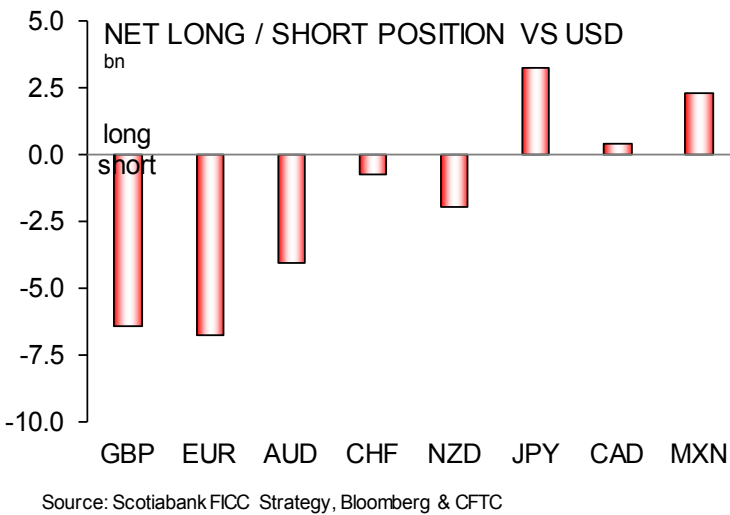
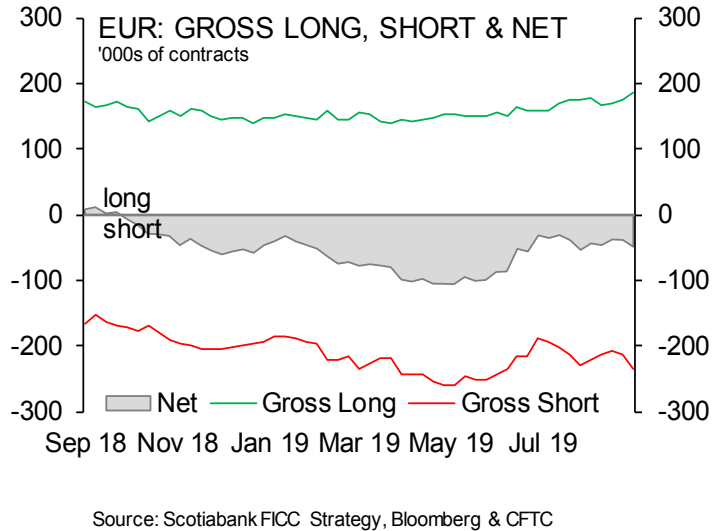
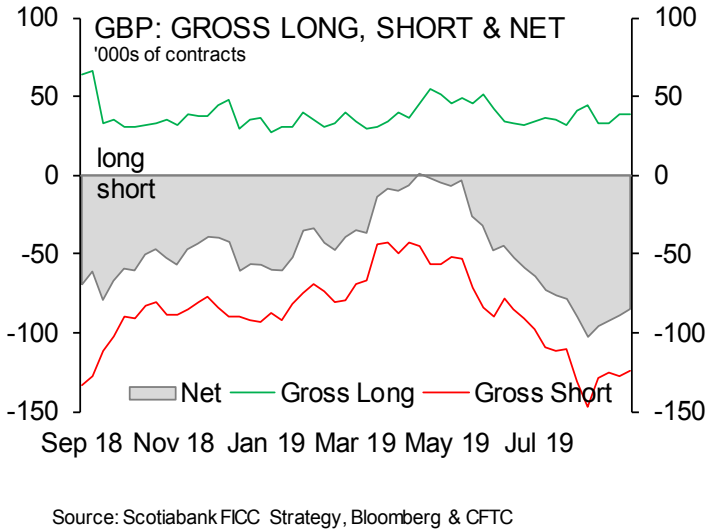
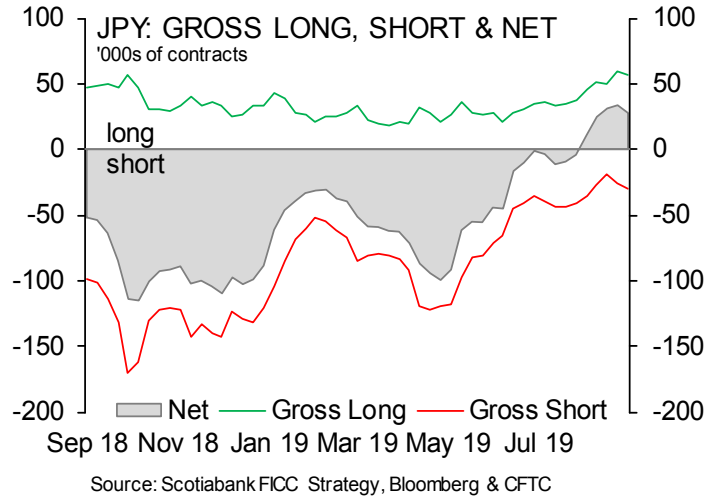
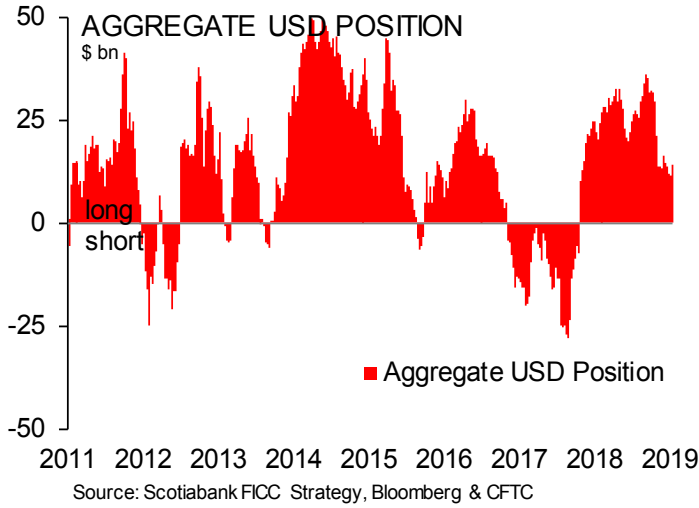
Source: Scotiabank FICC Strategy, Bloomberg & CFTC

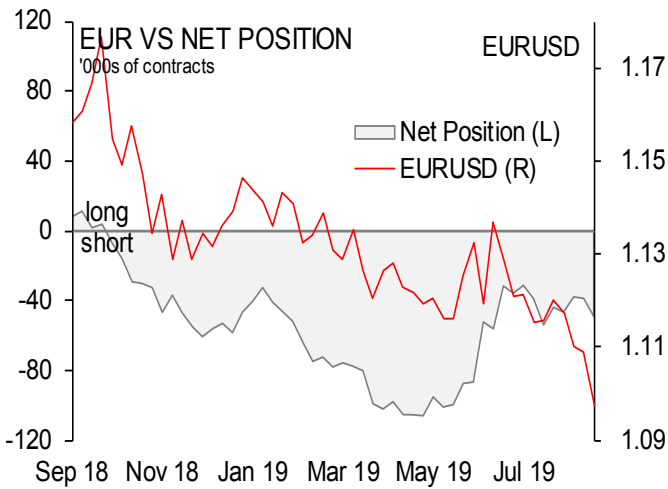


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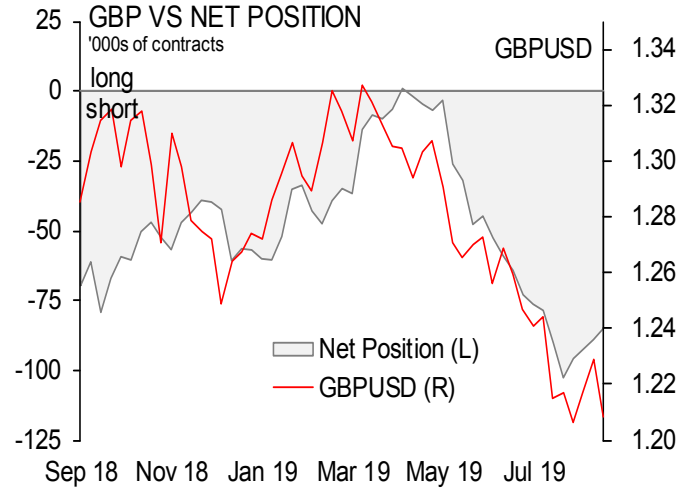


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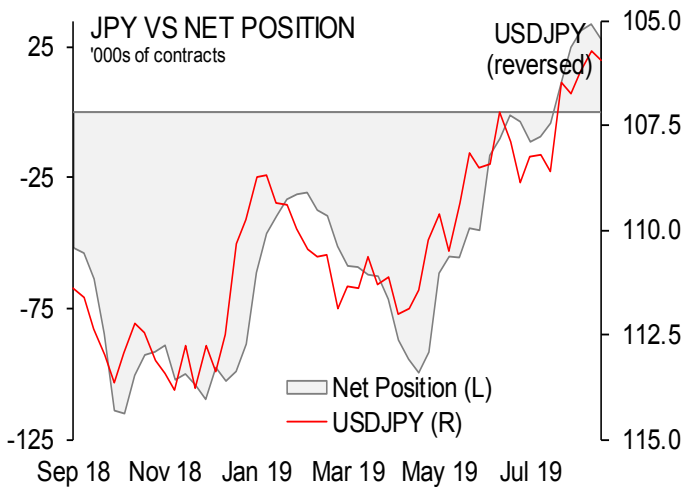
Source: Scotiabank FICC Strategy, Bloomberg & CFTC

EUR — NON-COMMERCIAL POSITIONING

Date	(\$MM)	Position - Contracts of 125,000 EUR				Open Int.
	Net	Long	Short	Net	Net w/w	
3-Sep	-6,740	186,144	235,280	-49,136	-10,332	546,954
27-Aug	-5,379	173,451	212,255	-38,804	-827	525,065
20-Aug	-5,269	168,455	206,432	-37,977	8,672	542,806
13-Aug	-6,514	167,214	213,863	-46,649	-2,639	550,607

GBP — NON-COMMERCIAL POSITIONING

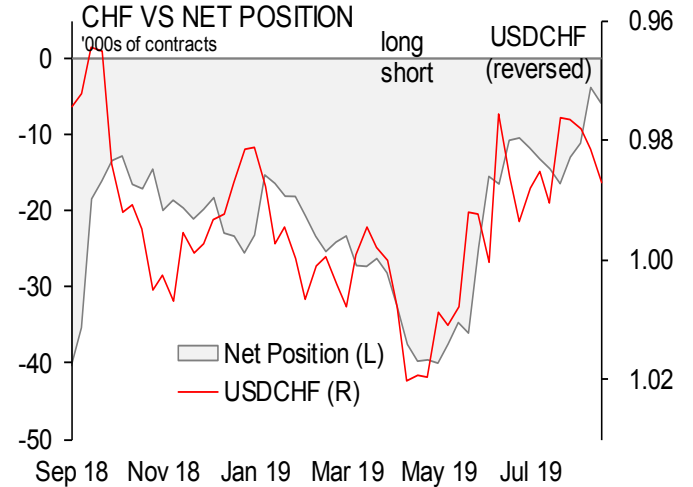
Date	(\$MM)	Position - Contracts of 62,500 GBP				Open Int.
	Net	Long	Short	Net	Net w/w	
3-Sep	-6,415	38,695	123,654	-84,959	4,069	272,396
27-Aug	-6,838	38,143	127,171	-89,028	3,390	273,650
20-Aug	-7,030	33,405	125,823	-92,418	3,402	273,481
13-Aug	-7,222	33,405	129,225	-95,820	6,882	273,931



Source: Scotiabank FICC Strategy, Bloomberg & CFTC

JPY — NON-COMMERCIAL POSITIONING

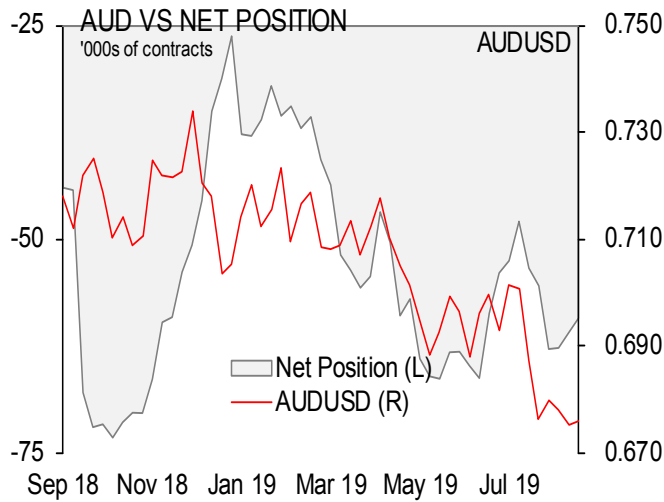
Date	(\$MM)	Position - Contracts of 12.5MM JPY				Open Int.
	Net	Long	Short	Net	Net w/w	
3-Sep	3,266	57,222	29,540	27,682	-5,925	157,788
27-Aug	3,972	59,795	26,188	33,607	2,453	157,862
20-Aug	3,666	49,984	18,830	31,154	6,412	154,662
13-Aug	2,897	51,764	27,022	24,742	14,181	160,271



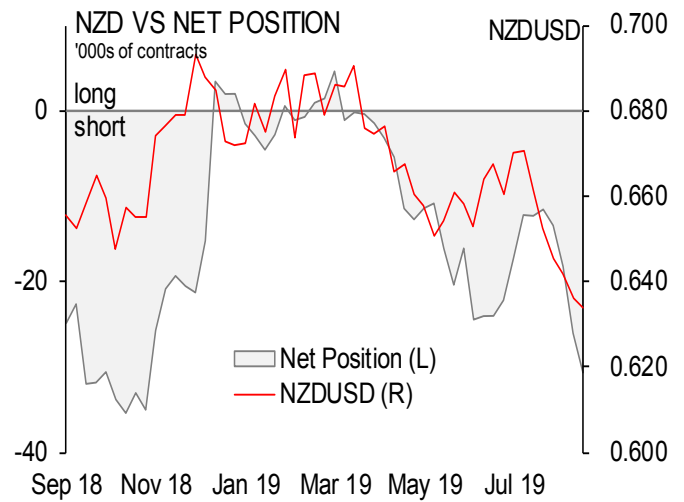
Source: Scotiabank FICC Strategy, Bloomberg & CFTC

CHF — NON-COMMERCIAL POSITIONING

Date	(\$MM)	Position - Contracts of 125,000 CHF				Open Int.
	Net	Long	Short	Net	Net w/w	
3-Sep	-739	16,362	22,201	-5,839	-2,039	60,867
27-Aug	-484	14,235	18,035	-3,800	7,317	55,251
20-Aug	-1,421	7,925	19,042	-11,117	1,835	54,941
13-Aug	-1,658	7,760	20,712	-12,952	3,479	54,267



Source: Scotiabank FICC Strategy, Bloomberg & CFTC



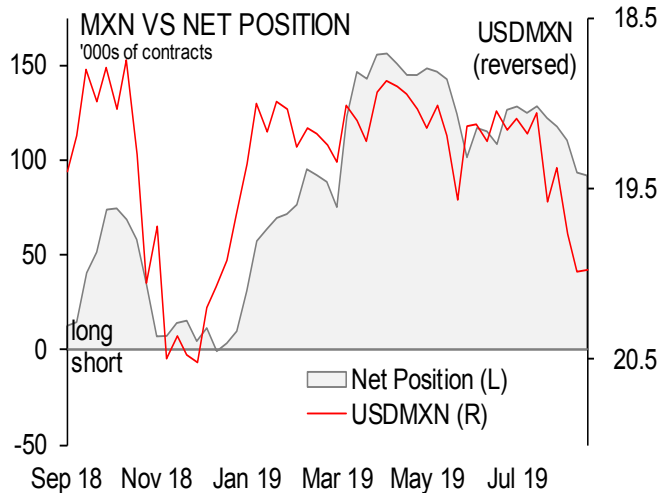
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AUD — NON-COMMERCIAL POSITIONING

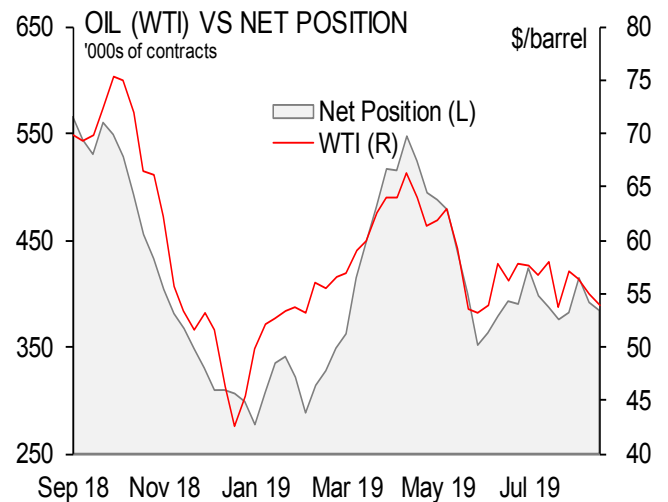
Date	(\$MM)	Position - Contracts of 100,000 AUD				Open Int.
	Net	Long	Short	Net	Net w/w	
3-Sep	-4,010	34,089	93,407	-59,318	1,714	174,021
27-Aug	-4,121	31,850	92,882	-61,032	1,749	165,752
20-Aug	-4,255	32,358	95,139	-62,781	131	169,175
13-Aug	-4,277	36,304	99,216	-62,912	-7,401	175,597

NZD — NON-COMMERCIAL POSITIONING

Date	(\$MM)	Position - Contracts of 100,000 NZD				Open Int.
	Net	Long	Short	Net	Net w/w	
3-Sep	-1,944	21,066	51,742	-30,676	-4,629	67,827
27-Aug	-1,657	21,135	47,182	-26,047	-7,787	64,672
20-Aug	-1,172	21,073	39,333	-18,260	-4,813	62,760
13-Aug	-868	20,500	33,947	-13,447	-1,883	59,895



Source: Scotiabank FICC Strategy, Bloomberg & CFTC



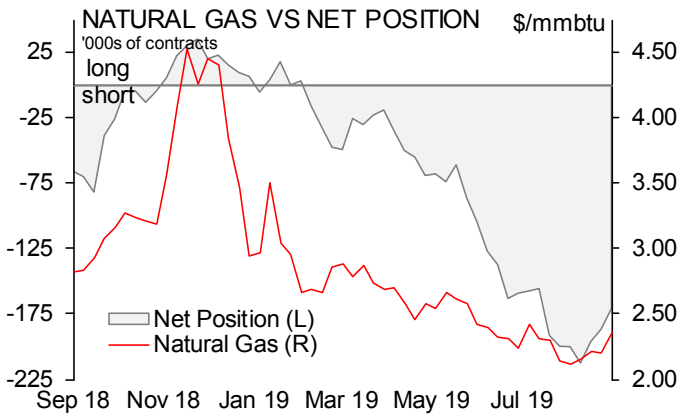
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MXN — NON-COMMERCIAL POSITIONING

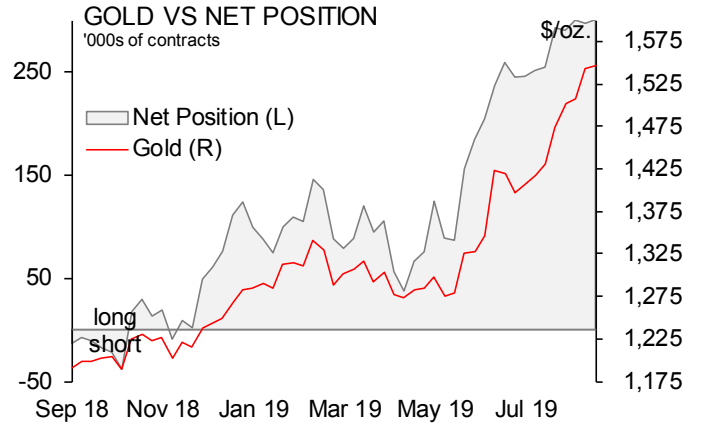
Date	(\$MM)	Position - Contracts of 500,000 MXN				Open Int.
	Net	Long	Short	Net	Net w/w	
3-Sep	2,298	126,271	34,480	91,791	-1,523	187,869
27-Aug	2,335	129,991	36,677	93,314	-17,045	189,136
20-Aug	2,791	147,542	37,183	110,359	-7,203	197,525
13-Aug	3,034	152,707	35,145	117,562	-4,507	212,499

NYMEX Crude — NON-COMMERCIAL POSITIONING

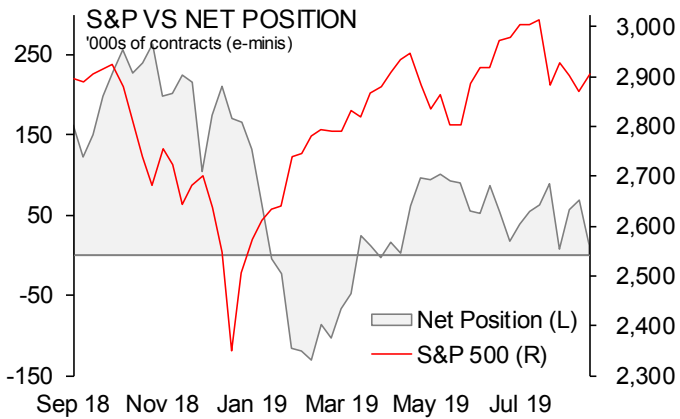
Date	(\$MM)	Position - Contracts of 1000 barrels				Open Int.
	Net	Long	Short	Net	Net w/w	
3-Sep	20,721	508,940	124,783	384,157	-7,493	2,082,415
27-Aug	21,513	513,465	121,815	391,650	-22,985	2,003,007
20-Aug	23,361	528,969	114,334	414,635	32,491	2,002,847
13-Aug	21,820	547,040	164,896	382,144	6,503	2,059,135



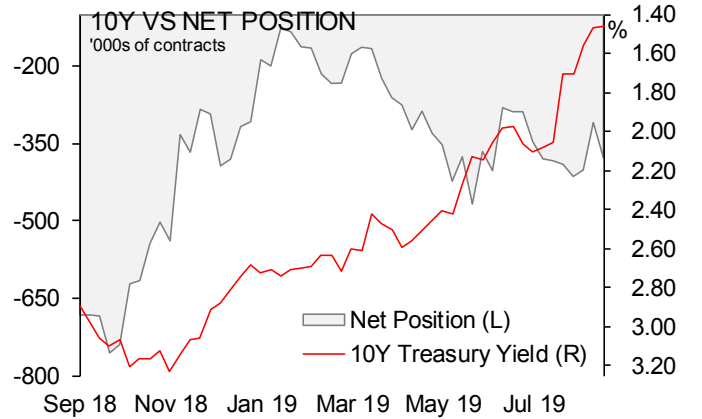
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