

Speculators Slash EUR Shorts

Data in this report cover up to Tuesday Mar 24 & were released Friday March 27.

- Speculative pressure on the USD increased slightly on the week through last Tuesday, according to the latest CFTC data. The incremental pressure on the USD was modest—aggregate USD shorts rose USD572mn in the latest week to USD8.4bn. But the main axis through which investors expressed their USD-bearish sentiment was the EUR, which saw a sharp jump in net longs.
- Net EUR longs jumped USD3.8bn in the week through March 24th to reach USD8.3bn (or around 62k contracts)—the largest bull bet on the EUR since mid-2018 in effect. Most of this change reflects gross EUR short-covering, however, with turmoil in the financial markets driving a huge squeeze on carry trades that have been funded in the EUR.
- Speculative accounts are bearish on the commodity currencies—which fits with the broader, risk-averse climate, clearly, but positioning was a little more nuanced last week. Net CAD shorts rose sharply, reaching just over USD2bn but here too, positioning was largely a one-sided affair, with gross CAD longs liquidating aggressively amid falling equity and commodity prices. Gross CAD shorts were little changed on the week. Meanwhile, investors' exposure to the AUD, NZD and MXN were little changed on the week.
- Elsewhere, net positioning in the GBP remained bullish, but was trimmed back (USD604mn) in the week. This was a pattern repeated in the CHF and (more so) in the JPY (net longs cut USD1.1bn). It seems, however, that volatility has overwhelmed positioning to a significant extent with price movement far exceeding relatively modest changes in positioning in the currencies. It may take some time for positioning to resize appropriately to trends and the broader market tone.

24-Mar	Sentiment		\$mns	
	Bias	Trend	Position	w/w chg.
CAD	bearish	increasing	-2,022	-1,345
AUD	bearish	neutral	-1,502	222
NZD	bearish	decreasing	-933	272
MXN	neutral	neutral	442	-295
EUR	bullish	increasing	8,265	3,798
GBP	bullish	decreasing	800	-604
CHF	bullish	decreasing	623	-336
JPY	bullish	decreasing	2,682	-1,141
Gold	bullish	increasing	47,071	3,985
Total USD pos'n (excl. gold)			-8,355	-572

CAD — NON-COMMERCIAL POSITIONING

Date	(\$MM)	Position - Contracts of 100,000 CAD					Open Int.
		Net	Long	Short	Net	Net w/w	
24-Mar	-2,022		21,323	50,568	-29,245	-19,622	124,226
17-Mar	-678		43,114	52,737	-9,623	-7,633	183,137
10-Mar	-145		48,055	50,045	-1,990	-12,569	175,226
3-Mar	791		55,191	44,612	10,579	-4,045	160,511

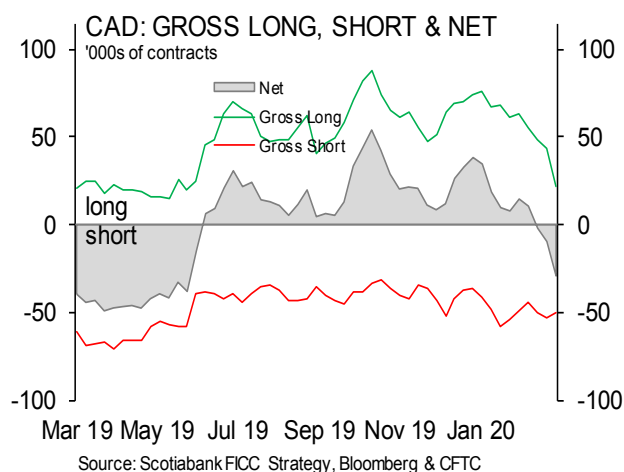
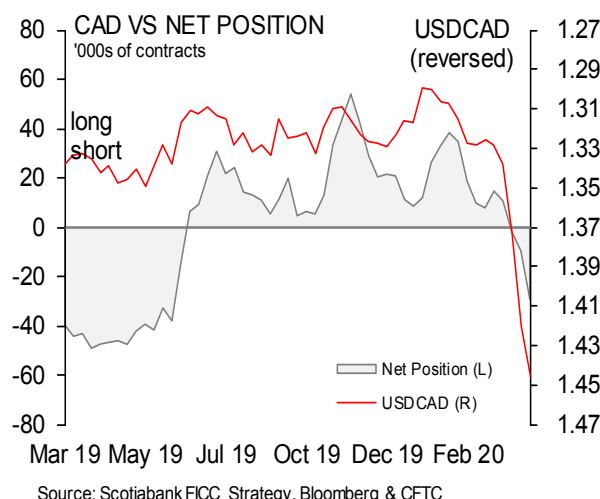
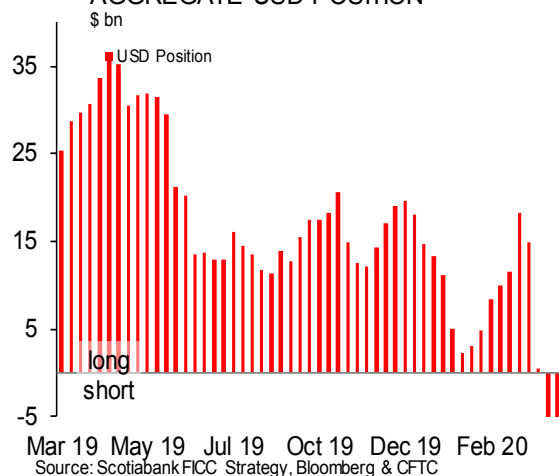


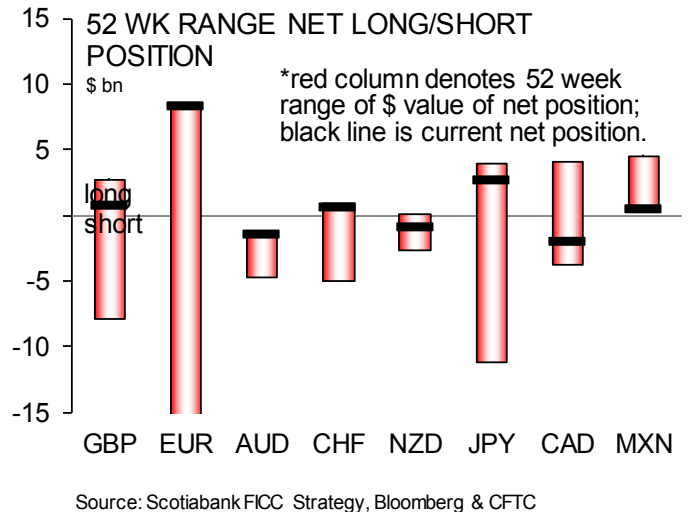
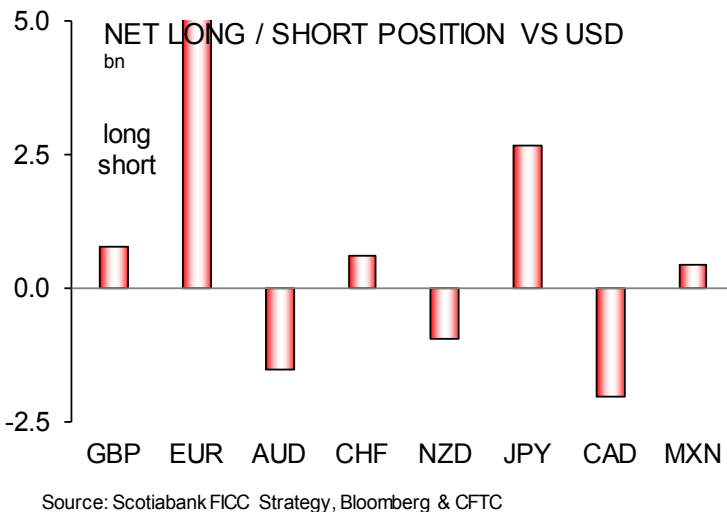
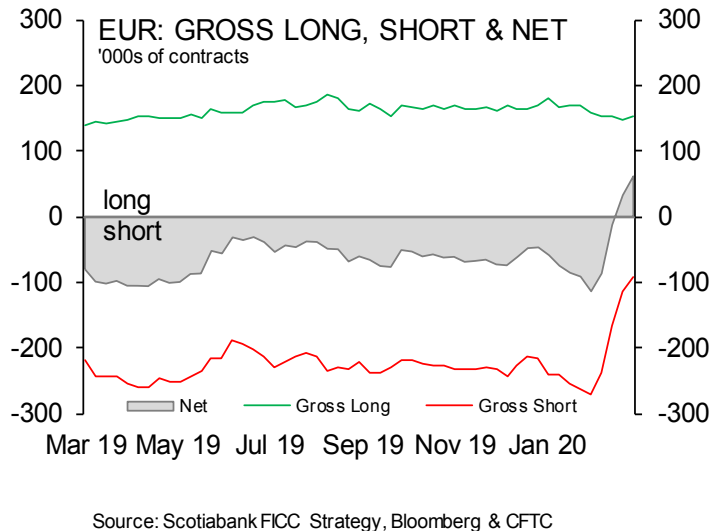
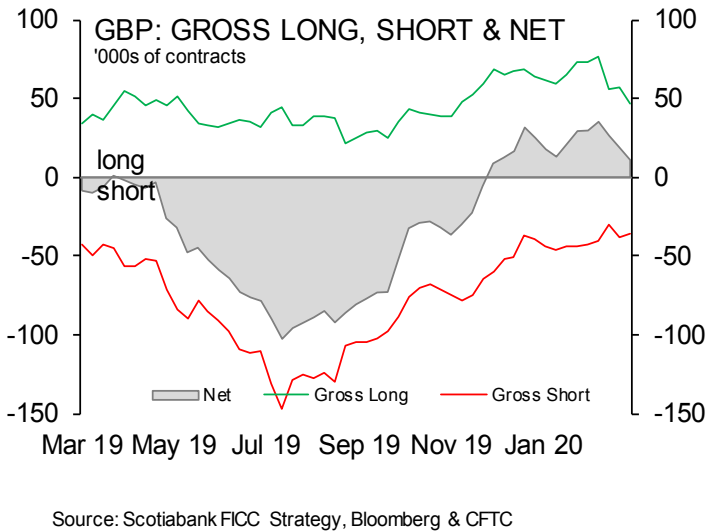
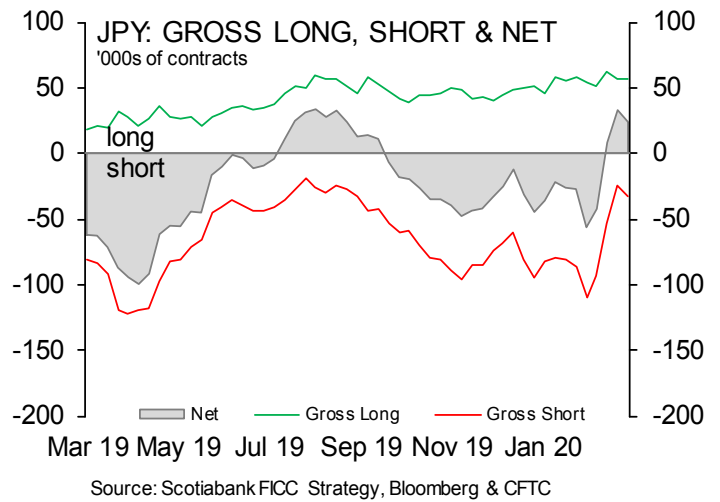
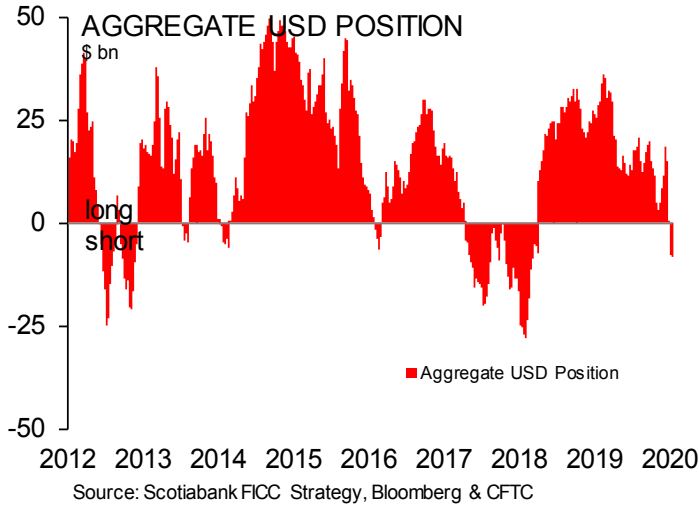
FOLLOW US ON TWITTER @SCOTIABANKFX

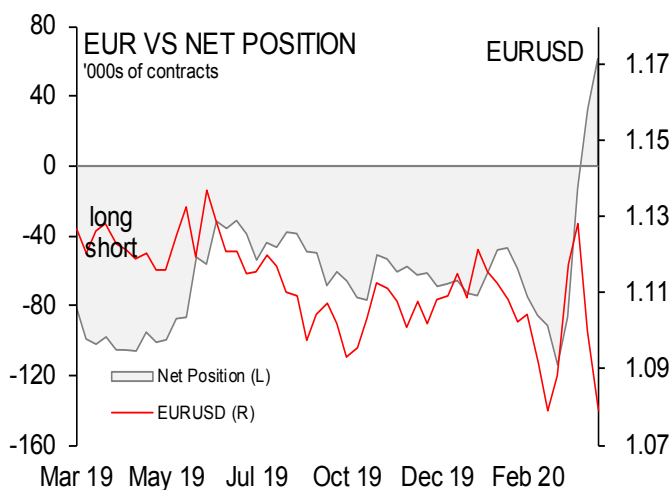
Shaun Osborne
Chief FX Strategist
416.945.4538
shaun.osborne@scotiabank.com

Juan Manuel Herrera
FX Strategist
416.866.6781
juanmanuel.herrera@scotiabank.com

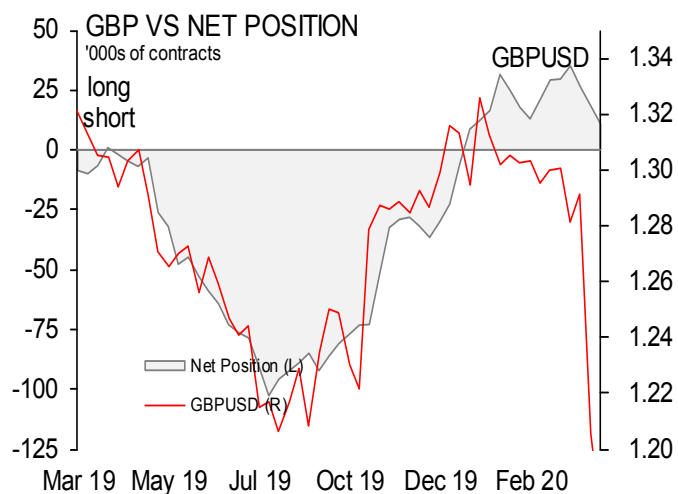
AGGREGATE USD POSITION







Source: Scotiabank FICC Strategy, Bloomberg & CFTC



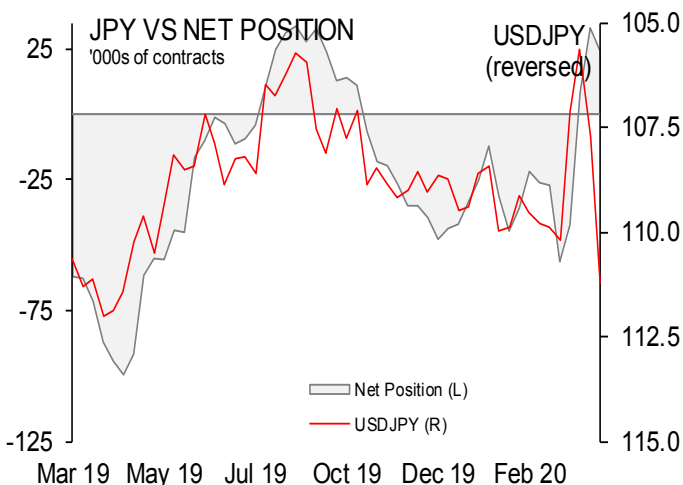
Source: Scotiabank FICC Strategy, Bloomberg & CFTC

EUR — NON-COMMERCIAL POSITIONING

Date	(\$MM)	Position - Contracts of 125,000 EUR				
	Net	Long	Short	Net	Net w/w	Open Int.
24-Mar	8,265	152,360	91,070	61,290	28,795	571,086
17-Mar	4,467	147,133	114,638	32,495	45,162	588,116
10-Mar	-1,786	153,820	166,487	-12,667	74,036	659,151
3-Mar	-12,109	151,904	238,607	-86,703	27,318	640,357

GBP — NON-COMMERCIAL POSITIONING

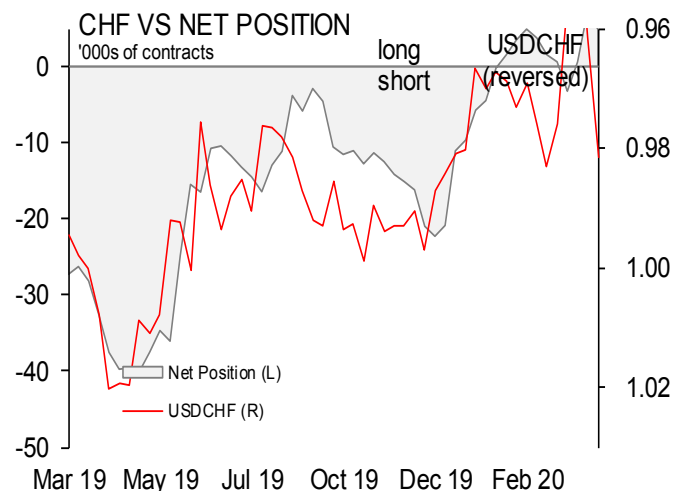
Date	(\$MM)	Position - Contracts of 62,500 GBP				
	Net	Long	Short	Net	Net w/w	Open Int.
24-Mar	800	46,534	35,650	10,884	-7,756	179,552
17-Mar	1,404	56,575	37,935	18,640	-7,688	182,109
10-Mar	2,125	56,077	29,749	26,328	-8,834	214,185
3-Mar	2,815	76,063	40,901	35,162	5,564	214,672



Source: Scotiabank FICC Strategy, Bloomberg & CFTC

JPY — NON-COMMERCIAL POSITIONING

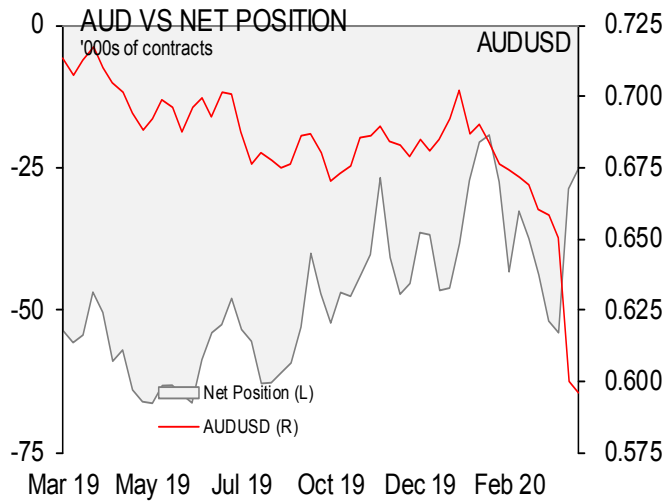
Date	(\$MM)	Position - Contracts of 12.5MM JPY				
	Net	Long	Short	Net	Net w/w	Open Int.
24-Mar	2,682	56,528	32,665	23,863	-9,072	125,594
17-Mar	3,823	57,286	24,351	32,935	24,778	125,769
10-Mar	965	61,732	53,575	8,157	50,481	159,128
3-Mar	-4,938	50,598	92,922	-42,324	14,065	198,404



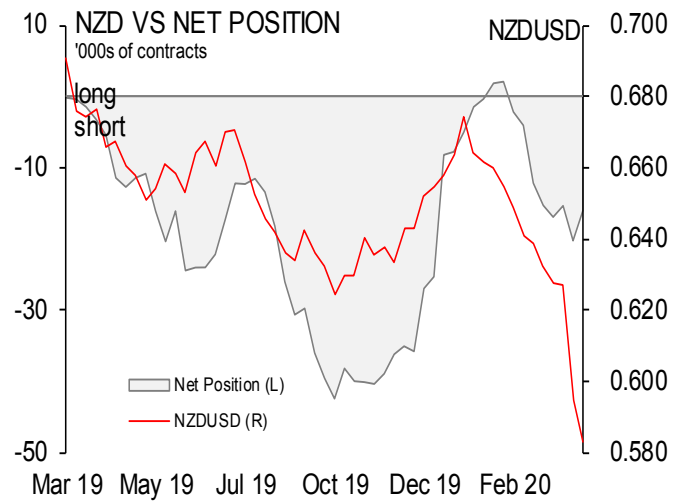
Source: Scotiabank FICC Strategy, Bloomberg & CFTC

CHF — NON-COMMERCIAL POSITIONING

Date	(\$MM)	Position - Contracts of 125,000 CHF				
	Net	Long	Short	Net	Net w/w	Open Int.
24-Mar	623	10,294	5,403	4,891	-2,483	30,767
17-Mar	959	13,963	6,589	7,374	6,779	35,254
10-Mar	79	13,460	12,865	595	3,837	50,474
3-Mar	-424	14,727	17,969	-3,242	-3,858	54,436



Source: Scotiabank FICC Strategy, Bloomberg & CFTC



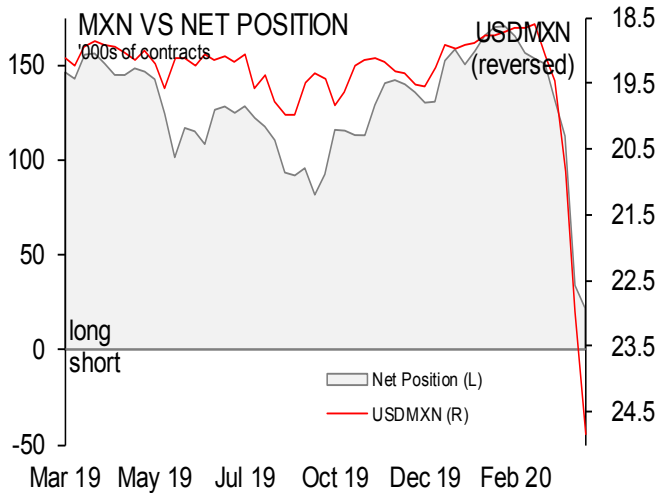
Source: Scotiabank FICC Strategy, Bloomberg & CFTC

AUD — NON-COMMERCIAL POSITIONING

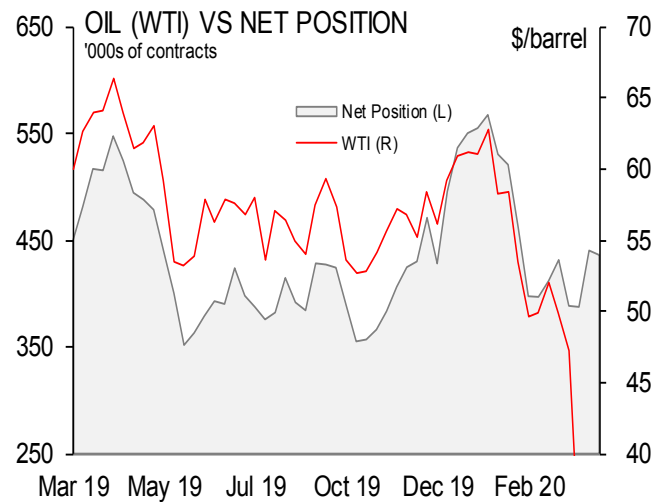
Date	(\$MM)	Position - Contracts of 100,000 AUD				Open Int.
	Net	Long	Short	Net	Net w/w	
24-Mar	-1,502	31,024	56,231	-25,207	3,526	135,097
17-Mar	-1,724	39,246	67,979	-28,733	25,280	149,878
10-Mar	-3,514	49,757	103,770	-54,013	-2,060	211,243
3-Mar	-3,421	64,846	116,799	-51,953	-8,101	223,084

NZD — NON-COMMERCIAL POSITIONING

Date	(\$MM)	Position - Contracts of 100,000 NZD				Open Int.
	Net	Long	Short	Net	Net w/w	
24-Mar	-933	6,993	23,009	-16,016	4,259	37,622
17-Mar	-1,206	9,976	30,251	-20,275	-4,899	44,688
10-Mar	-964	20,681	36,057	-15,376	1,581	71,034
3-Mar	-1,064	20,530	37,487	-16,957	-1,646	62,847



Source: Scotiabank FICC Strategy, Bloomberg & CFTC



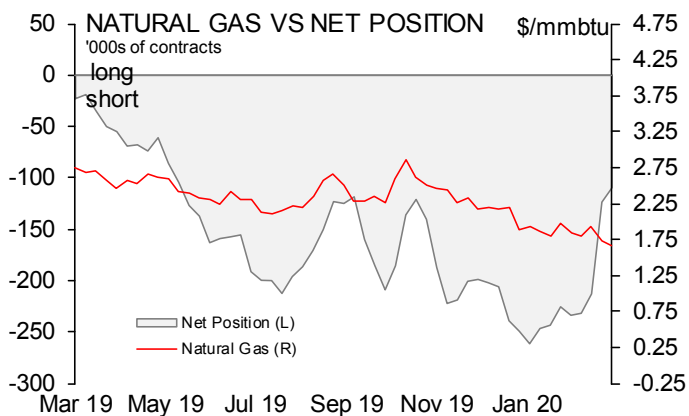
Source: Scotiabank FICC Strategy, Bloomberg & CFTC

MXN — NON-COMMERCIAL POSITIONING

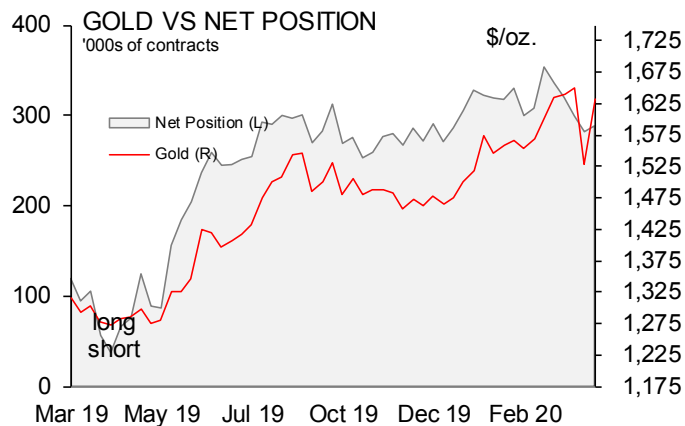
Date	(\$MM)	Position - Contracts of 500,000 MXN				Open Int.
	Net	Long	Short	Net	Net w/w	
24-Mar	442	40,783	18,804	21,979	-11,866	110,323
17-Mar	737	55,563	21,718	33,845	-78,702	121,964
10-Mar	2,701	129,376	16,829	112,547	-18,634	224,550
3-Mar	3,372	147,358	16,177	131,181	-19,420	233,892

NYMEX Crude — NON-COMMERCIAL POSITIONING

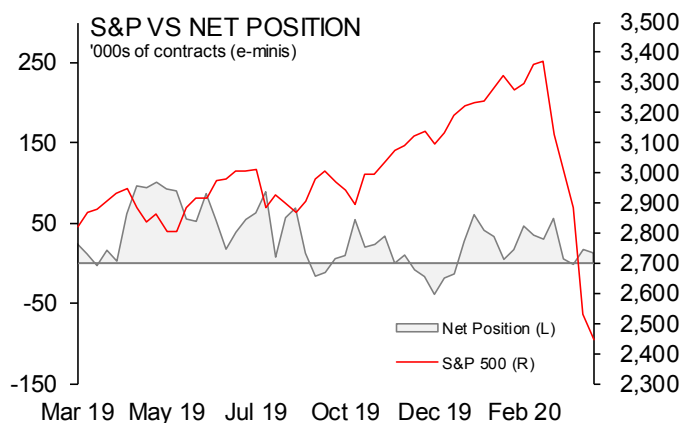
Date	(\$MM)	Position - Contracts of 1000 barrels				Open Int.
	Net	Long	Short	Net	Net w/w	
24-Mar	10,469	578,366	142,353	436,013	-4,224	2,141,284
17-Mar	11,864	572,819	132,582	440,237	52,840	2,154,450
10-Mar	13,311	587,567	200,170	387,397	-972	2,220,972
3-Mar	18,323	563,904	175,535	388,369	-43,097	2,196,089



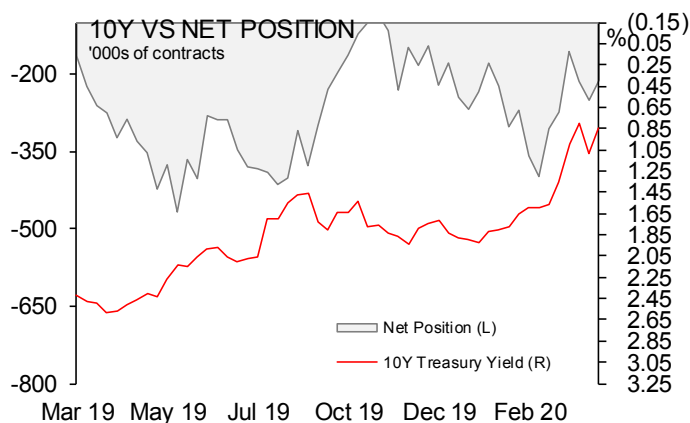
Source: Scotiabank FICC Strategy, Bloomberg & CFTC



Source: Scotiabank FICC Strategy, Bloomberg & CFTC



Source: Scotiabank FICC Strategy, Bloomberg & CFTC



Source: Scotiabank FICC Strategy, Bloomberg & CFTC

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.

TMTrademark 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.