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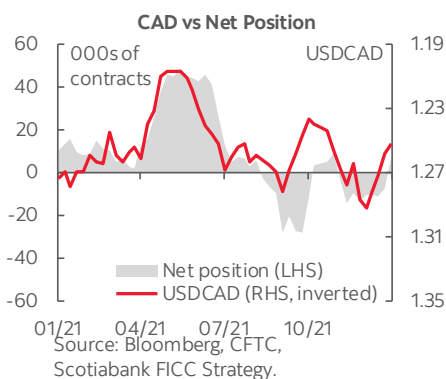
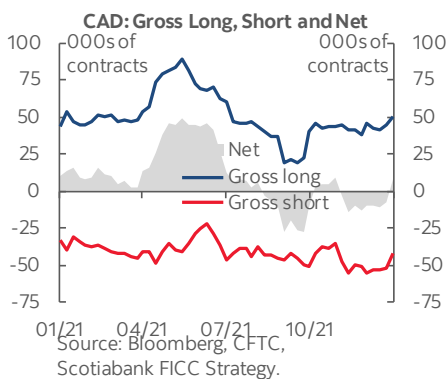
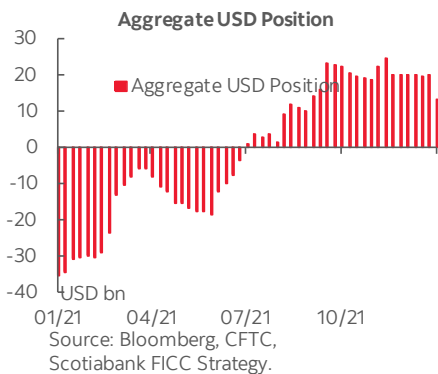
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Bullish USD Sentiment Wanes

Data in this report cover up to Tuesday Jan 18 and were released on Friday Jan 21.

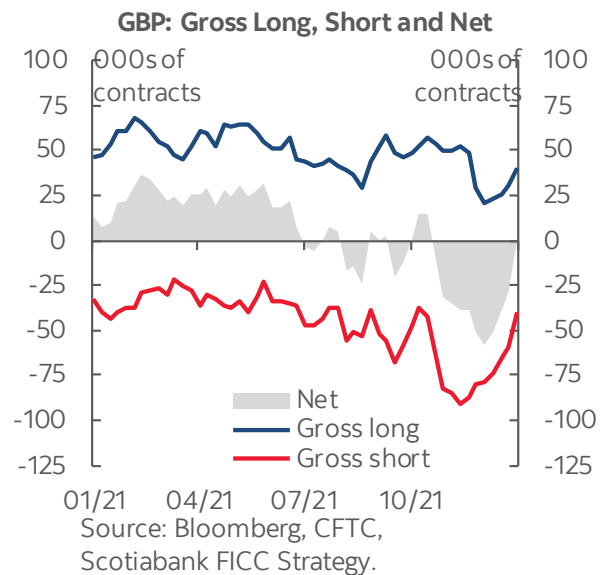
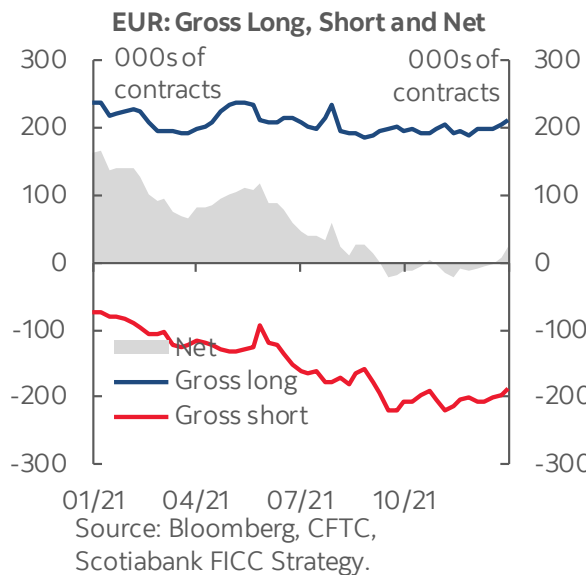
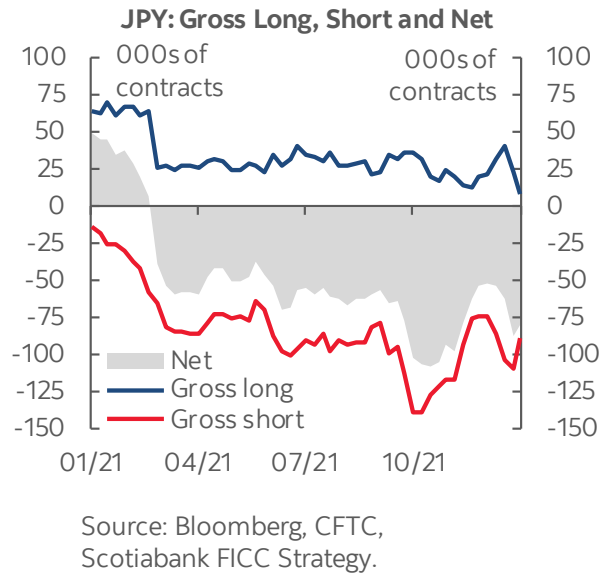
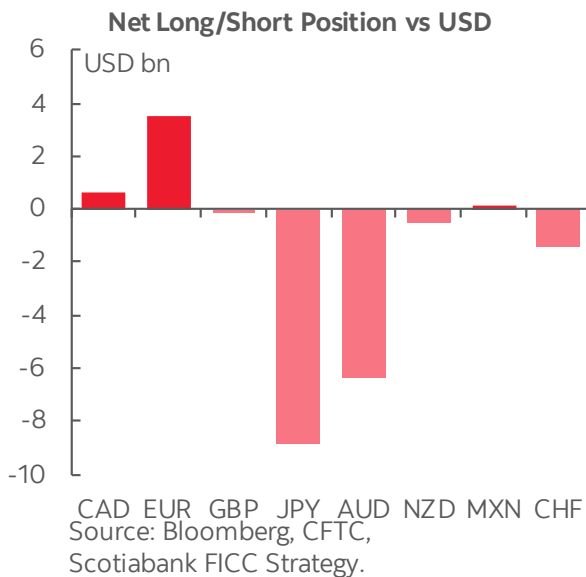
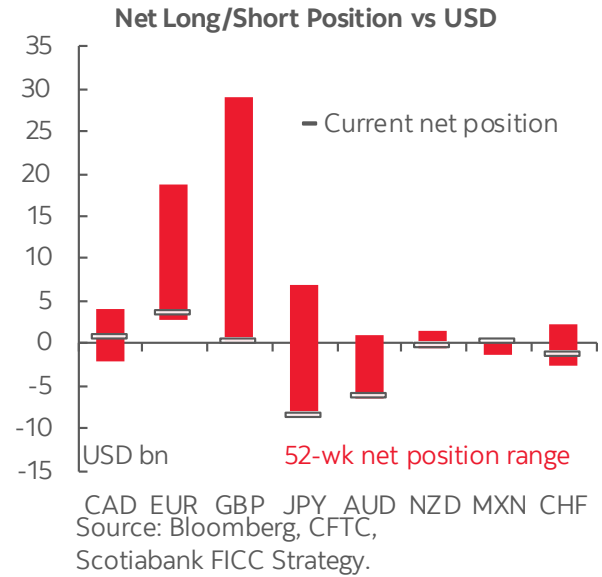
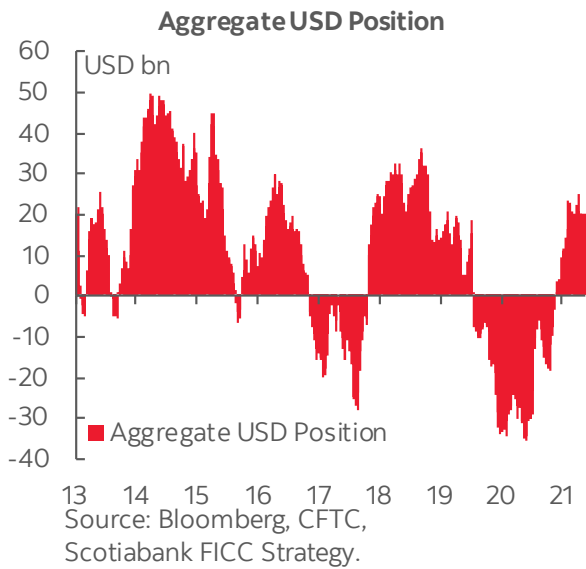
- This week's snapshot for FX market sentiment and positioning reveals a quite significant reduction in broader USD bullish sentiment, with the aggregate USD long position that has accumulated in recent weeks slashed by USD7bn through Tuesday. This is one of the largest 1-week drawdowns in long USD positioning since mid-2020 by our reckoning. The overall USD long position now stands at a little over USD13, the lowest bull bet on the USD since mid-September.
- Investors were gripped with a sudden (and perhaps short-lived, given subsequent developments) burst of enthusiasm for the EUR last week as spot EUR showed some fleeting strength and tested levels near 1.15. Speculators added some USD2.6bn in net EUR longs as gross longs rose and gross EUR shorts were covered in response to the EUR gains. A sizeable GBP net short in the prior week's data was cut by a similar amount (USD2.4bn), taking overall risk here back to basically flat. Investors added (slightly) to net MXN longs and (a little more significantly) to net CAD longs, contributing somewhat to pressure on the USD.
- Modest, offsetting moves were seen in the JPY, where net shorts were reduced USD668mn in the week and, to a lesser extent, in the AUD where record net shorts were pared slightly - USD241mn. Net CHF shorts were lifted USD436mn, in a further sign of respite for the USD. Positioning in the NZD and was little changed.
- While CAD positioning tilted modestly bullish this week, sentiment has been running negative on the CAD for a number of weeks. Net positioning is relatively mild and—if we are correct in our assumption that the Bank of Canada is about to unleash a quite significant round of monetary tightening—has room to expand in the weeks ahead.

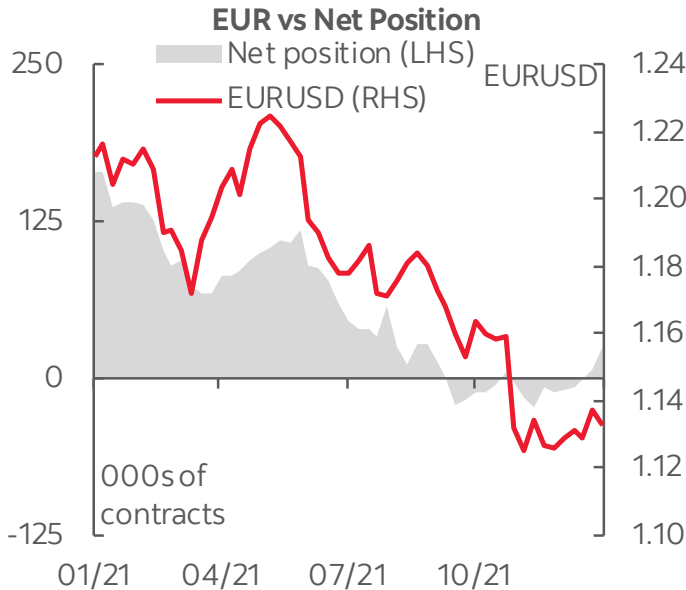


	Sentiment		USD mns	
	18-Jan	Bias	Trend	Position w/w chg.
CAD		bullish	increasing	599 1,185
EUR		bullish	increasing	3,480 2,627
GBP		neutral	neutral	-21 2,465
AUD		bearish	neutral	-6,355 241
NZD		bearish	neutral	-564 20
MXN		neutral	neutral	121 230
CHF		bearish	increasing	-1,473 -436
JPY		bearish	decreasing	-8,821 668
Gold		bullish	decreasing	35,224 -1,160
Total USD position ex. Gold				13,035 -6,999

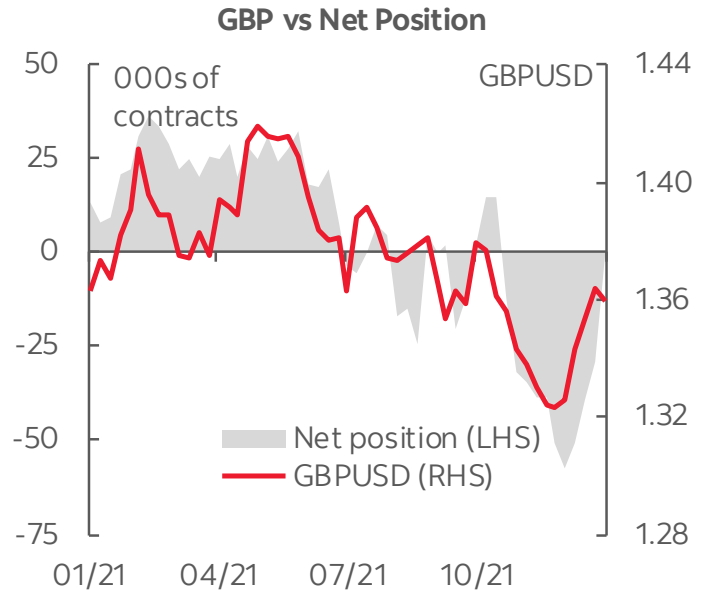
CAD — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 100,000 CAD				Open Int.
	Net	Long	Short	Net	Net w/w	
18-Jan	599	49,792	-42,300	7,492	-14,868	143,371
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





Source: Bloomberg, CFTC, Scotiabank FICC Strategy.



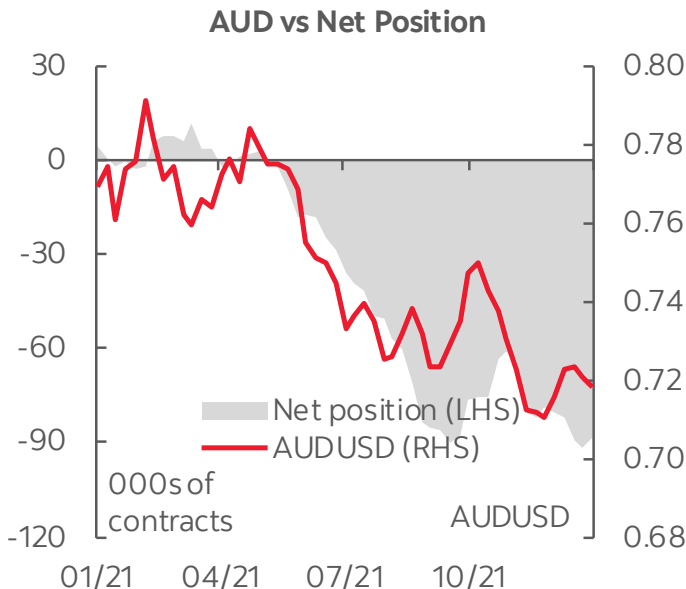
Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

EUR — NON-COMMERCIAL POSITIONING

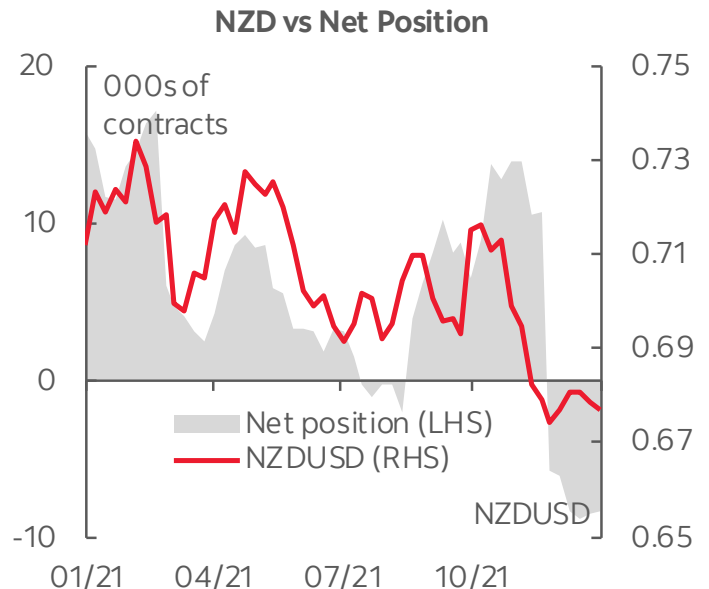
Date	(USD mn)	Position - Contracts of 125,000 EUR				Open Int.
	Net	Long	Short	Net	Net w/w	
18-Jan	3,480	211,901	-187,317	24,584	-18,579	691,882
11-Jan	853	204,361	-198,356	6,005	-7,559	682,293
4-Jan	-219	199,073	-200,627	-1,554	-5,080	678,218
28-Dec	-938	198,617	-205,251	-6,634	-3,528	673,273

GBP — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 62,500 GBP				Open Int.
	Net	Long	Short	Net	Net w/w	
18-Jan	-21	39,760	-40,007	-247	-28,919	183,234
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



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.



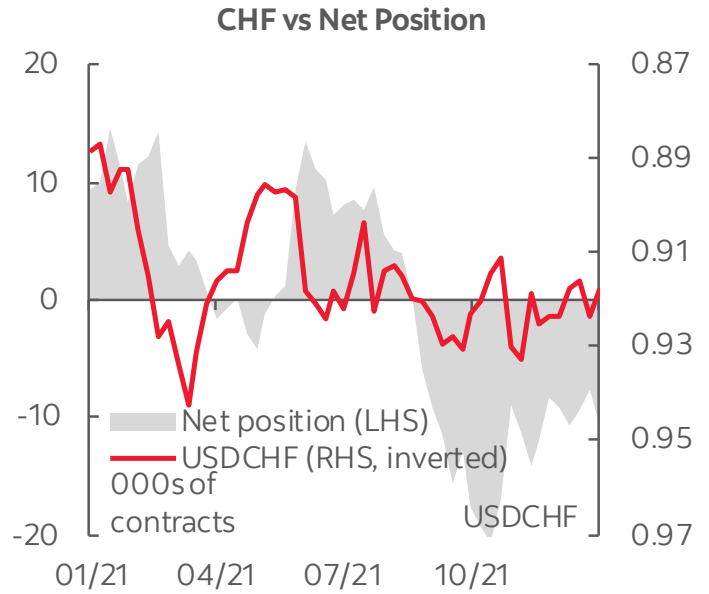
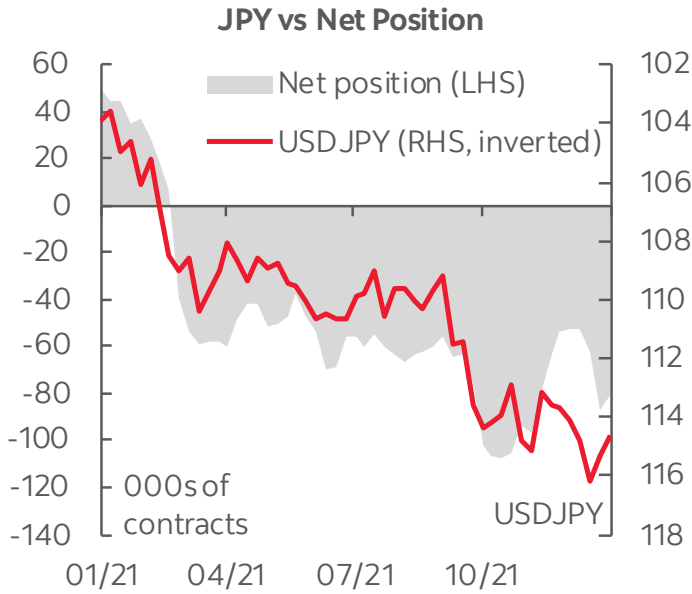
Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

AUD — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 100,000 AUD				Open Int.
	Net	Long	Short	Net	Net w/w	
18-Jan	-6,355	9,051	-97,505	-88,454	-3,032	181,136
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

NZD — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 100,000 NZD				Open Int.
	Net	Long	Short	Net	Net w/w	
18-Jan	-564	11,612	-19,943	-8,331	-273	44,727
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



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

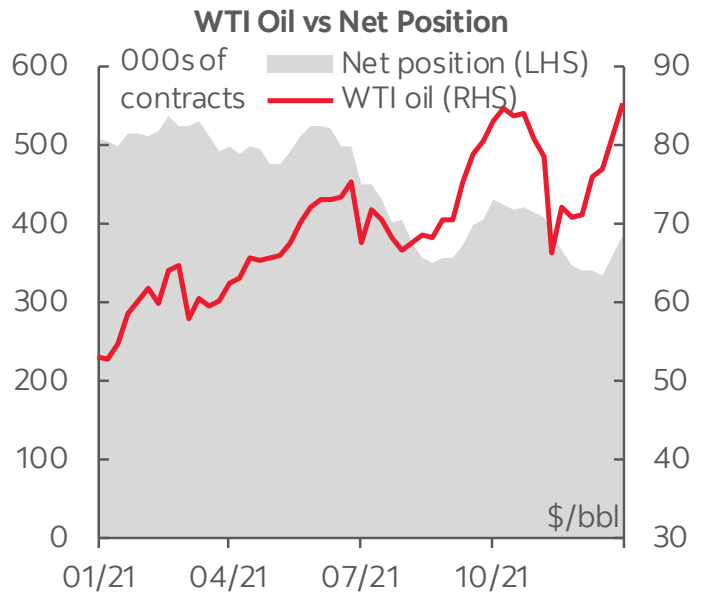
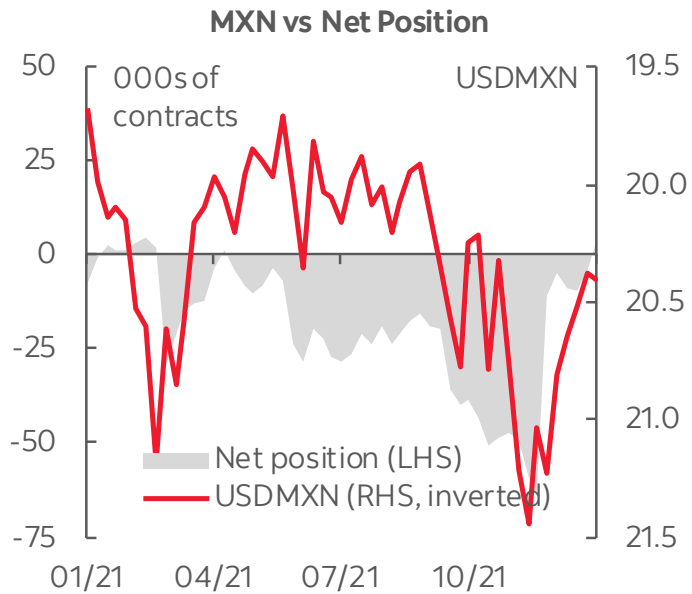
Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

JPY — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 12.5mn JPY				Open Int.
	Net	Long	Short	Net	Net w/w	
18-Jan	-8,821	8,002	-88,881	-80,879	-6,646	201,820
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

CHF — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 125,000 CHF				Open Int.
	Net	Long	Short	Net	Net w/w	
18-Jan	-1,473	925	-11,735	-10,810	3,150	39,871
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



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

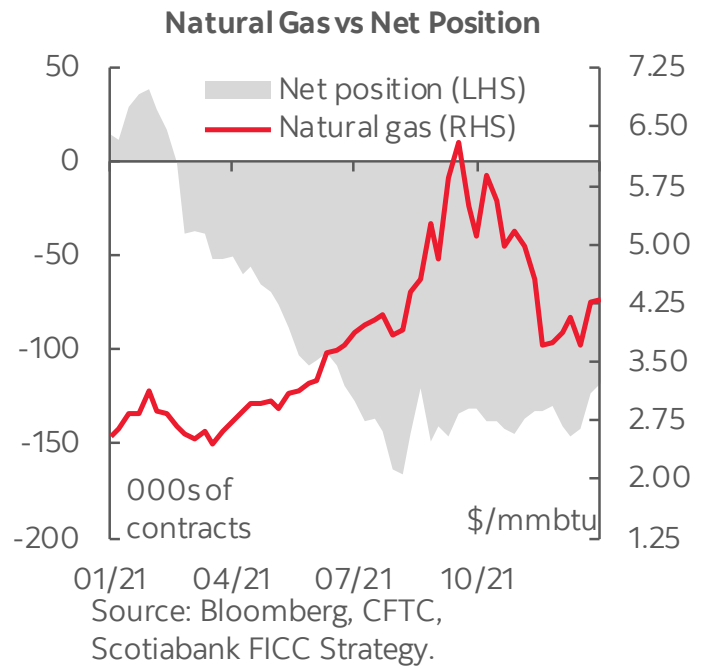
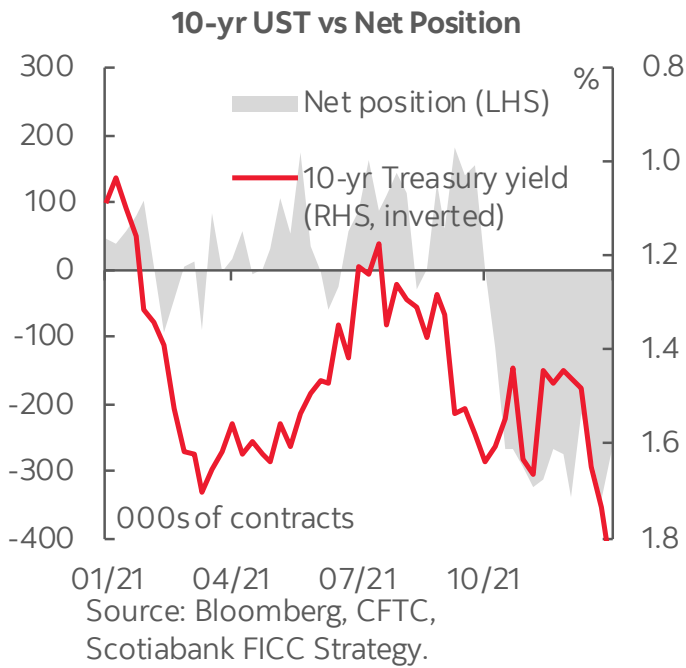
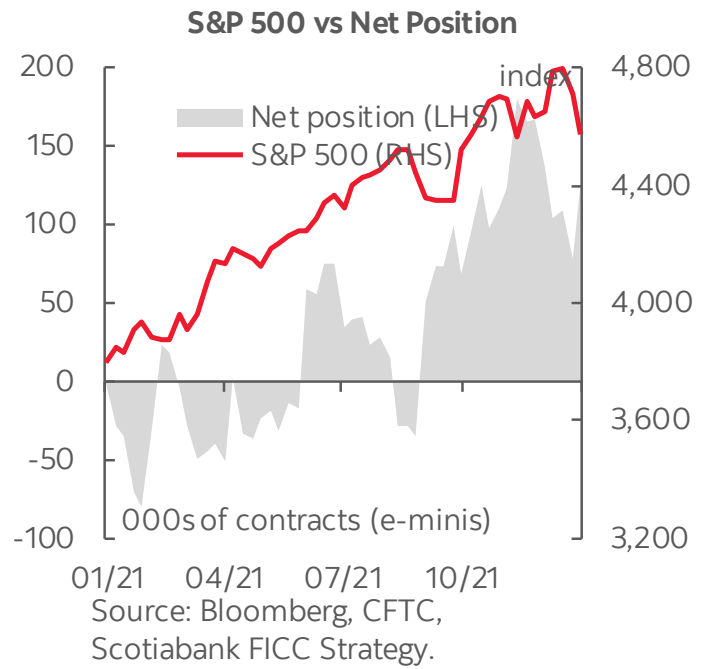
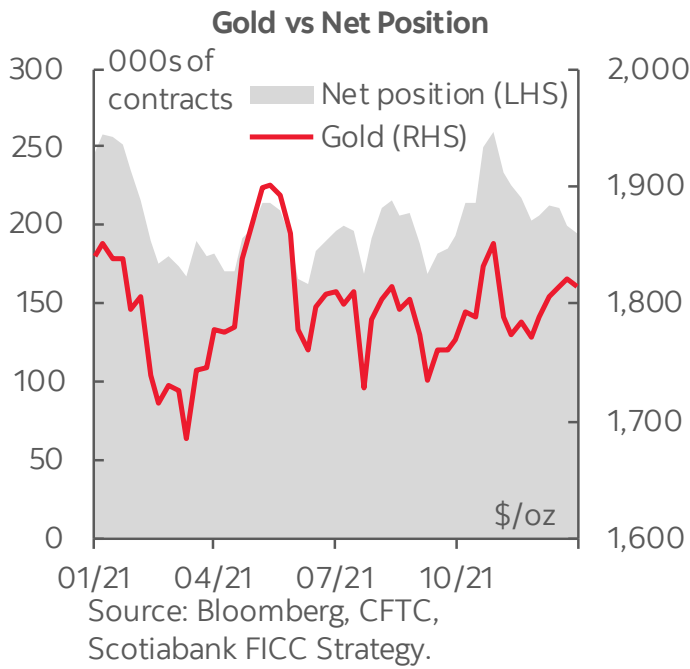
Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

MXN — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 500,000 MXN				Open Int.
	Net	Long	Short	Net	Net w/w	
18-Jan	121	75,461	-70,541	4,920	-9,371	151,778
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

OIL — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 1,000 barrels				Open Int.
	Net	Long	Short	Net	Net w/w	
18-Jan	32,957	503,178	-117,397	385,781	-25,276	2,059,564
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



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