

CAD Shorts Cover Just as Trend Starts to Soften Again

Data in this report cover up to Tuesday Sep 8 and were released on Friday Sep 11.

- This week's snapshot of market positioning and sentiment via the CFTC Commitment of Traders Report shows a moderate reduction on the overall USD short position that speculative traders have amassed in recent weeks but the change is marginal; the aggregate USD short position reflected in the major currencies we cover in this report edged USD239mn lower to a still substantial USD33.2bn.
- Once again, sentiment shifts were highly concentrated; neutral sentiment and positioning continues to characterize the market's approach to the high beta currencies—the AUD, NZD and MXN—for the most part. However, the CFTC data has reflected a fairly consistent negative view of the CAD in recent weeks, with bearish sentiment and positioning prevailing since March even as the CAD recovered from its lows. This week, however, CAD sentiment has improved, via a modest reduction in gross shorts and a rise in gross CAD longs—just as the CAD is showing signs of weakening again. Net CAD shorts fell a sizeable USD756mn in the week.
- Meanwhile, GBP sentiment improved, with net longs doubling in the week (driven mainly by gross shorts liquidating) just as the GBP dropped in one of its worst weekly performances since March. CHF sentiment (bullish, but relatively limited) was neutral on the week while the net JPY longs were pared just under USD1bn, the largest single currency change on the week.
- Net EUR longs continue to dominate overall positioning but there was marginally less conviction behind the EUR this week—a correct perspective, in our opinion. Net EUR longs remain significant at USD29bn overall but fell USD320mn in the week. Outside of the currencies, net gold longs edged slightly higher, rising just over USD200mn to USD45.7bn.

8-Sep	Sentiment		USD mns	
	Bias	Trend	Position	w/w chg.
CAD	bearish	decreasing	-1,311	756
EUR	bullish	decreasing	28,976	-320
GBP	bullish	increasing	1,033	505
AUD	neutral	neutral	-147	-135
NZD	neutral	neutral	324	-147
MXN	neutral	neutral	192	55
CHF	bullish	neutral	1,570	-24
JPY	bullish	decreasing	2,563	-929
Gold	bullish	neutral	45,687	216
Total USD position ex. Gold			-33,200	239

CAD — NON-COMMERCIAL POSITIONING

Date	(USD mn) Net	Position - Contracts of 100,000 CAD				Open Int.
		Long	Short	Net	Net w/w	
8-Sep	-1,311	29,626	-46,981	-17,355	-9,651	137,618
1-Sep	-2,067	26,590	-53,596	-27,006	-2,312	140,520
25-Aug	-2,226	21,590	-50,908	-29,318	-4,269	129,557
18-Aug	-2,551	19,497	-53,084	-33,587	4,040	141,600



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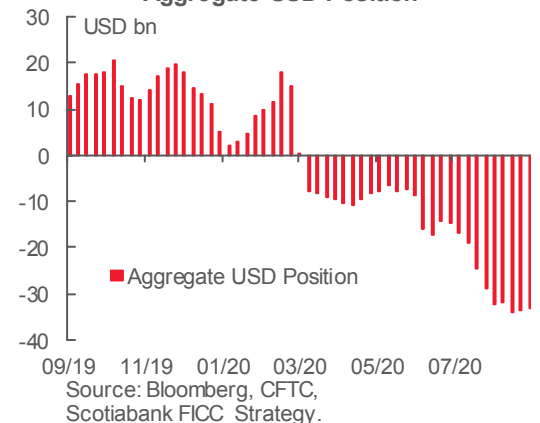
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FX Strategist

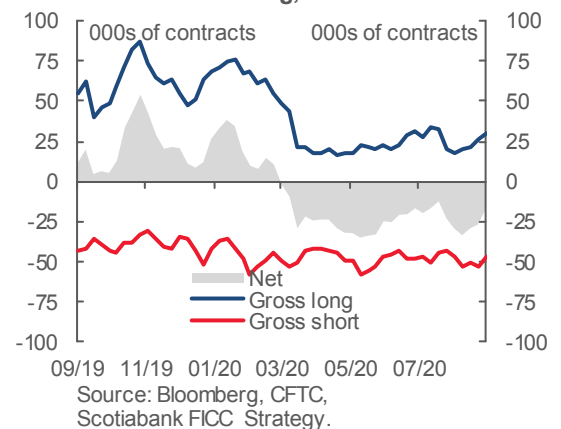
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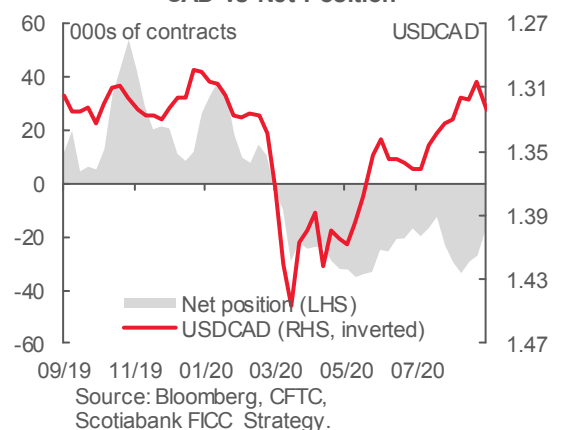
Aggregate USD Position

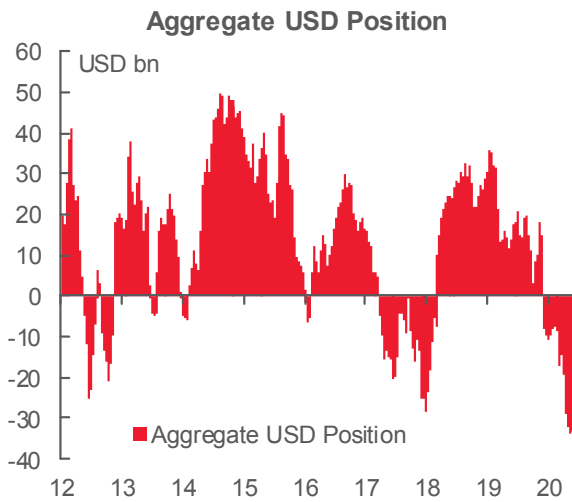


CAD: Gross Long, Short and Net

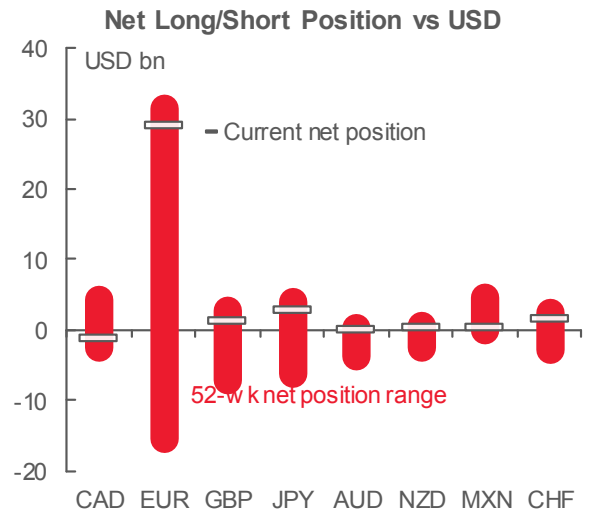


CAD vs Net Position

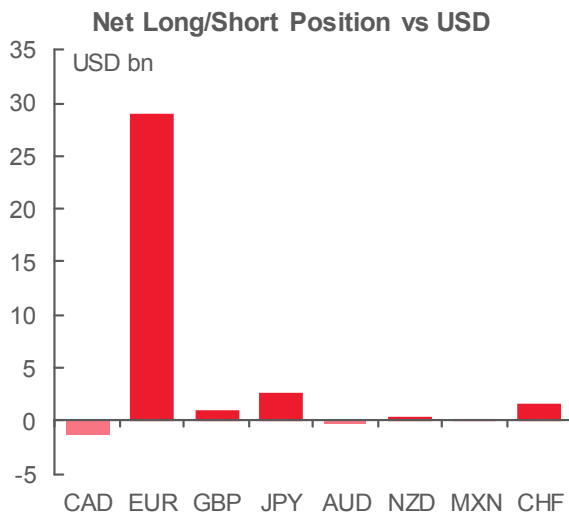




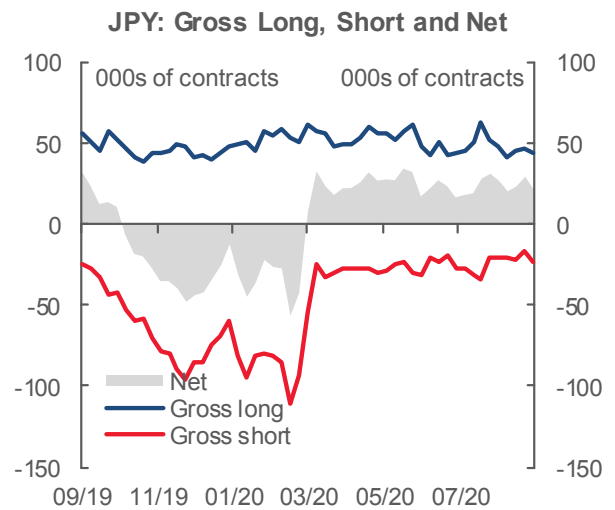
Source: Bloomberg, CFTC, Scotiabank FICC Strategy.



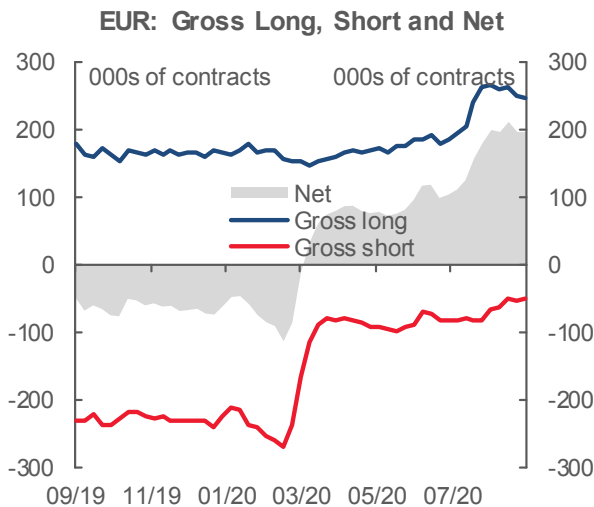
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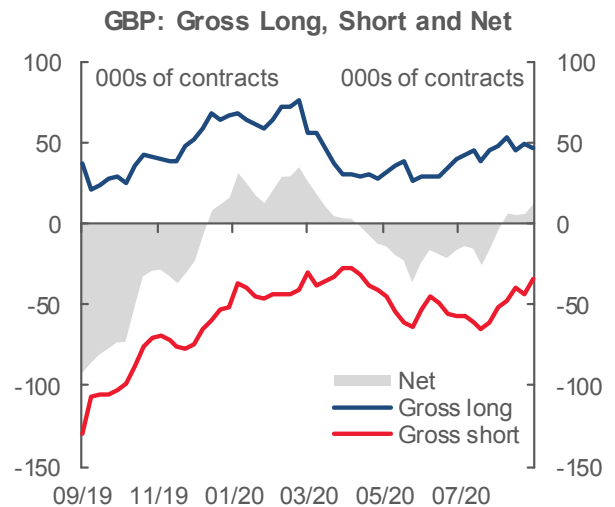
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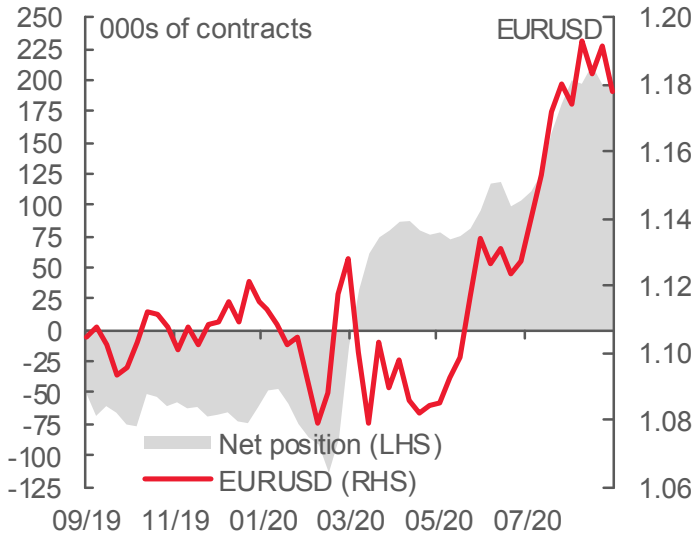


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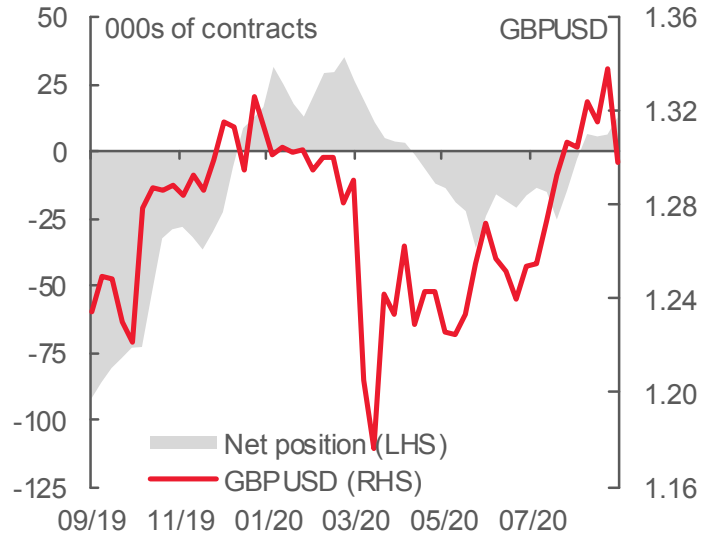
Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

EUR vs Net Position



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

GBP vs Net Position



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

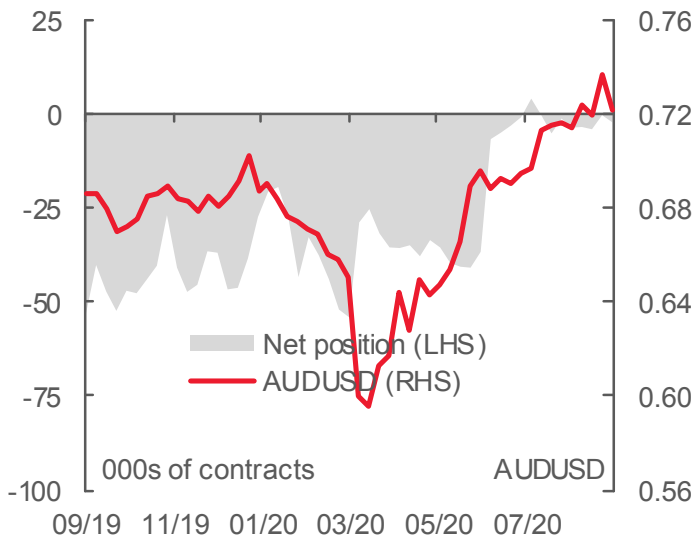
EUR — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 125,000 EUR				Open Int.
	Net	Long	Short	Net	Net w/w	
8-Sep	28,976	248,683	-51,869	196,814	-67	690,782
1-Sep	29,296	250,867	-54,120	196,747	15,005	698,211
25-Aug	31,326	262,061	-50,309	211,752	-14,809	704,077
18-Aug	29,372	259,244	-62,301	196,943	2,808	704,050

GBP — NON-COMMERCIAL POSITIONING

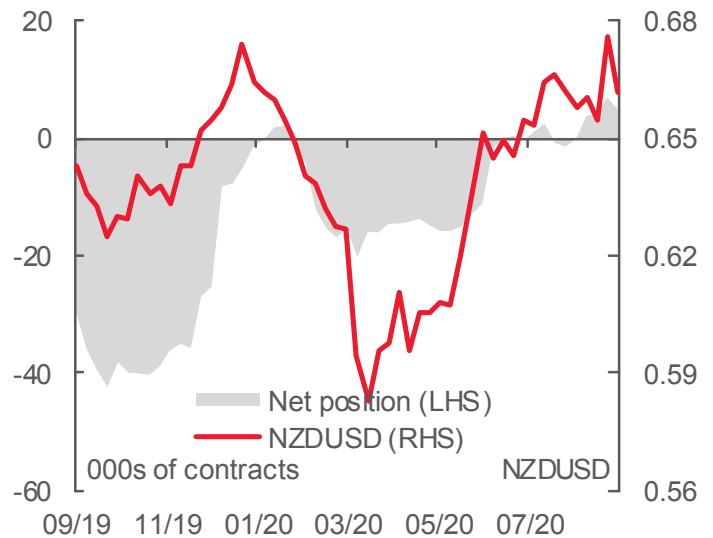
Date	(USD mn)	Position - Contracts of 62,500 GBP				Open Int.
	Net	Long	Short	Net	Net w/w	
8-Sep	1,033	46,590	-33,860	12,730	-6,418	197,524
1-Sep	528	49,213	-42,901	6,312	-712	186,588
25-Aug	460	45,390	-39,790	5,600	904	175,363
18-Aug	538	54,310	-47,806	6,504	-9,325	187,043

AUD vs Net Position



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

NZD vs Net Position



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

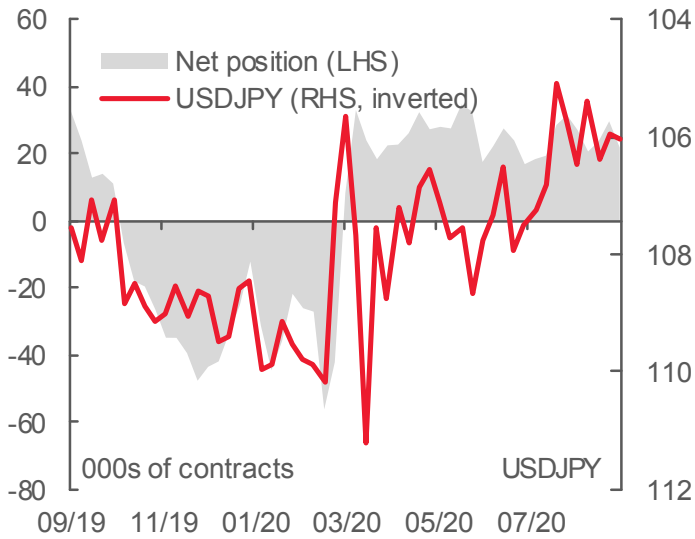
AUD — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 100,000 AUD				Open Int.
	Net	Long	Short	Net	Net w/w	
8-Sep	-147	57,097	-59,141	-2,044	1,879	144,091
1-Sep	-12	58,190	-58,355	-165	-3,734	137,131
25-Aug	-281	51,131	-55,030	-3,899	599	127,505
18-Aug	-239	48,489	-51,789	-3,300	-188	124,931

NZD — NON-COMMERCIAL POSITIONING

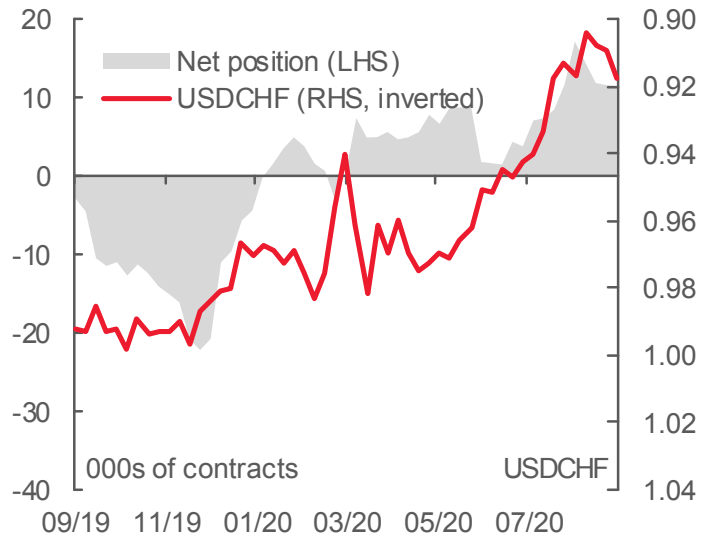
Date	(USD mn)	Position - Contracts of 100,000 NZD				Open Int.
	Net	Long	Short	Net	Net w/w	
8-Sep	324	20,109	-15,209	4,900	2,066	44,047
1-Sep	471	21,434	-14,468	6,966	-2,778	40,244
25-Aug	274	19,756	-15,568	4,188	-426	36,678
18-Aug	248	20,513	-16,751	3,762	-3,941	38,561

JPY vs Net Position



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

CHF vs Net Position



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

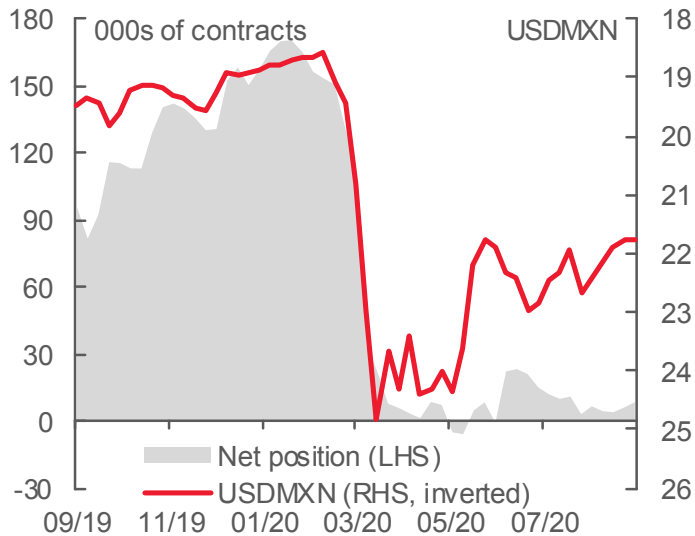
JPY — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 12.5mn JPY				Open Int.
	Net	Long	Short	Net	Net w/w	
8-Sep	2,563	44,850	-23,108	21,742	7,862	151,546
1-Sep	3,492	46,654	-17,050	29,604	-5,988	145,922
25-Aug	2,775	44,978	-21,362	23,616	-3,032	147,553
18-Aug	2,441	41,717	-21,133	20,584	6,432	147,076

CHF — NON-COMMERCIAL POSITIONING

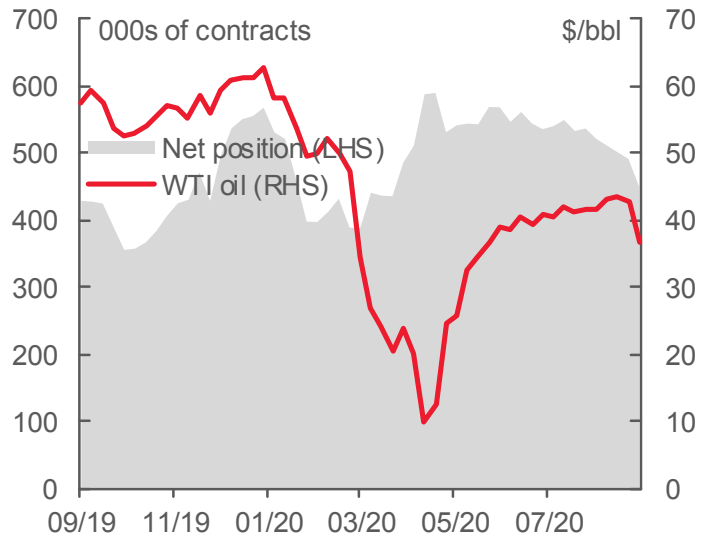
Date	(USD mn)	Position - Contracts of 125,000 CHF				Open Int.
	Net	Long	Short	Net	Net w/w	
8-Sep	1,570	18,440	-6,913	11,527	70	52,562
1-Sep	1,594	19,263	-7,666	11,597	269	54,037
25-Aug	1,634	18,344	-6,478	11,866	2,641	53,085
18-Aug	2,006	20,774	-6,267	14,507	2,658	56,114

MXN vs Net Position



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

WTI Oil vs Net Position



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

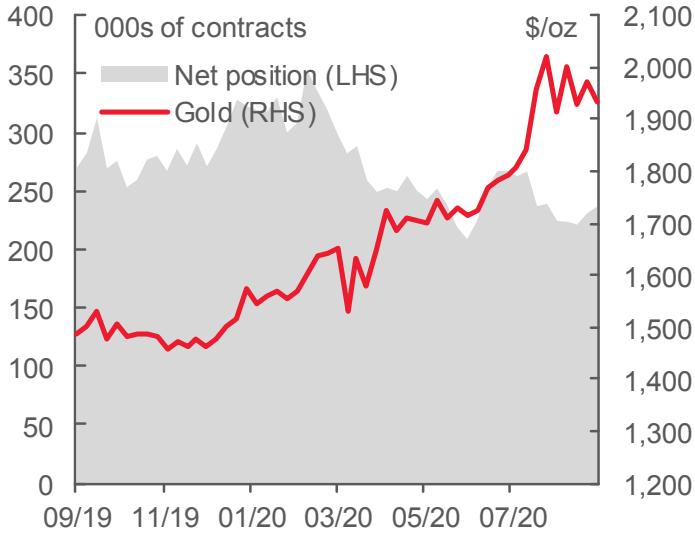
MXN — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 500,000 MXN				Open Int.
	Net	Long	Short	Net	Net w/w	
8-Sep	192	53,190	-44,817	8,373	-2,404	150,387
1-Sep	137	45,309	-39,340	5,969	-2,107	132,731
25-Aug	88	42,397	-38,535	3,862	476	134,794
18-Aug	98	42,450	-38,112	4,338	2,169	134,542

OIL — NON-COMMERCIAL POSITIONING

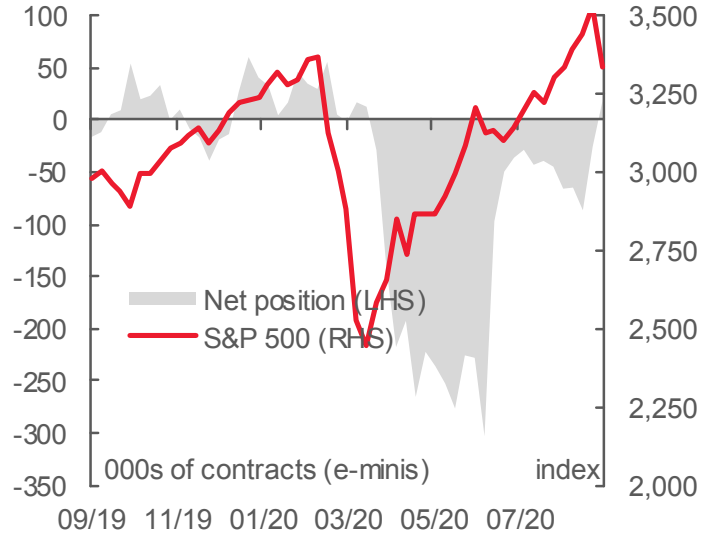
Date	(USD mn)	Position - Contracts of 1,000 barrels				Open Int.
	Net	Long	Short	Net	Net w/w	
8-Sep	16,519	637,225	-187,859	449,366	41,549	2,046,660
1-Sep	20,992	665,460	-174,545	490,915	9,784	2,064,137
25-Aug	21,705	671,889	-171,190	500,699	9,996	2,052,448
18-Aug	21,904	665,585	-154,890	510,695	10,240	2,044,952

Gold vs Net Position



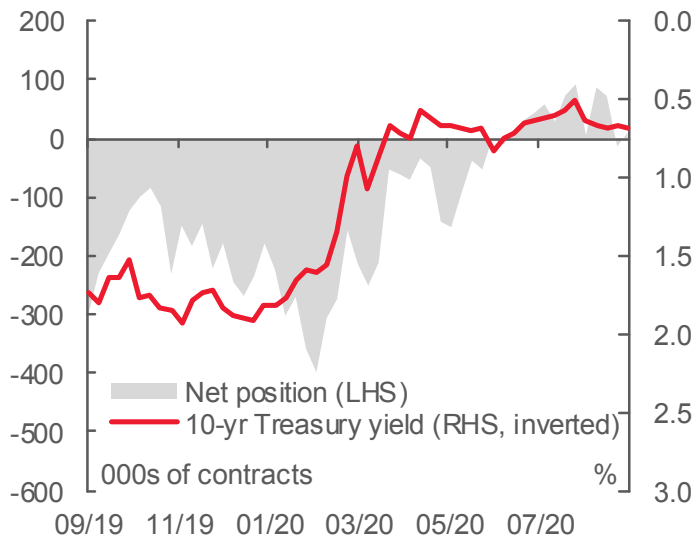
Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

S&P 500 vs Net Position



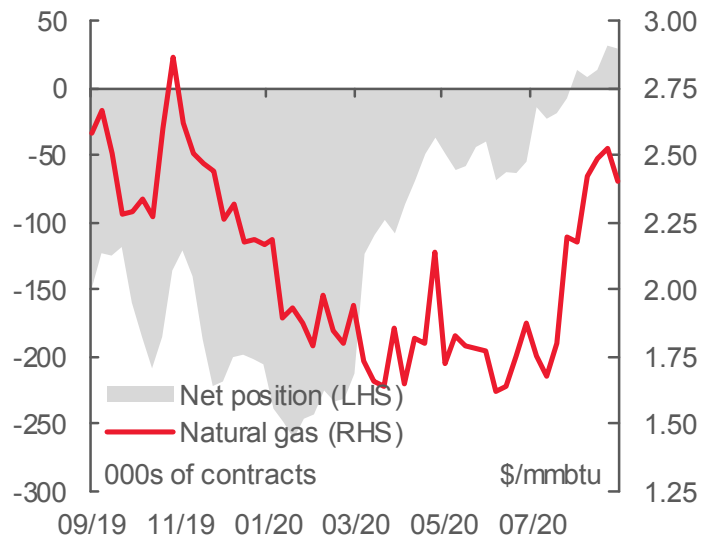
Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

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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