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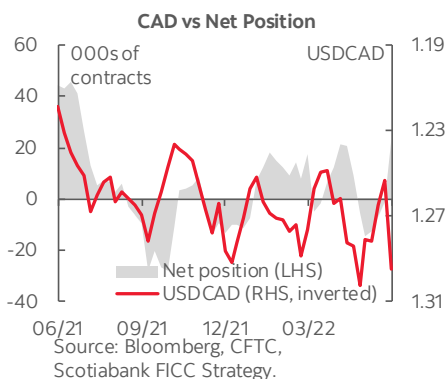
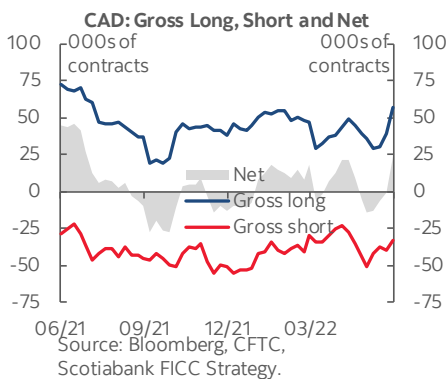
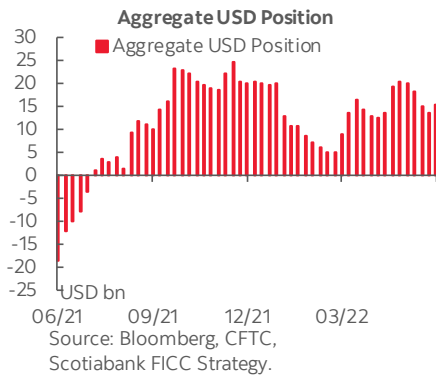
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Speculative Sentiment Takes Brutal Turn Against the EUR

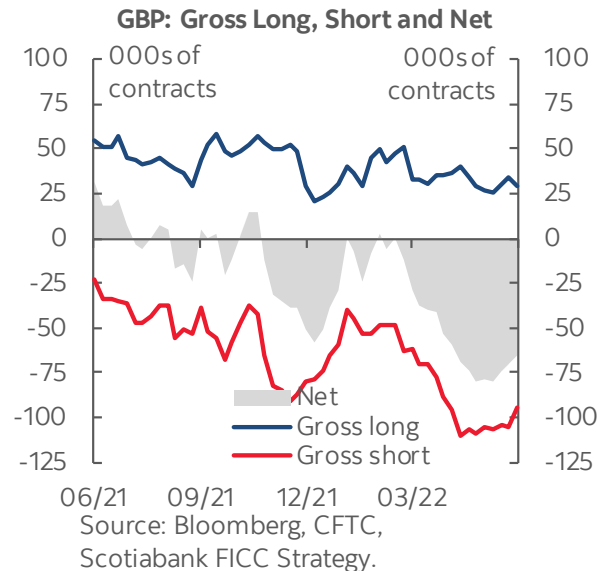
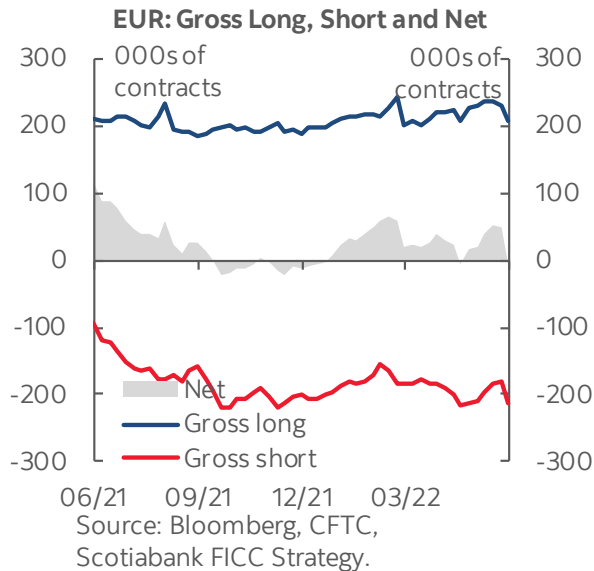
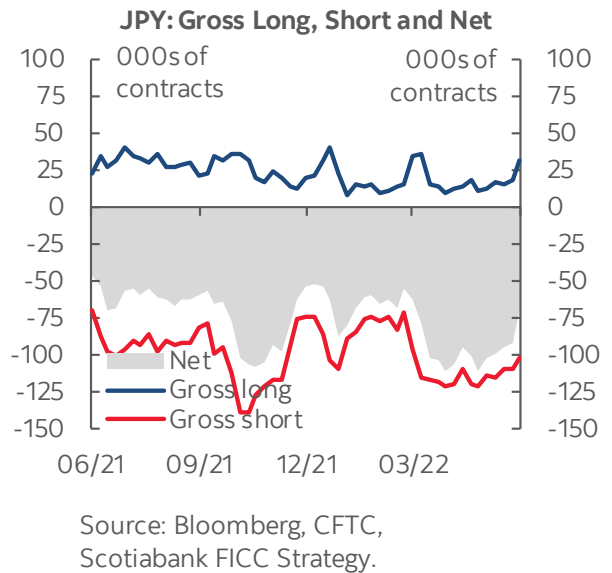
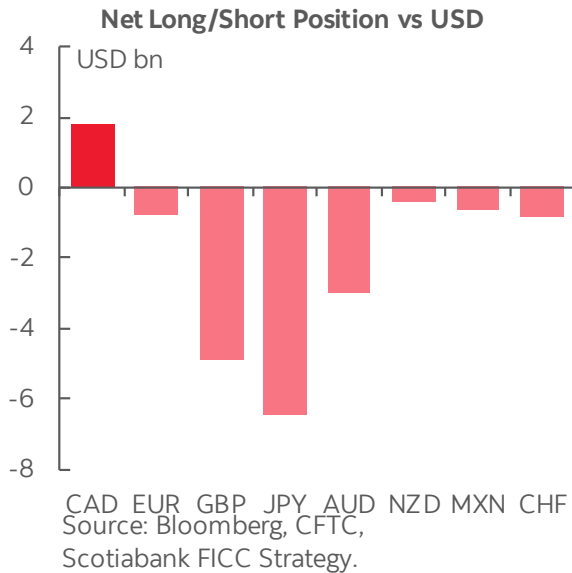
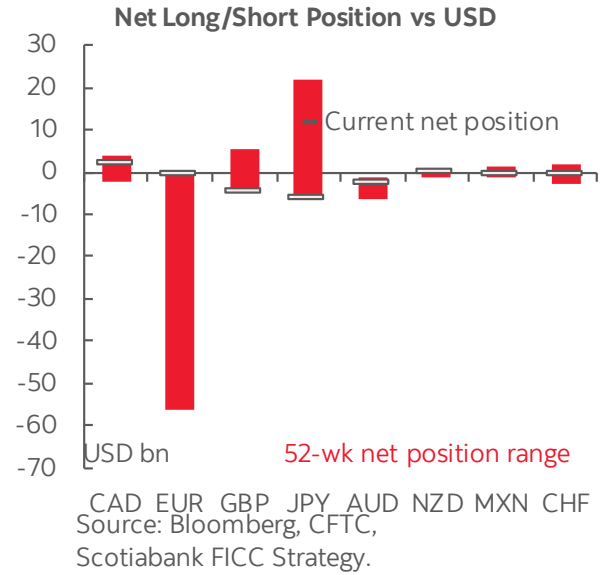
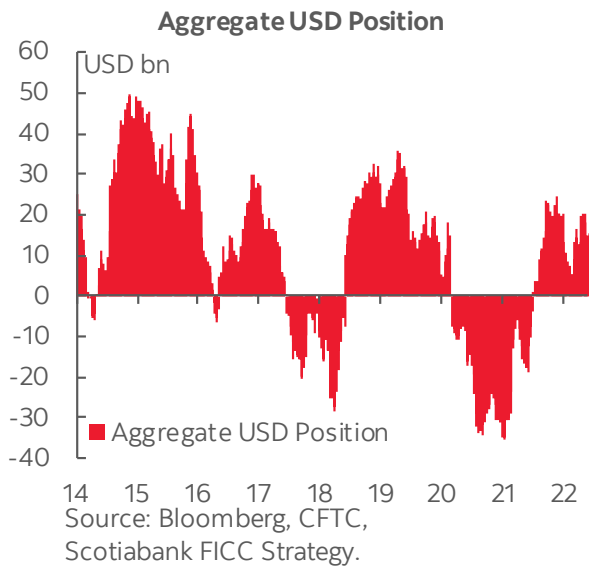
Data in this report cover up to Tuesday Jun 14 and were released on Friday June 17.

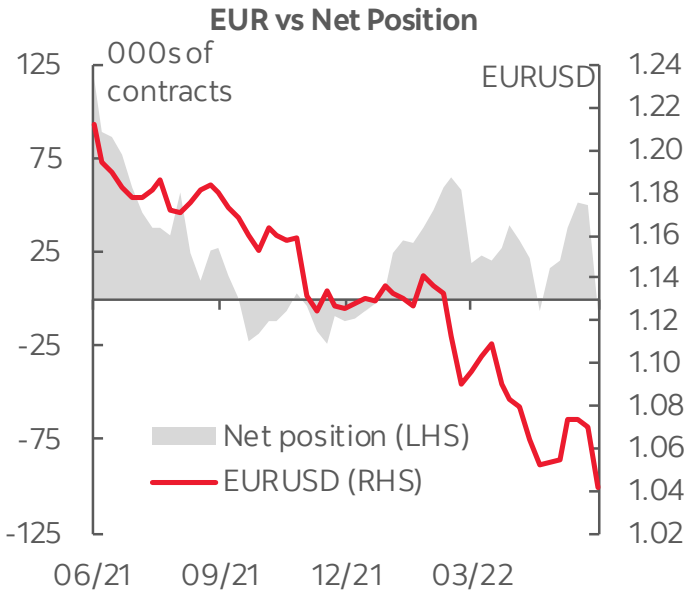
- IMM sentiment data for the week through Tuesday reveal a modest increase in aggregate USD long positioning, the first increase in five weeks. The overall USD long position, reflected in the total net positioning of the major currencies we monitor in this report, rose USD1.7bn in the week to USD15.2bn—nothing too remarkable on the face of it.
- Behind that data point, however, we note a huge swing in net EUR positioning; investors had been slowly building a modest net long EUR position since early May but a sudden and abrupt change in sentiment is revealed in this week's data. This shows the net long, which peaked around USD7bn in value in late May, has been transformed into a modest net short of USD784mn. Relative to last week, the net change in exposure of 56.5k contracts represents the biggest one-week swing against the EUR in the history of these data (by our calculations). Bearish sentiment was vindicated briefly, with the EUR falling below 1.04 this week before rebounding. We estimate that speculators, if they remain short, are probably near flat on the position currently (but may not have much tolerance for a deeper EUR rebound above 1.06).
- The MXN is the only other currency to have experienced a bump in net bearish sentiment over the past week, with investors reversing quite aggressively out of the modest, net bullish position that these data had reflected in prior weeks. The net short in the peso remains modest at USD641mn but this is still the biggest bear bet on the currency since December.
- Investors showed some love for the CAD last week, lifting net longs USD1.9bn or the equivalent of 23k contracts. This is the biggest bull bet on the CAD since last July but the improvement in sentiment has not been rewarded with gains in the CAD subsequently.
- Elsewhere, investors tended to rein back on USD exposure and liquidate USD longs, particularly against the CHF and JPY, which experienced the biggest week-over-week short covering (USD1.2bn and USD2.2bn respectively). Bearish bets on the GBP were cut USD654mn and net AUD shorts were trimmed USD492mn. Net NZD shorts were cut by a sizeable USD858mn, leaving overall exposure here near flat. Outside of FX, net gold longs were cut USD4.5bn to just under USD28bn.



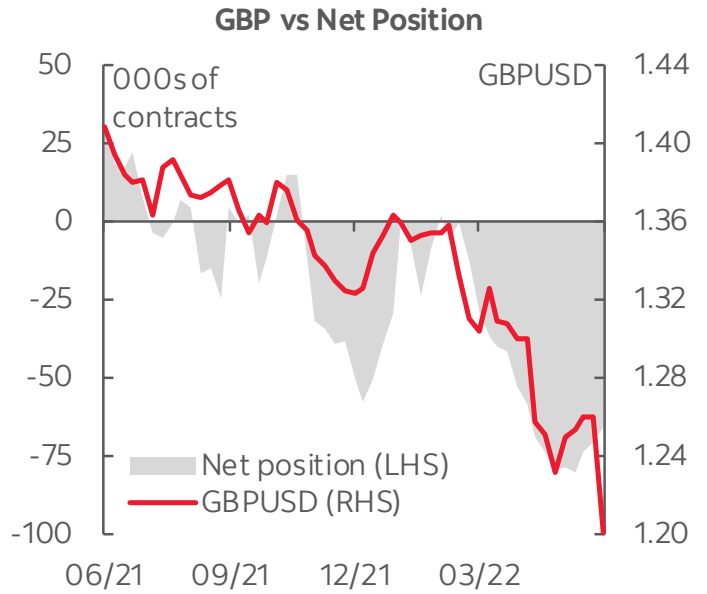
	Sentiment		USD mns	
	14-Jun	Bias	Trend	Position w/w chg.
CAD		bullish	increasing	1,792 1,876
EUR		bearish	increasing	-784 -7,546
GBP		bearish	decreasing	-4,918 654
AUD		bearish	decreasing	-2,972 492
NZD		neutral	neutral	-425 858
MXN		bearish	increasing	-641 -1,476
CHF		bearish	decreasing	-850 1,223
JPY		bearish	decreasing	-6,436 2,204
Gold		bullish	decreasing	27,959 -4,507
Total USD position ex. Gold				15,234 1,714

CAD — NON-COMMERCIAL POSITIONING						
Date	(USD mn)	Position - Contracts of 100,000 CAD			Net w/w	Open Int.
	Net	Long	Short	Net		
14-Jun	1,792	56,550	-33,348	23,202	-24,264	175,219
7-Jun	-85	39,288	-40,350	-1,062	-5,945	167,373
31-May	-554	30,520	-37,527	-7,007	-5,680	135,929
24-May	-990	28,999	-41,686	-12,687	-1,809	138,508





Source: Bloomberg, CFTC, Scotiabank FICC Strategy.



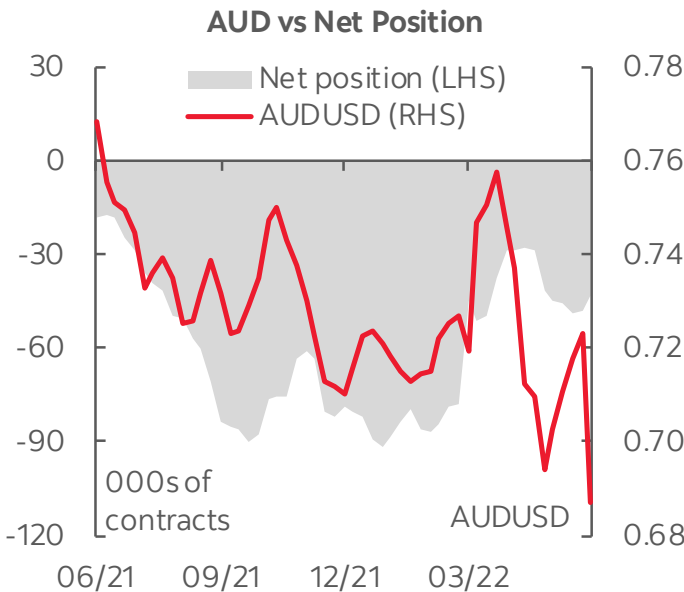
Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

EUR — NON-COMMERCIAL POSITIONING

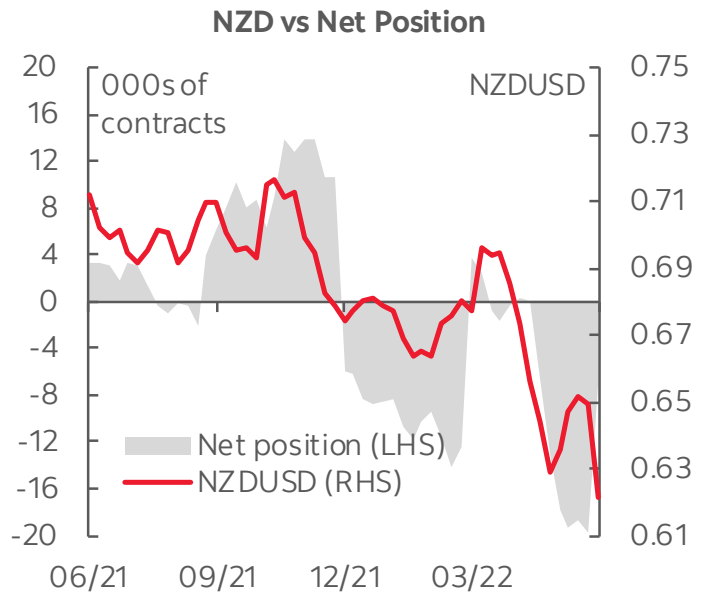
Date	(USD mn)	Position - Contracts of 125,000 EUR				Open Int.
	Net	Long	Short	Net	Net w/w	
14-Jun	-784	206,986	-213,004	-6,018	56,561	668,164
7-Jun	6,762	230,248	-179,705	50,543	1,729	730,667
31-May	7,014	236,553	-184,281	52,272	-13,342	706,317
24-May	5,224	237,072	-198,142	38,930	-18,591	708,938

GBP — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 62,500 GBP				Open Int.
	Net	Long	Short	Net	Net w/w	
14-Jun	-4,918	29,343	-94,939	-65,596	-5,214	238,322
7-Jun	-5,573	34,618	-105,428	-70,810	-3,295	258,623
31-May	-5,837	30,788	-104,893	-74,105	-6,267	252,881
24-May	-6,295	25,936	-106,308	-80,372	1,131	253,864



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

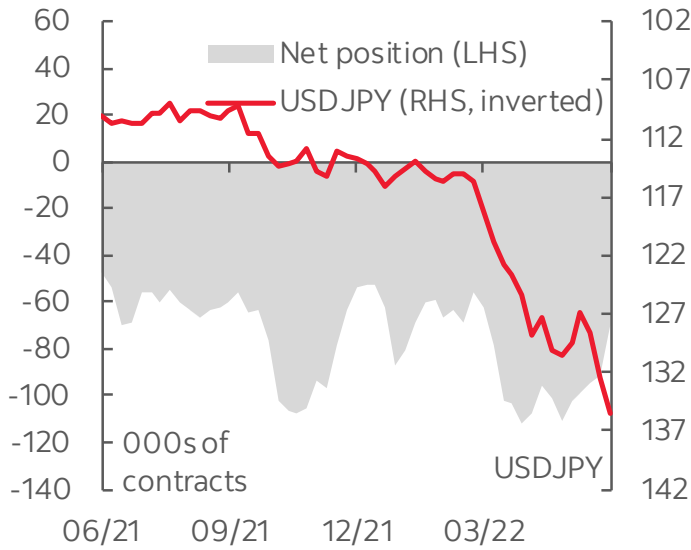
AUD — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 100,000 AUD				Open Int.
	Net	Long	Short	Net	Net w/w	
14-Jun	-2,972	31,660	-74,914	-43,254	-4,642	142,857
7-Jun	-3,464	31,720	-79,616	-47,896	-786	166,422
31-May	-3,494	32,897	-81,579	-48,682	3,236	153,661
24-May	-3,229	36,579	-82,025	-45,446	804	158,615

NZD — NON-COMMERCIAL POSITIONING

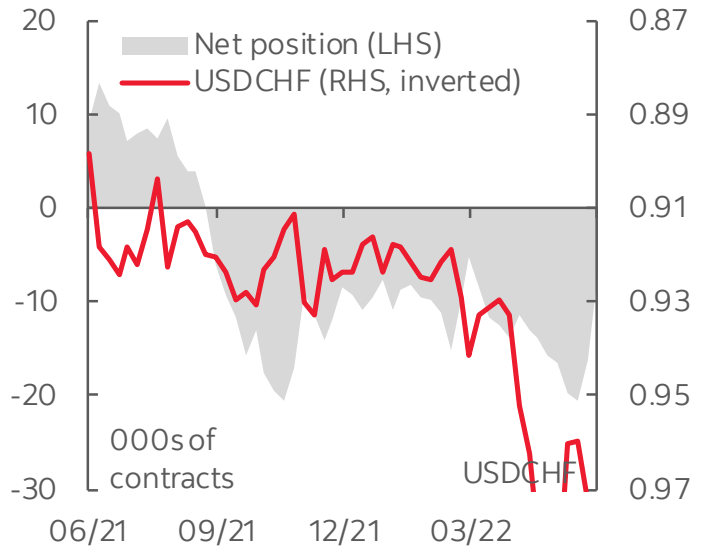
Date	(USD mn)	Position - Contracts of 100,000 NZD				Open Int.
	Net	Long	Short	Net	Net w/w	
14-Jun	-425	14,894	-21,732	-6,838	-12,933	45,410
7-Jun	-1,283	12,310	-32,081	-19,771	1,047	63,540
31-May	-1,220	9,179	-27,903	-18,724	-597	55,134
24-May	-1,250	10,749	-30,070	-19,321	1,554	59,279

JPY vs Net Position



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

CHF vs Net Position



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

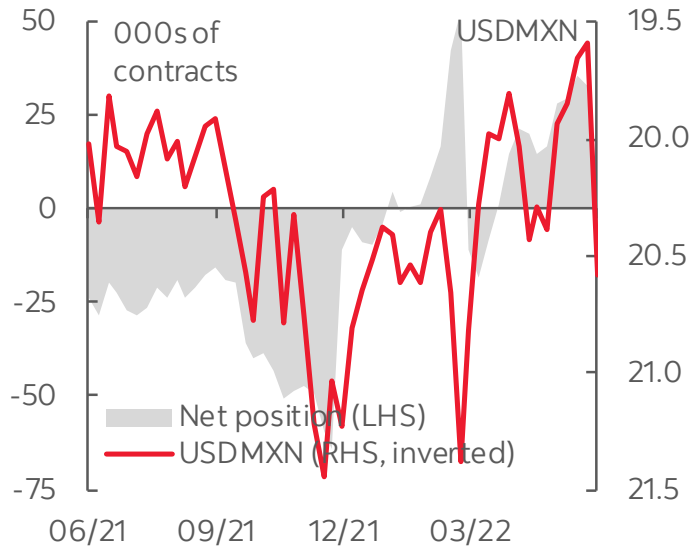
JPY — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 12.5mn JPY				Open Int.
	Net	Long	Short	Net	Net w/w	
14-Jun	-6,436	32,441	-102,196	-69,755	-21,891	232,513
7-Jun	-8,640	18,466	-110,112	-91,646	-2,793	266,054
31-May	-9,175	15,201	-109,640	-94,439	-5,005	239,080
24-May	-9,801	16,567	-116,011	-99,444	-2,865	237,256

CHF — NON-COMMERCIAL POSITIONING

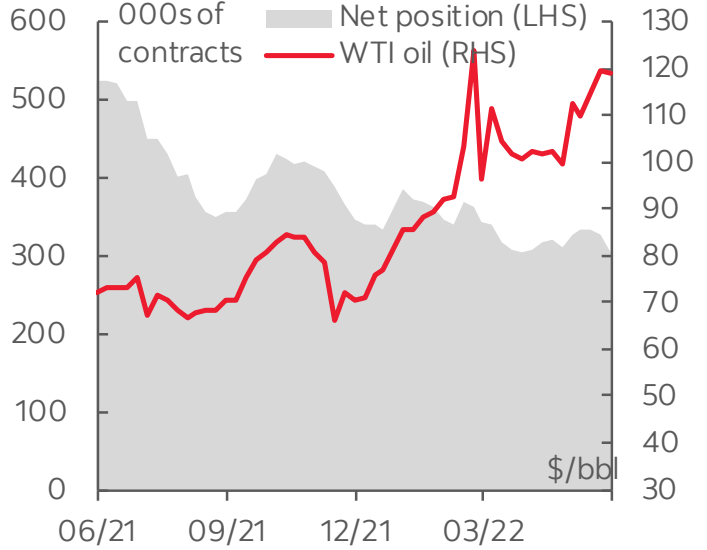
Date	(USD mn)	Position - Contracts of 125,000 CHF				Open Int.
	Net	Long	Short	Net	Net w/w	
14-Jun	-850	4,291	-11,099	-6,808	-9,324	39,362
7-Jun	-2,073	2,609	-18,741	-16,132	-4,326	49,794
31-May	-2,665	2,641	-23,099	-20,458	785	49,579
24-May	-2,561	1,355	-21,028	-19,673	3,081	49,918

MXN vs Net Position



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

WTI Oil vs Net Position



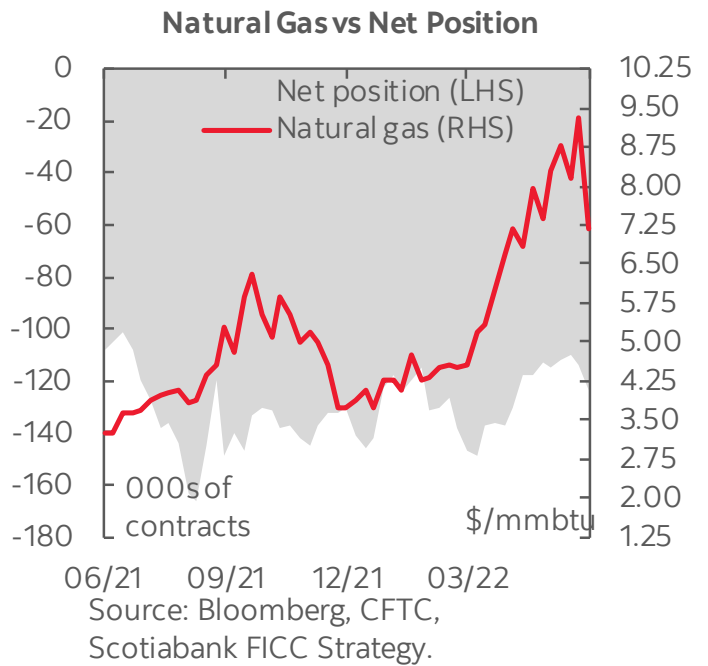
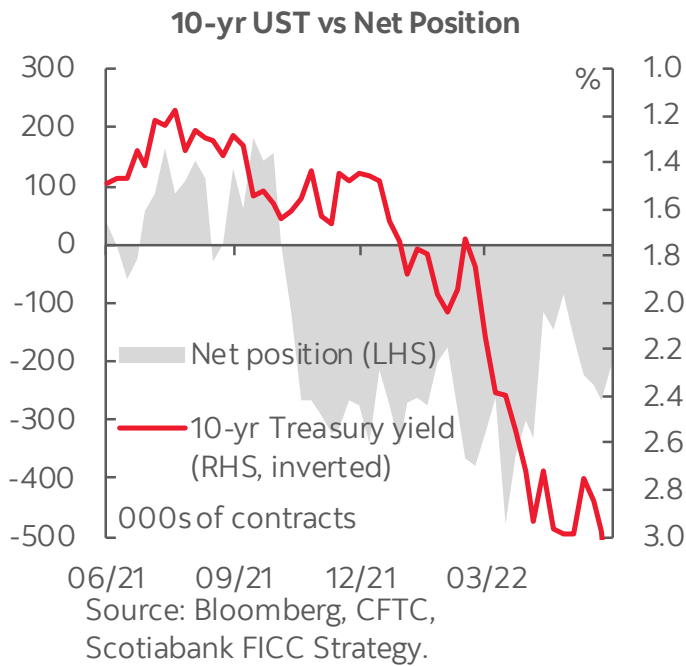
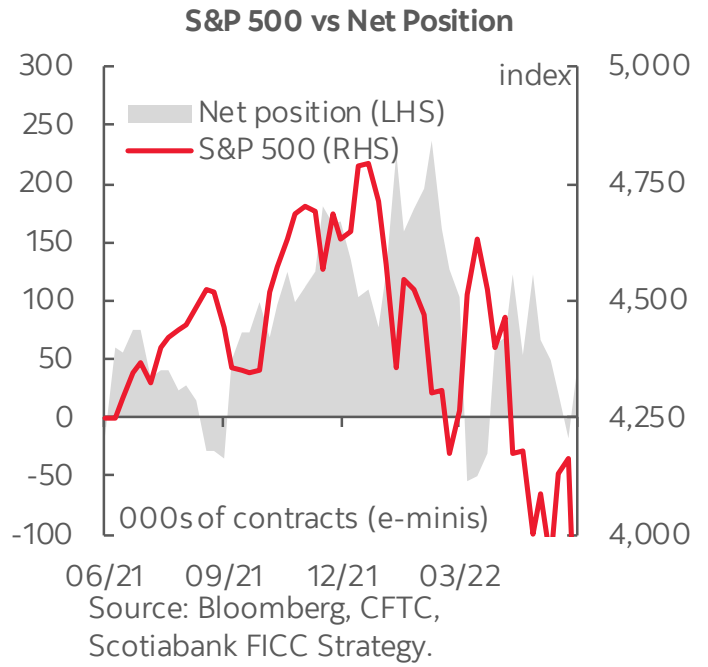
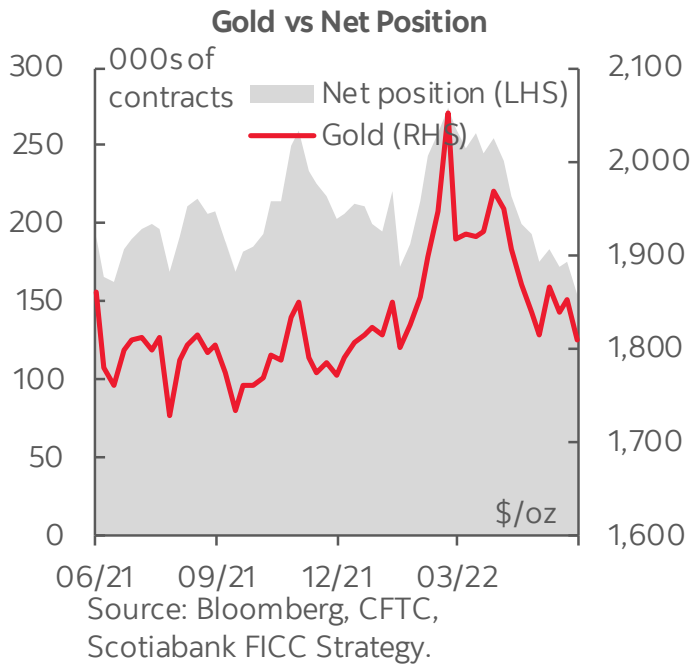
Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

MXN — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 500,000 MXN				Open Int.
	Net	Long	Short	Net	Net w/w	
14-Jun	-641	114,093	-140,474	-26,381	59,107	197,375
7-Jun	835	119,162	-86,436	32,726	2,723	248,184
31-May	902	114,480	-79,031	35,449	-5,657	212,843
24-May	751	83,031	-53,239	29,792	-1,577	177,125

OIL — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 1,000 barrels				Open Int.
	Net	Long	Short	Net	Net w/w	
14-Jun	36,029	409,427	-106,481	302,946	25,310	1,715,674
7-Jun	39,197	423,882	-95,626	328,256	4,720	1,790,618
31-May	38,182	421,683	-88,707	332,976	1,785	1,787,928
24-May	36,747	422,541	-87,780	334,761	-9,124	1,711,863



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