

Net EUR Longs Reduced, Safe Havens Still Wanted

Data in this report cover up to Tuesday Oct 13 and were released on Friday Oct 16.

- The latest snapshot of FX market sentiment and positioning extends the pattern of developments seen in the CFTC data over the past few weeks—a little more USD short covering activity across the aggregate of major currency positions we cover in this report. But the drive to buy back the USD is still essentially being driven by liquidating EUR positions. The overall net USD short dropped by a little less than USD1bn this week to USD28.2bn.
- Net EUR longs were cut by USD806mn, accounting for the essential part of the USD short-covering. Gross EUR longs are declining while gross EUR shorts are nudging higher. The net position remains a fairly significant USD24.76bn, however, suggesting there is ample room for more EUR net short-covering to come.
- The other major currencies are showing little change in positioning and/or remain very close to neutral. CAD sentiment remains bearish but activity over the past week showed some modest CAD short covering—driven mainly by gross CAD shorts falling to their lowest level since the start of the year. This is the first real concession bearish speculators have made to the CAD's rebound from its March low against the USD. Net CAD shorts were pared USD323mn this week to stand at just over USD1bn. Net AUD longs were reduced by nearly USD500mn to nearly flat while net NZD longs were cut by a little less than USD100mn to USD432mn. Net MXN exposure is leaning very slightly bullish but increased just fractionally (USD35mn) to USD527mn.
- Net longs in both the JPY and CHF were trimmed modestly this week but remain—respectively—the second and third largest risk positions on the IMM after the EUR and exposures remain close to 52-week highs. Investors still see value in safe haven plays clearly. Net GBP shorts edged USD117mn lower this week.

	Sentiment		USD mns	
	13-Oct	Bias	Trend	Position w/w chg.
CAD		bearish	decreasing	-1,032 323
EUR		bullish	decreasing	24,760 -806
GBP		bearish	neutral	-793 117
AUD		neutral	neutral	276 -494
NZD		neutral	neutral	432 96
MXN		bullish	neutral	527 35
CHF		bullish	neutral	1,663 -120
JPY		bullish	neutral	2,367 -130
Gold		bullish	decreasing	45,520 -1,170
Total USD position ex. Gold				-28,200 979

CAD — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 100,000 CAD			Net w/w	Open Int.
	Net	Long	Short	Net		
13-Oct	-1,032	24,638	-38,202	-13,564	-4,483	121,956
6-Oct	-1,356	20,808	-38,855	-18,047	-901	113,818
29-Sep	-1,415	21,619	-40,567	-18,948	66	113,862
22-Sep	-1,419	23,588	-42,470	-18,882	1,939	117,564



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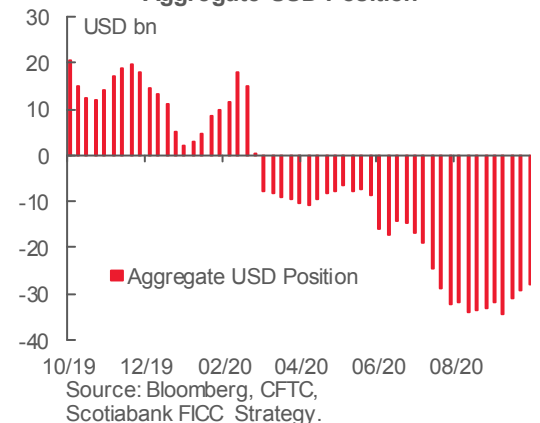
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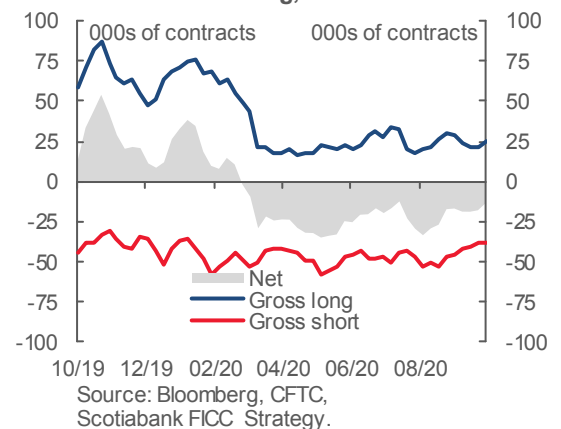
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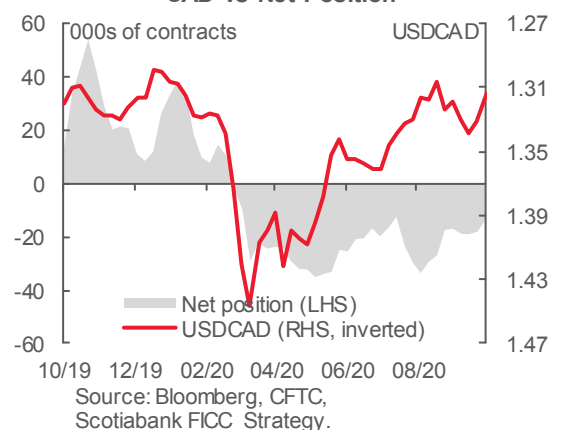
Aggregate USD Position



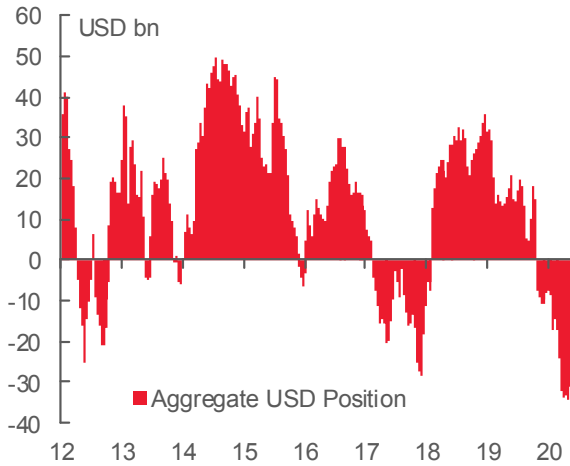
CAD: Gross Long, Short and Net



CAD vs Net Position

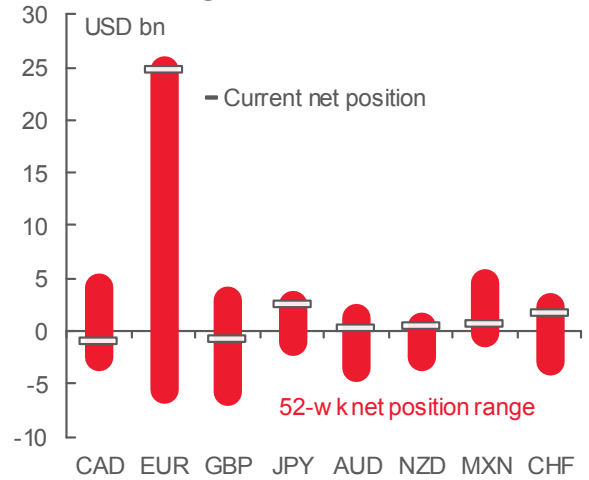


Aggregate USD Position



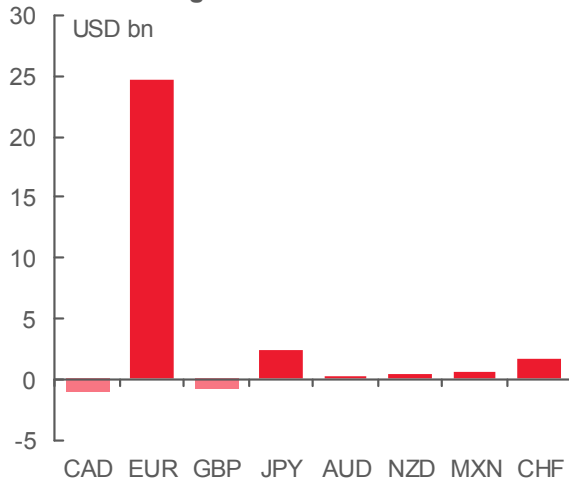
Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

Net Long/Short Position vs USD



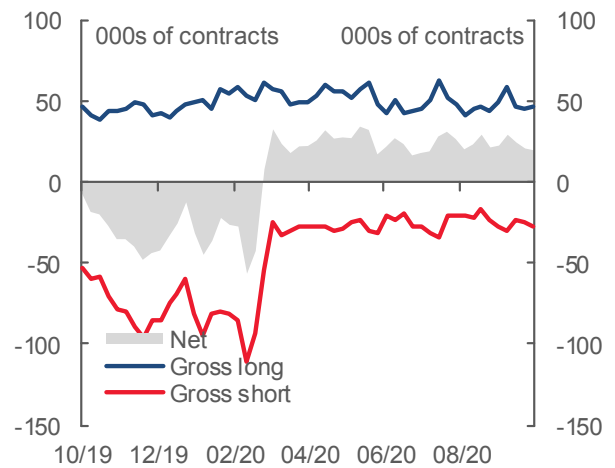
Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

Net Long/Short Position vs USD



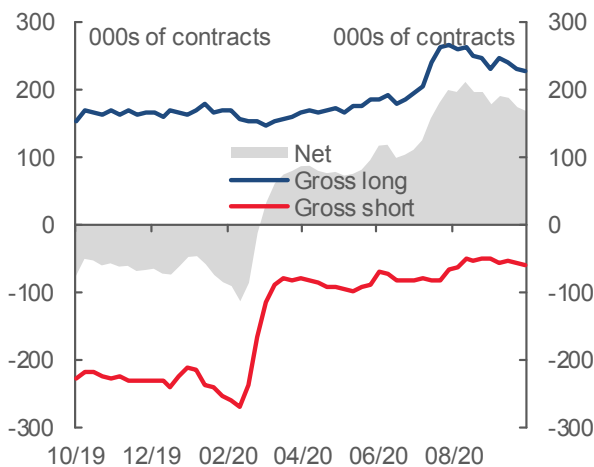
Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

JPY: Gross Long, Short and Net



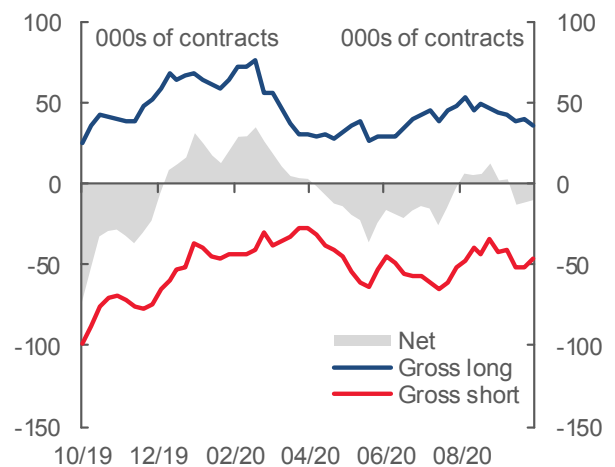
Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

EUR: Gross Long, Short and Net



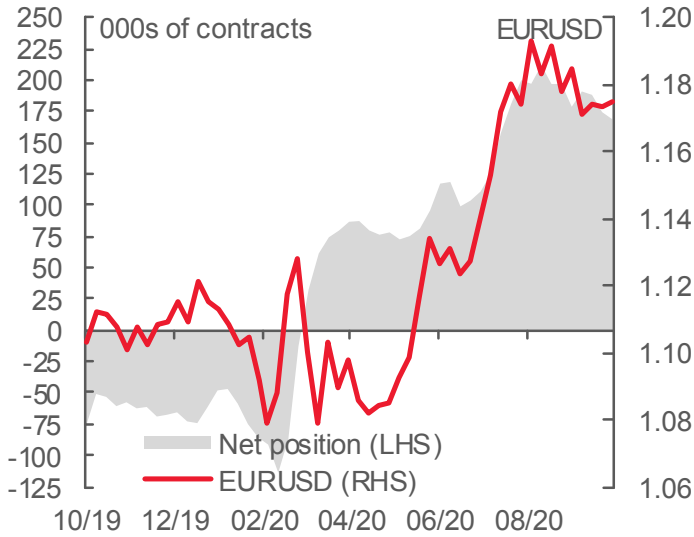
Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

GBP: Gross Long, Short and Net



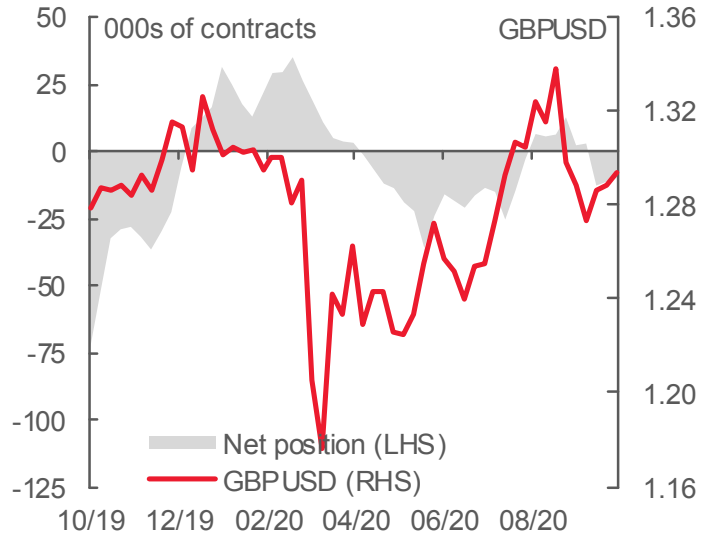
Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

EUR vs Net Position



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

GBP vs Net Position



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

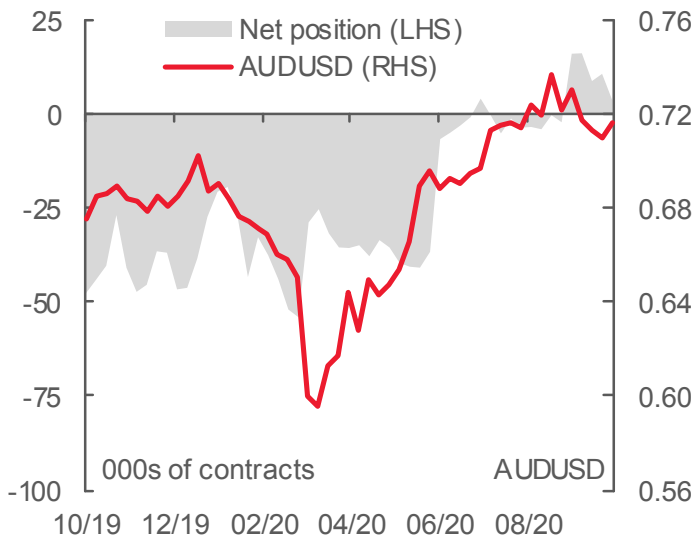
EUR — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 125,000 EUR				Open Int.
	Net	Long	Short	Net	Net w/w	
13-Oct	24,760	228,295	-59,658	168,637	5,671	646,165
6-Oct	25,567	231,369	-57,061	174,308	13,808	652,135
29-Sep	27,615	241,967	-53,851	188,116	2,706	655,912
22-Sep	27,927	247,049	-56,227	190,822	-12,246	666,412

GBP — NON-COMMERCIAL POSITIONING

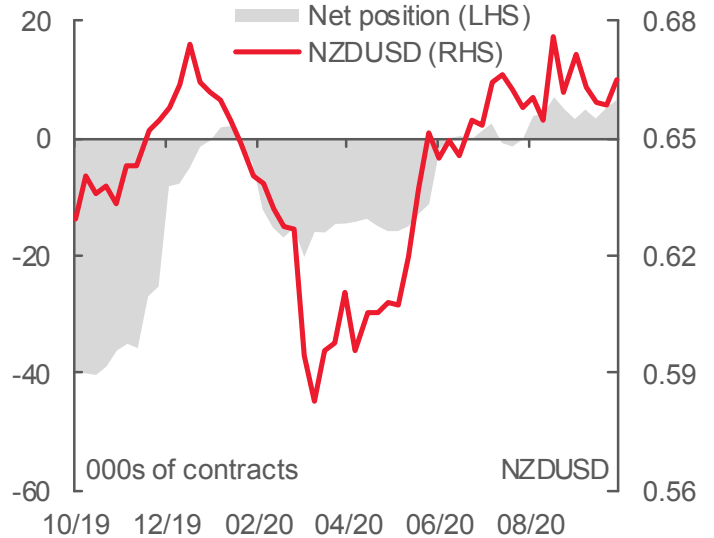
Date	(USD mn)	Position - Contracts of 62,500 GBP				Open Int.
	Net	Long	Short	Net	Net w/w	
13-Oct	-793	36,195	-45,997	-9,802	-1,496	148,279
6-Oct	-910	40,698	-51,996	-11,298	-1,447	156,467
29-Sep	-1,025	39,216	-51,961	-12,745	15,709	159,049
22-Sep	236	43,487	-40,523	2,964	-671	152,613

AUD vs Net Position



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

NZD vs Net Position



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

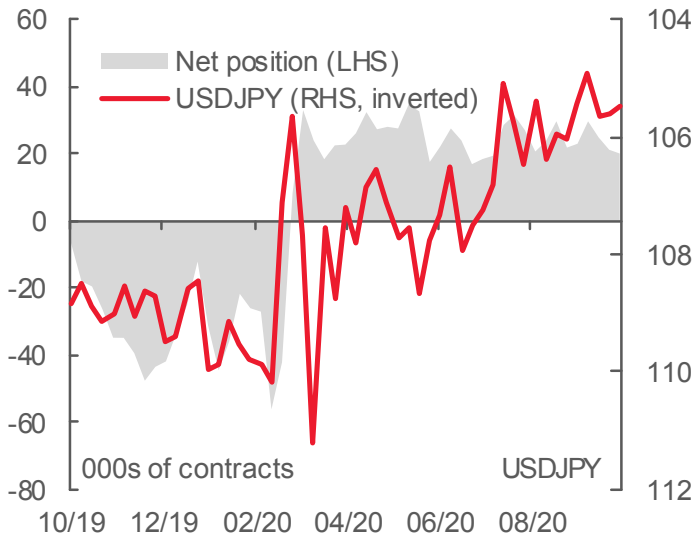
AUD — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 100,000 AUD				Open Int.
	Net	Long	Short	Net	Net w/w	
13-Oct	276	63,863	-60,009	3,854	6,993	137,281
6-Oct	770	61,379	-50,532	10,847	-1,910	132,119
29-Sep	637	53,816	-44,879	8,937	7,402	128,448
22-Sep	1,172	60,713	-44,374	16,339	-120	133,214

NZD — NON-COMMERCIAL POSITIONING

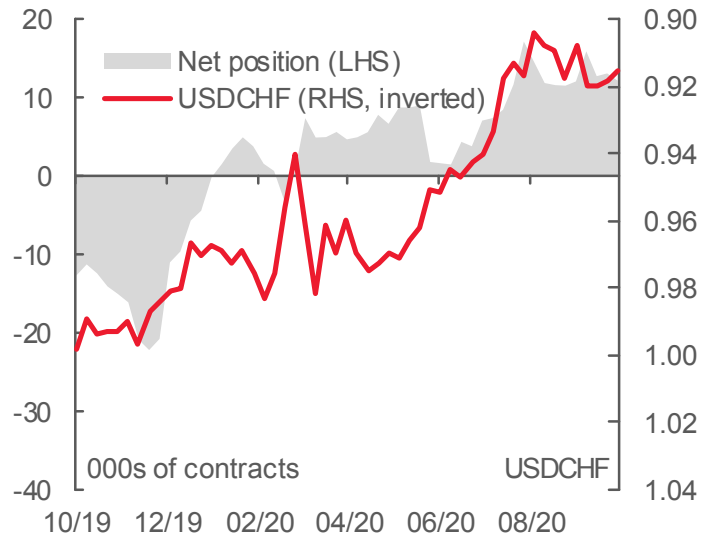
Date	(USD mn)	Position - Contracts of 100,000 NZD				Open Int.
	Net	Long	Short	Net	Net w/w	
13-Oct	432	20,227	-13,737	6,490	-1,400	38,209
6-Oct	335	16,755	-11,665	5,090	-1,761	34,612
29-Sep	219	17,100	-13,771	3,329	1,531	35,923
22-Sep	322	16,700	-11,840	4,860	-1,618	35,216

JPY vs Net Position



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

CHF vs Net Position



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

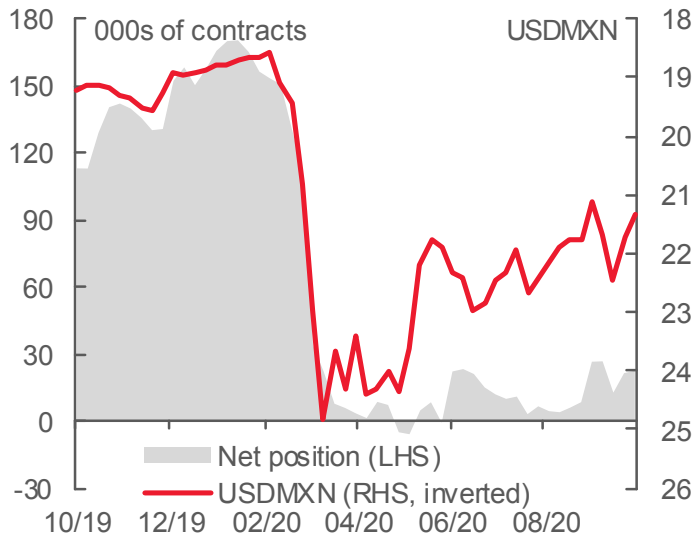
JPY — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 12.5mn JPY				Open Int.
	Net	Long	Short	Net	Net w/w	
13-Oct	2,367	47,245	-27,269	19,976	1,126	165,616
6-Oct	2,497	45,779	-24,677	21,102	3,687	163,024
29-Sep	2,933	47,535	-22,746	24,789	4,792	158,298
22-Sep	3,524	59,033	-29,452	29,581	-6,692	169,251

CHF — NON-COMMERCIAL POSITIONING

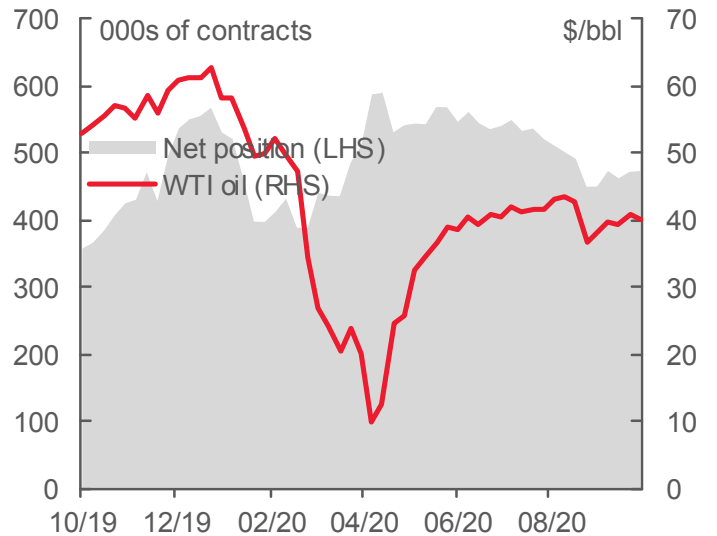
Date	(USD mn)	Position - Contracts of 125,000 CHF				Open Int.
	Net	Long	Short	Net	Net w/w	
13-Oct	1,663	16,896	-4,724	12,172	924	47,725
6-Oct	1,783	16,941	-3,845	13,096	-355	45,038
29-Sep	1,732	19,166	-6,425	12,741	3,175	47,666
22-Sep	2,163	21,684	-5,768	15,916	-3,850	51,875

MXN vs Net Position



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

WTI Oil vs Net Position



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

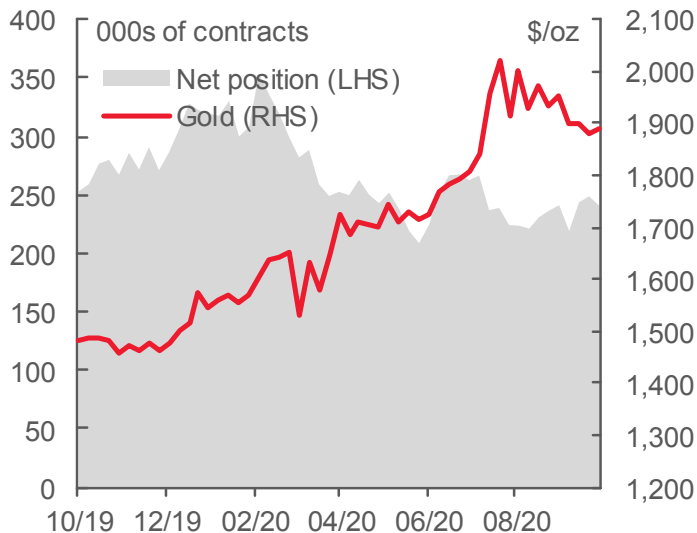
MXN — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 500,000 MXN				Open Int.
	Net	Long	Short	Net	Net w/w	
13-Oct	527	51,329	-28,851	22,478	-1,136	118,828
6-Oct	491	51,201	-29,859	21,342	-8,706	120,674
29-Sep	281	43,334	-30,698	12,636	14,014	121,918
22-Sep	614	59,484	-32,834	26,650	-179	136,718

OIL — NON-COMMERCIAL POSITIONING

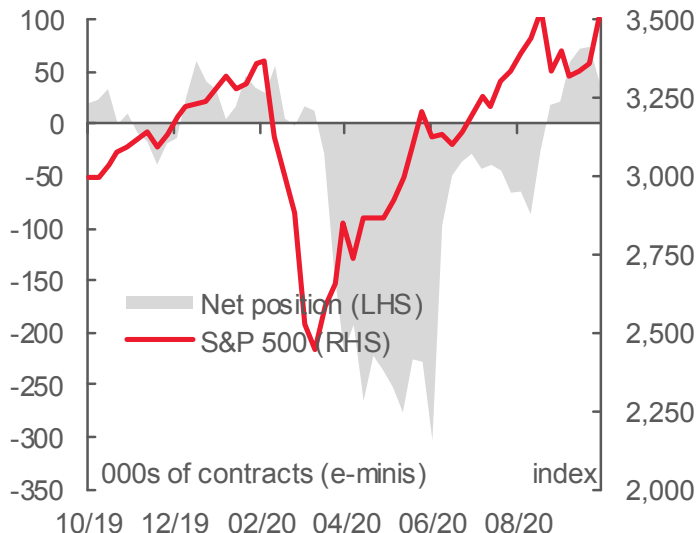
Date	(USD mn)	Position - Contracts of 1,000 barrels				Open Int.
	Net	Long	Short	Net	Net w/w	
13-Oct	19,006	649,933	-177,136	472,797	-1,261	2,059,382
6-Oct	19,177	657,787	-186,251	471,536	-9,625	2,111,762
29-Sep	18,148	648,622	-186,711	461,911	10,858	2,078,331
22-Sep	18,722	647,934	-175,165	472,769	-23,025	2,028,620

Gold vs Net Position



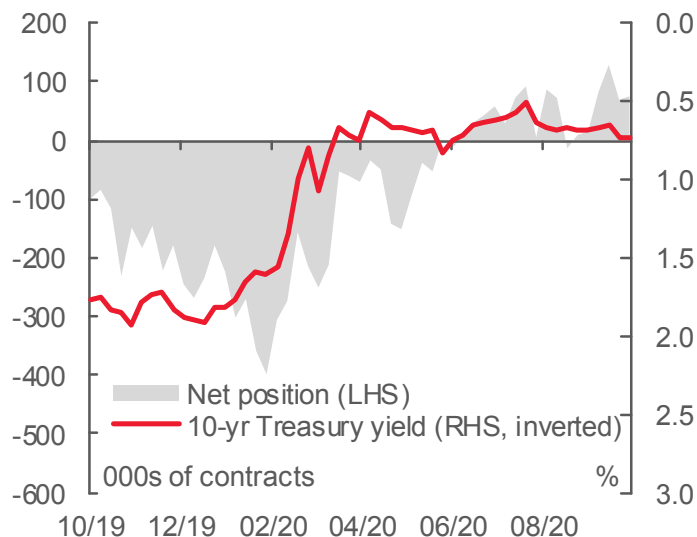
Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

S&P 500 vs Net Position



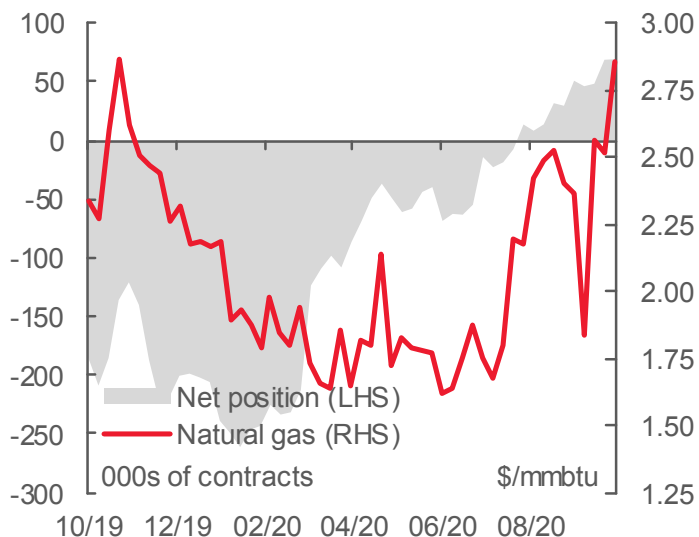
Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

10-yr UST vs Net Position



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

Natural Gas vs Net Position



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

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