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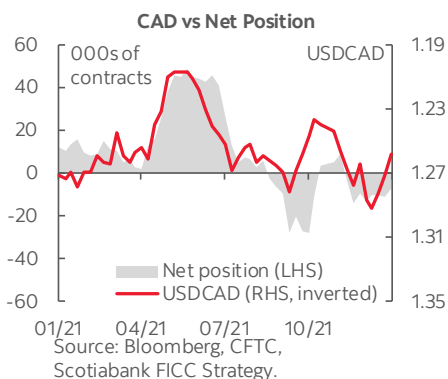
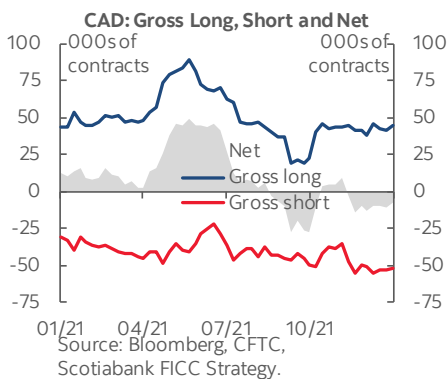
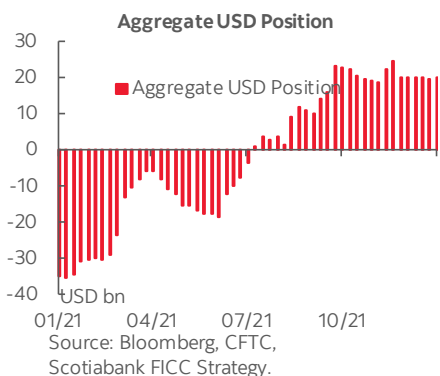
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JPY Sentiment Reaches Eight-Week Low

Data in this report cover up to Tuesday Jan 11 and were released on Friday Jan 14.

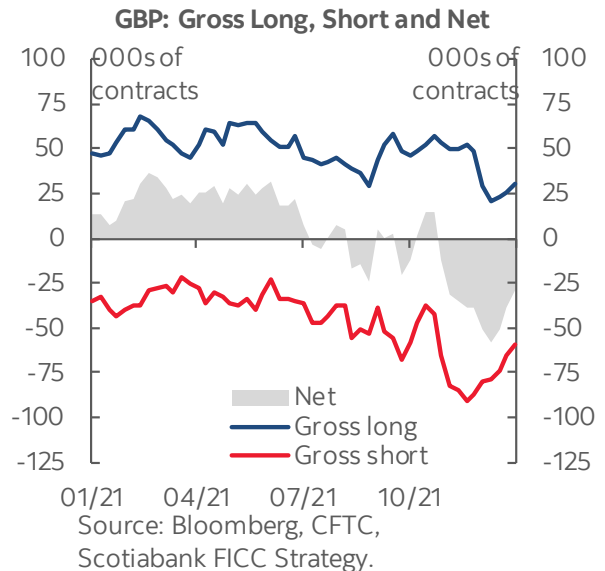
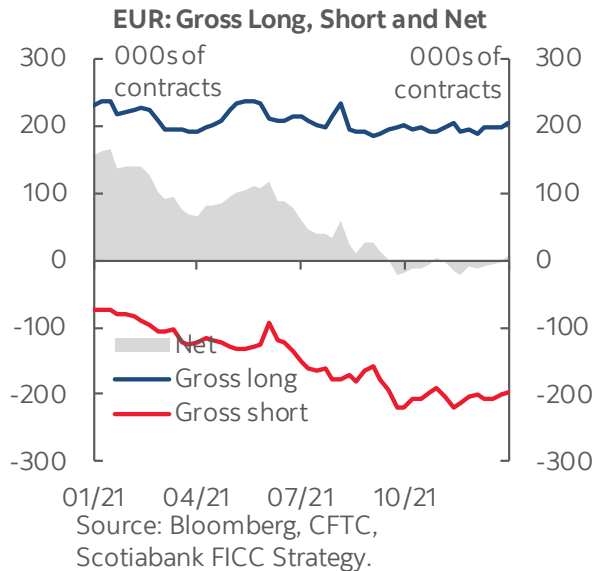
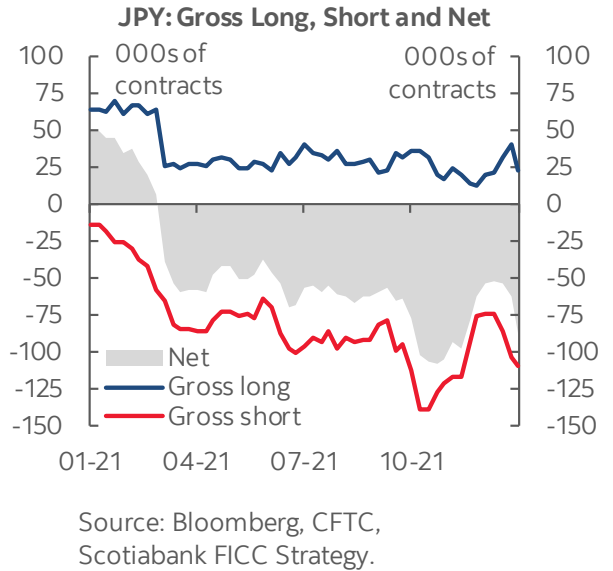
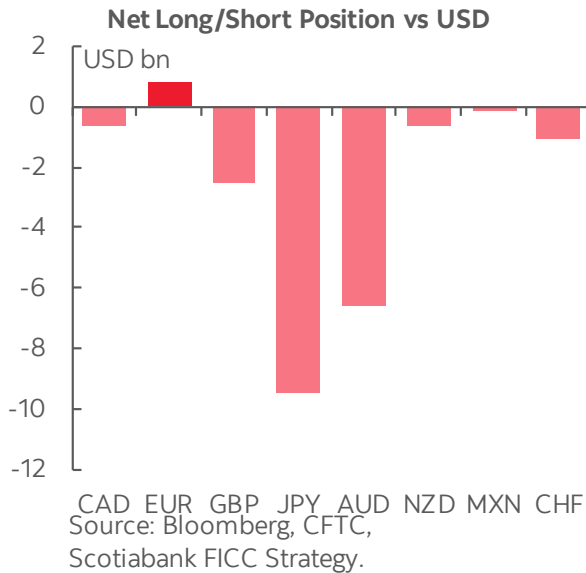
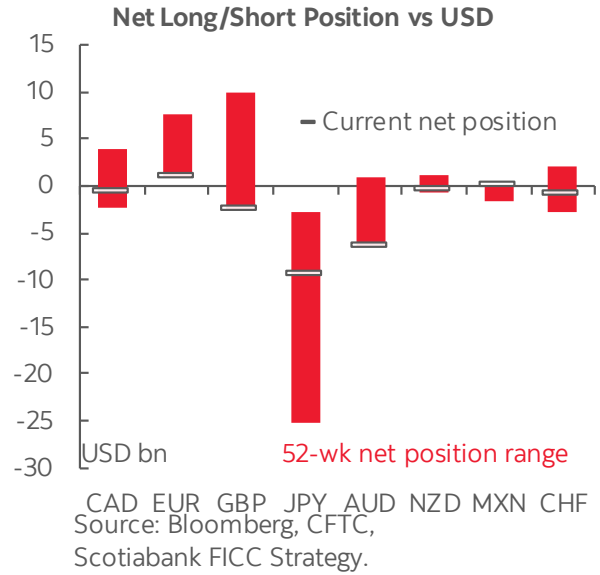
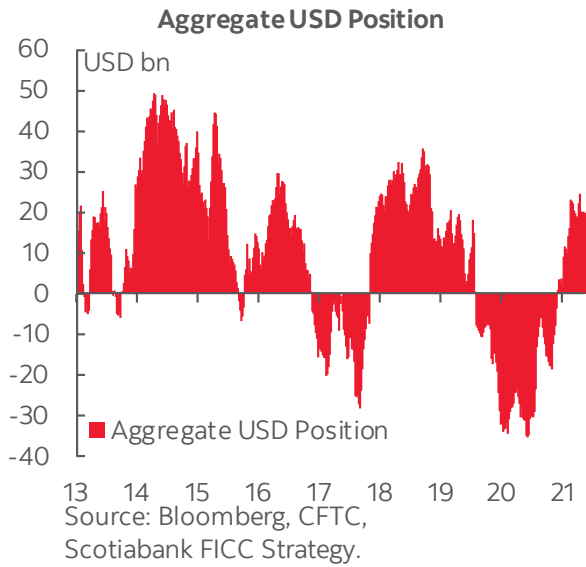
- Overall positioning in the USD saw little change for a sixth straight week in CFTC data published today. The aggregate USD long rose by USD334mn to USD20bn—practically equivalent to the USD20.9bn average of the past fifteen weeks. However, the modest net bullish bet on the dollar was the result of a large bet against the JPY—and a smaller move against the AUD—while investor sentiment improved across all the other currencies covered in this report.
- Net non-commercial JPY shorts climbed by USD2.8bn to an aggregate bearish position of USD9.5bn, which represents an eight-week low in JPY sentiment as guided by positioning data. The increase in JPY shorts followed last week's move in the cross past 116 to a five-year low (although it has since outperformed all G10 currencies) amid rising US yields. On that note, bearish speculative positioning in 10-yr UST notes has risen to near a two-year high as the yield on these instruments touches 1.80%.
- The small EUR short flipped into a small net long of USD853mn thanks to a USD1.1bn move in its favour; note that the data precede the EUR's break of 1.14 on Wednesday. The weekly adjustment follows from an increase in gross longs to a five-month high, while shorts were trimmed to a two-month low. The EUR's overall position remains non-committal, however, mirrored in a lack of direction in spot trading that lasted through most of December until just a few days ago.
- Negative positioning in the GBP declined by USD827mn, but the overall USD2.5bn position remains significantly bearish despite the pound's recent stretch of gains that has taken it past 1.37. This week, investors increased their GBP longs by roughly as much as they reduced their GBP shorts (4.5k vs 5.5k contracts).
- Speculators also trimmed the small CAD short by USD281mn to USD587mn in a week where the CAD led the G10 currencies with a 1.1% gain to a seven-week high (at the cutoff date of the data). The AUD was the only other currency aside from the JPY that saw a bearish bet this week, with a minor USD130mn to its sizable USD6.6bn short; the NZD position was practically unchanged. Finally, the MXN position remains neutral at –USD109mn with a USD122mn move in its favour while the CHF short neared USD1bn after a reduction of USD263mn this week.

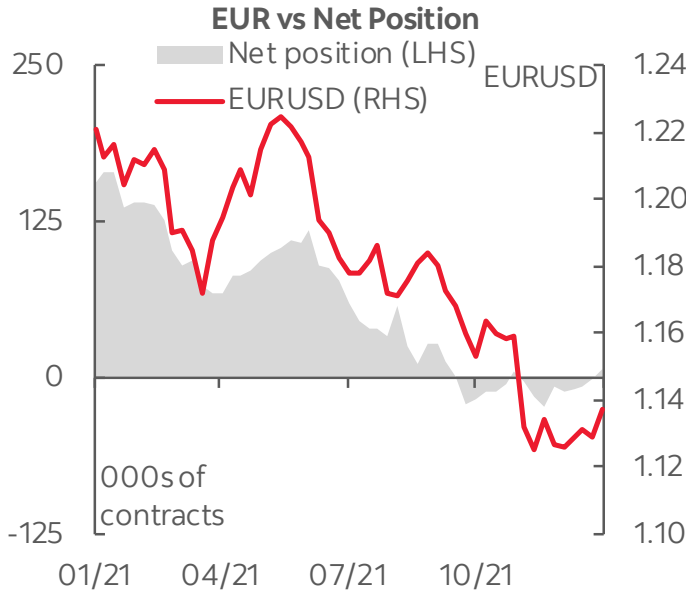


11-Jan	Sentiment		USD mns	
	Bias	Trend	Position	w/w chg.
CAD	bearish	decreasing	-587	281
EUR	bullish	increasing	853	1,072
GBP	bearish	decreasing	-2,485	827
AUD	bearish	neutral	-6,596	-130
NZD	bearish	neutral	-584	18
MXN	neutral	neutral	-109	122
CHF	bearish	decreasing	-1,037	263
JPY	bearish	increasing	-9,489	-2,789
Gold	bullish	decreasing	36,384	-1,968
Total USD position ex. Gold			20,034	334

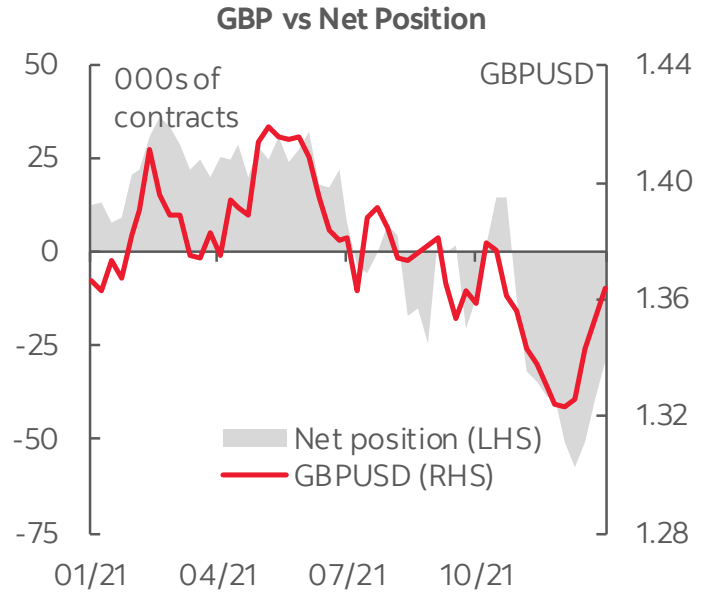
CAD — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 100,000 CAD				Open Int.
	Net	Long	Short	Net	Net w/w	
11-Jan	-587	44,284	-51,660	-7,376	-3,649	138,571
4-Jan	-868	41,905	-52,930	-11,025	691	135,633
28-Dec	-806	42,528	-52,862	-10,334	457	138,692
21-Dec	-765	45,925	-55,802	-9,877	-3,251	145,562





Source: Bloomberg, CFTC, Scotiabank FICC Strategy.



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

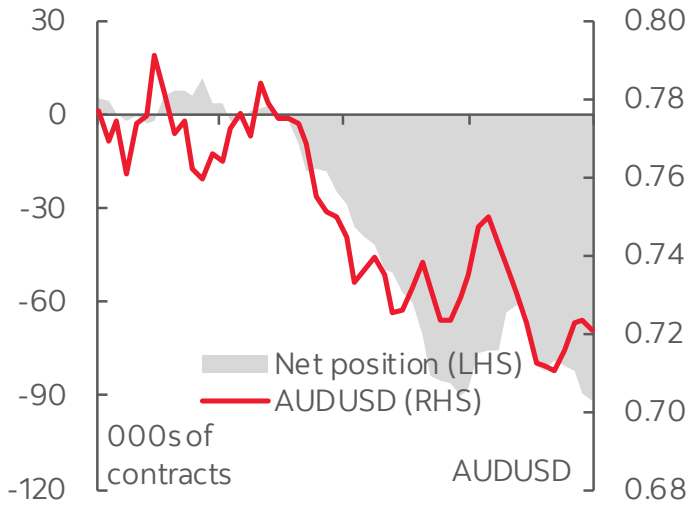
EUR — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 125,000 EUR				Open Int.
	Net	Long	Short	Net	Net w/w	
11-Jan	853	204,361	-198,356	6,005	-7,559	682,293
4-Jan	-219	199,073	-200,627	-1,554	-5,080	678,218
28-Dec	-938	198,617	-205,251	-6,634	-3,528	673,273
21-Dec	-1,433	196,595	-206,757	-10,162	-1,717	672,239

GBP — NON-COMMERCIAL POSITIONING

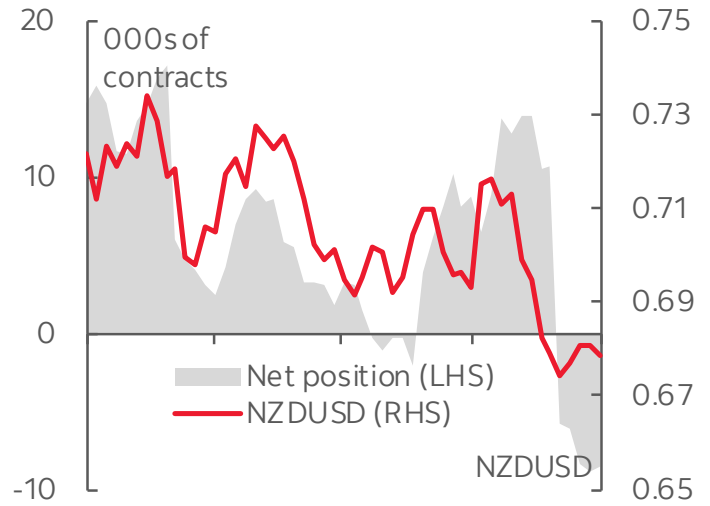
Date	(USD mn)	Position - Contracts of 62,500 GBP				Open Int.
	Net	Long	Short	Net	Net w/w	
11-Jan	-2,485	30,506	-59,672	-29,166	-10,005	200,493
4-Jan	-3,312	25,980	-65,151	-39,171	-11,548	200,007
28-Dec	-4,258	23,093	-73,812	-50,719	-6,967	205,378
21-Dec	-4,781	20,824	-78,510	-57,686	6,938	207,747

AUD vs Net Position



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

NZD vs Net Position



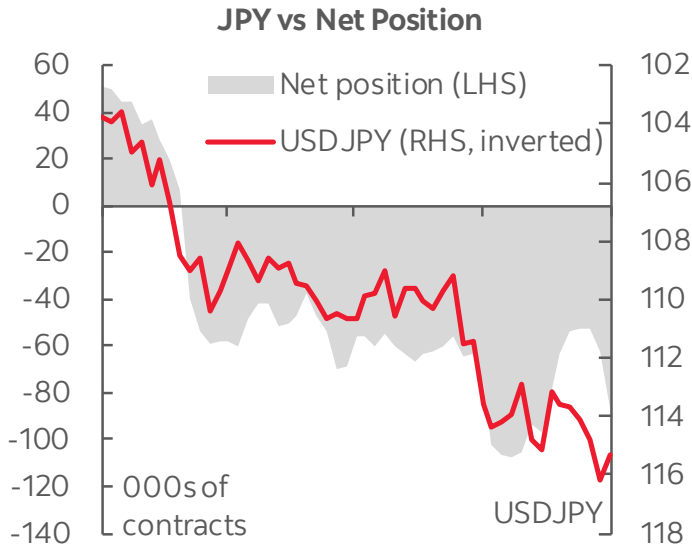
Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

AUD — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 100,000 AUD				Open Int.
	Net	Long	Short	Net	Net w/w	
11-Jan	-6,596	12,383	-103,869	-91,486	2,120	185,453
4-Jan	-6,467	12,632	-101,998	-89,366	7,625	180,107
28-Dec	-5,909	16,885	-98,626	-81,741	1,387	183,152
21-Dec	-5,749	22,958	-103,312	-80,354	1,451	191,309

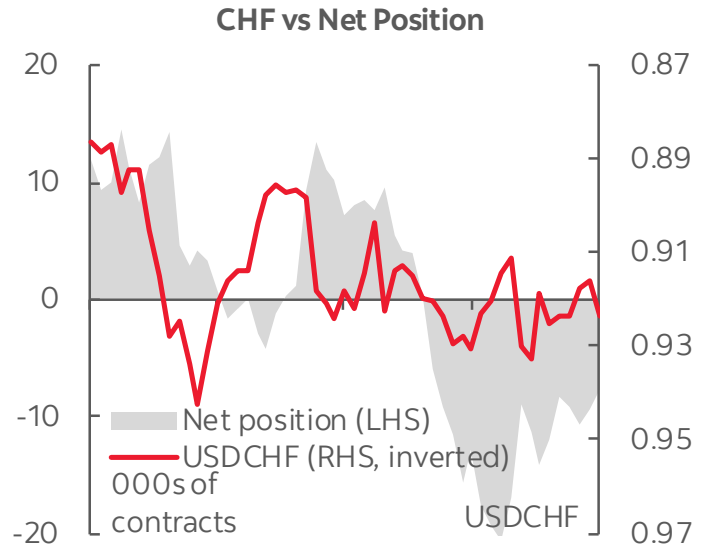
NZD — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 100,000 NZD				Open Int.
	Net	Long	Short	Net	Net w/w	
11-Jan	-584	10,960	-19,564	-8,604	-241	42,066
4-Jan	-602	9,417	-18,262	-8,845	424	40,302
28-Dec	-573	11,231	-19,652	-8,421	2,285	41,862
21-Dec	-415	11,050	-17,186	-6,136	275	41,354



01/21 04/21 07/21 10/21

Source: Bloomberg, CFTC,
Scotiabank FICC Strategy.



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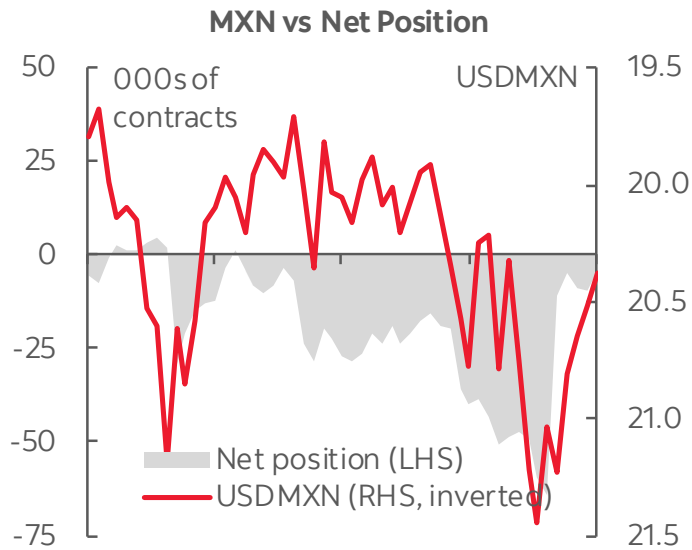
Source: Bloomberg, CFTC,
Scotiabank FICC Strategy.

JPY — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 12.5mn JPY				Open Int.
	Net	Long	Short	Net	Net w/w	
11-Jan	-9,489	22,364	-109,889	-87,525	25,263	234,005
4-Jan	-6,700	40,816	-103,078	-62,262	9,160	234,068
28-Dec	-5,781	32,475	-85,577	-53,102	816	203,814
21-Dec	-5,728	22,191	-74,477	-52,286	-1,237	183,743

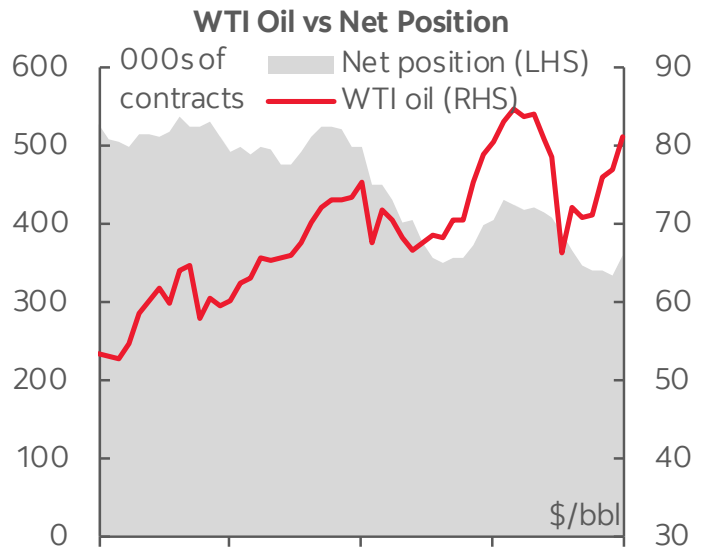
CHF — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 125,000 CHF				Open Int.
	Net	Long	Short	Net	Net w/w	
11-Jan	-1,037	4,571	-12,231	-7,660	-1,869	42,713
4-Jan	-1,300	4,510	-14,039	-9,529	-1,189	42,251
28-Dec	-1,460	1,043	-11,761	-10,718	1,491	40,122
21-Dec	-1,249	2,460	-11,687	-9,227	891	40,920



01/21 04/21 07/21 10/21

Source: Bloomberg, CFTC,
Scotiabank FICC Strategy.



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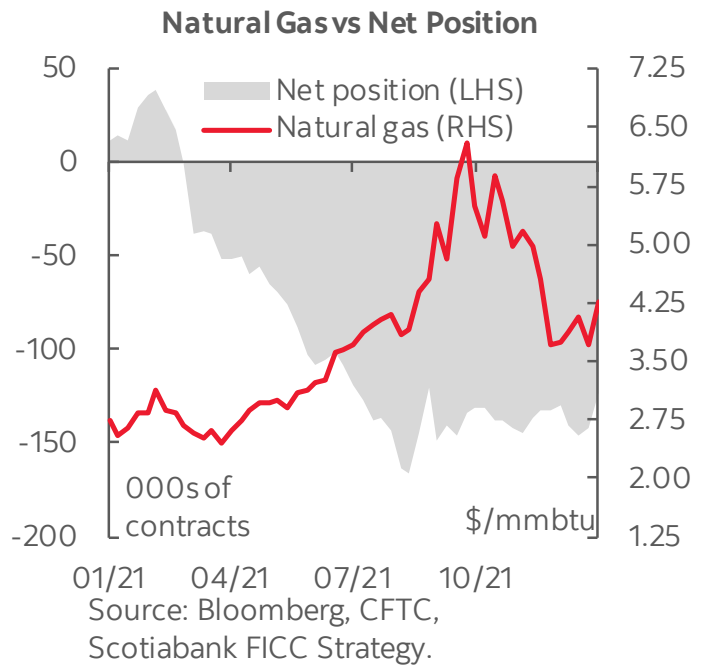
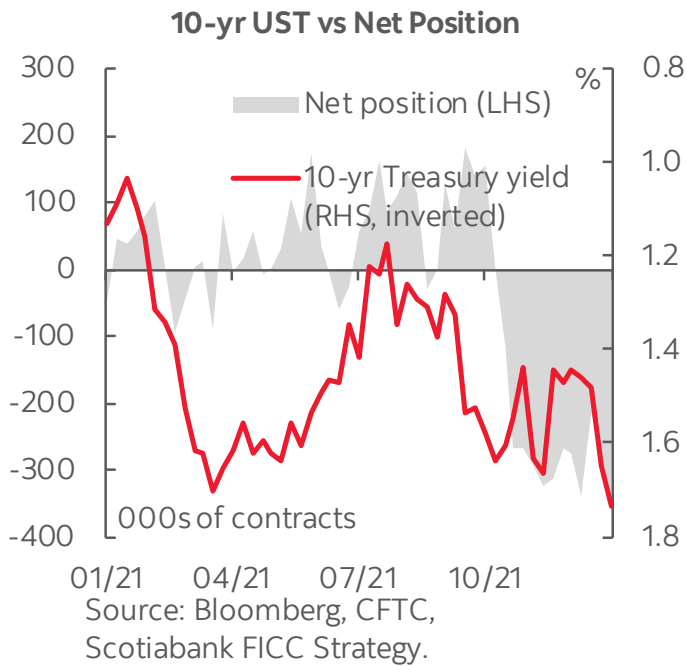
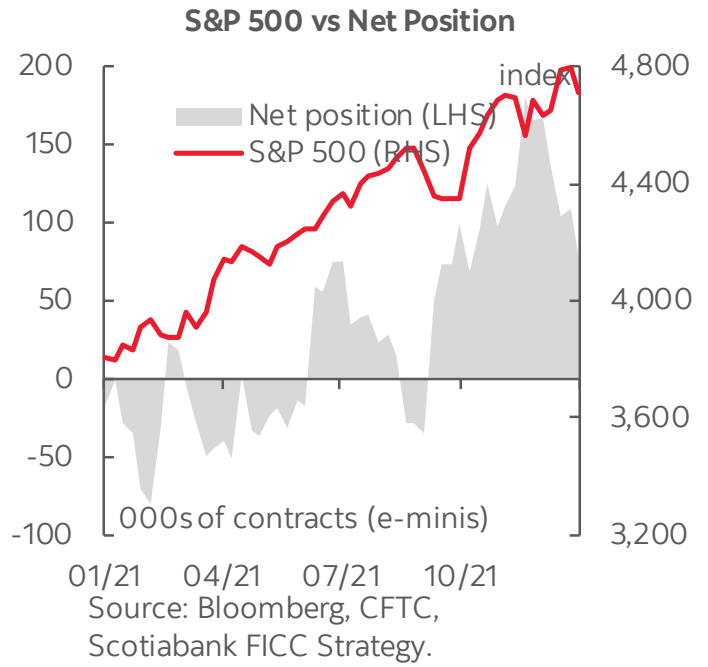
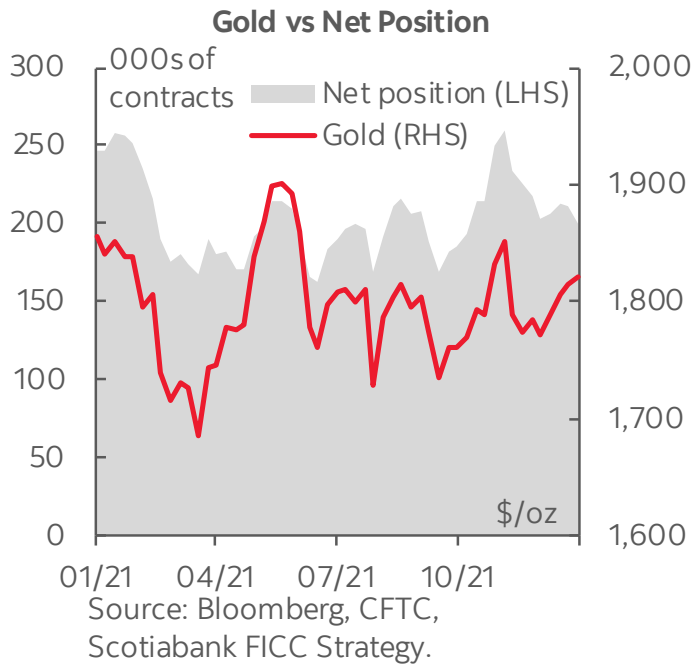
Source: Bloomberg, CFTC,
Scotiabank FICC Strategy.

MXN — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 500,000 MXN				Open Int.
	Net	Long	Short	Net	Net w/w	
11-Jan	-109	53,194	-57,645	-4,451	-5,039	127,155
4-Jan	-231	44,876	-54,366	-9,490	482	119,748
28-Dec	-218	33,561	-42,569	-9,008	4,216	102,418
21-Dec	-115	30,021	-34,813	-4,792	-5,881	94,469

OIL — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 1,000 barrels				Open Int.
	Net	Long	Short	Net	Net w/w	
11-Jan	29,280	484,370	-123,865	360,505	-27,680	1,966,615
4-Jan	25,624	462,594	-129,769	332,825	5,604	1,887,131
28-Dec	25,714	469,946	-131,517	338,429	1,826	1,867,339
21-Dec	24,199	478,276	-138,021	340,255	6,882	1,892,701



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