

USD Shorts Reduced to the Lowest Since March

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

- CFTC data for the week through July 13th reflect a further, sharp fall in overall USD short positions held by speculative traders and investors. The aggregate USD short, measured against the major currencies we monitor in this report, more than halved last week, falling USD4.3bn to total just USD3.6bn, in effect the smallest USD short since USD sentiment turned bearish in March.
- USD short-covering was concentrated in the EUR, where net EUR longs were slashed USD2.6bn, the GBP, where longs were cut USD1.2bn, and the CAD, as net longs were reduced by a third to USD2.1bn, in the main. Net CHF longs were reduced by USD403mn to USD971mn. For both the CAD and the GBP, gross longs were reduced over the past week while gross shorts rose. The change in net EUR positioning was driven mainly by increasing gross EUR shorts.
- The overall USD mood was helped by intensifying bearish sentiment in the AUD as net shorts rose USD279mn and the MXN where the limited—neutral— positioning tilted slightly more bearishly (USD127mn) against the peso.
- Bearish JPY sentiment moderated, however, providing a modest offset to the overall swing in favour of the USD. Net JPY shorts were cut USD 1.5bn in the week; gross JPY shorts fell while gross JPY longs rose more sharply as the JPY showed signs of stabilizing from its early July low against the USD. The NZD also saw a slight improvement in what remains relatively weak bullish sentiment as investors looked ahead to the past week's RBNZ policy meeting and CPI data. Net Kiwi longs rose slightly (USD101mn).

| | Sentiment | | USD mns | |
|-----------------------------|-----------|------------|----------|----------|
| | Bias | Trend | Position | w/w chg. |
| 13-Jul | | | | |
| CAD | bullish | decreasing | 2,108 | -1,197 |
| EUR | bullish | decreasing | 8,790 | -2,619 |
| GBP | bullish | decreasing | 688 | -1,201 |
| AUD | bearish | increasing | -2,144 | -279 |
| NZD | neutral | neutral | 224 | 101 |
| MXN | bearish | neutral | -684 | -127 |
| CHF | bullish | decreasing | 971 | -403 |
| JPY | bearish | decreasing | -6,356 | 1,456 |
| Gold | bullish | increasing | 34,499 | 1,644 |
| Total USD position ex. Gold | | | -3,598 | 4,269 |

CAD — NON-COMMERCIAL POSITIONING

| Date | (USD mn) | Position - Contracts of 100,000 CAD | | | | Open Int. |
|--------|----------|-------------------------------------|---------|--------|---------|-----------|
| | Net | Long | Short | Net | Net w/w | |
| 13-Jul | 2,108 | 63,107 | -36,731 | 26,376 | 14,802 | 198,714 |
| 6-Jul | 3,305 | 69,923 | -28,745 | 41,178 | 4,623 | 202,136 |
| 29-Jun | 3,693 | 68,301 | -22,500 | 45,801 | -2,576 | 196,928 |
| 22-Jun | 3,513 | 69,074 | -25,849 | 43,225 | 1,029 | 202,787 |



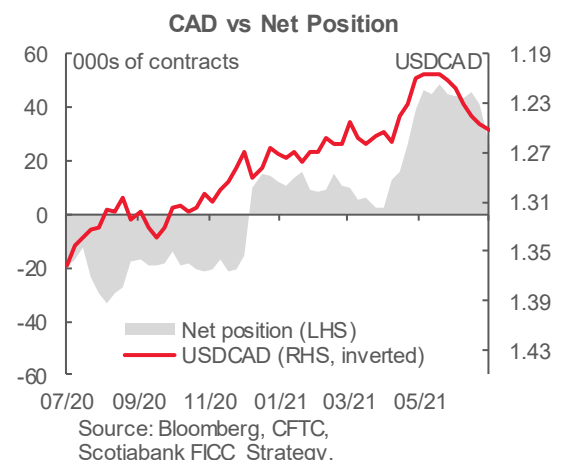
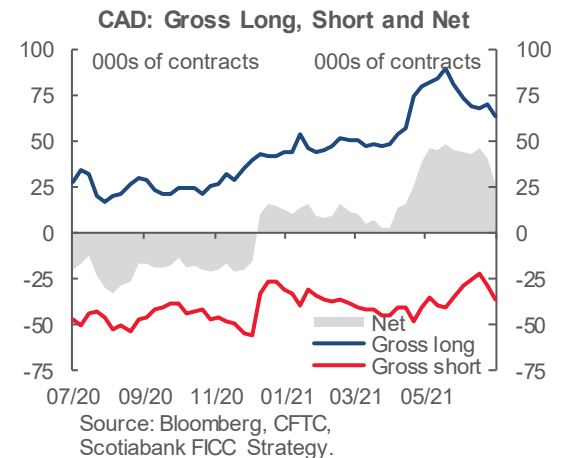
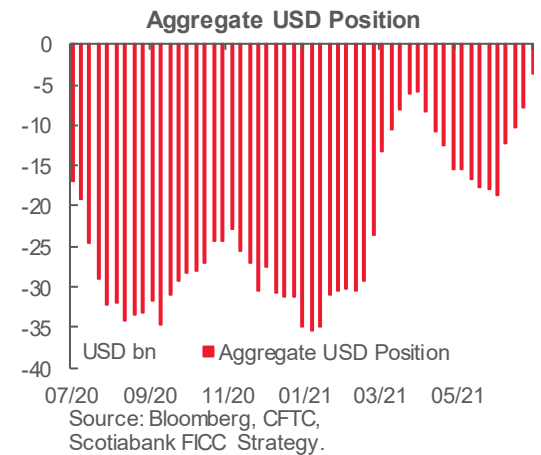
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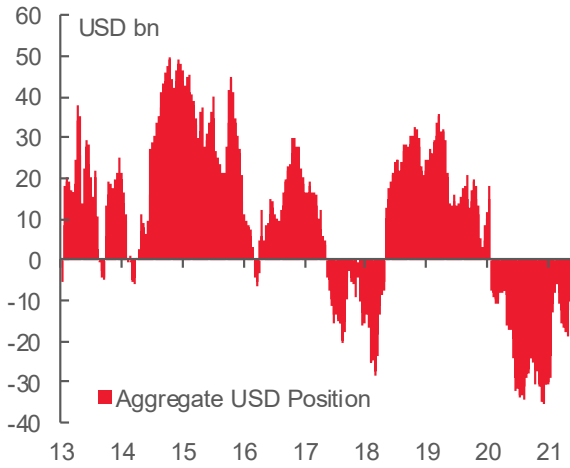
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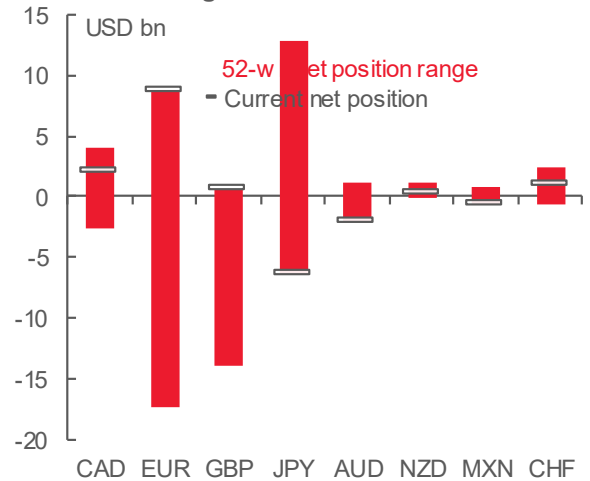


Aggregate USD Position



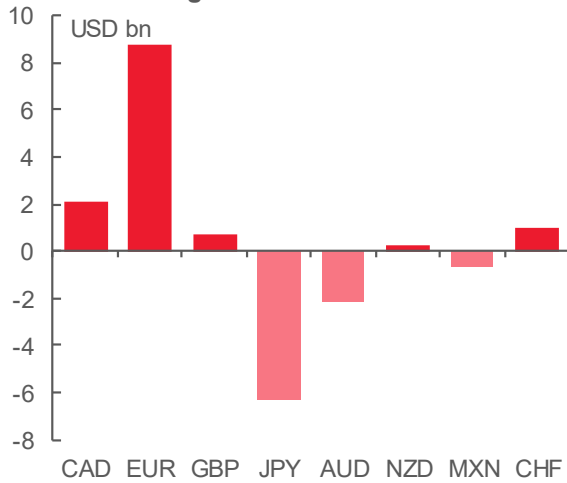
Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

Net Long/Short Position vs USD



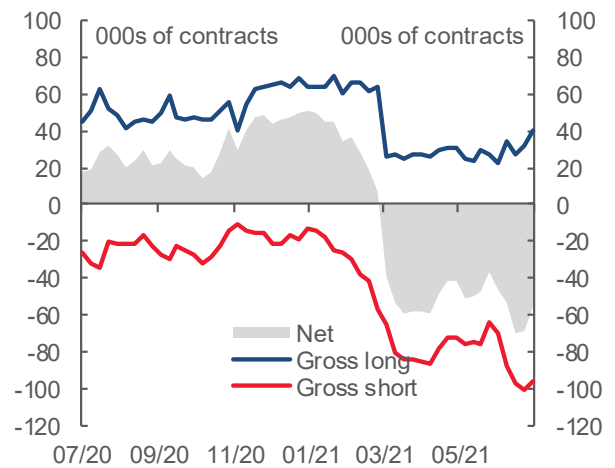
Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

Net Long/Short Position vs USD



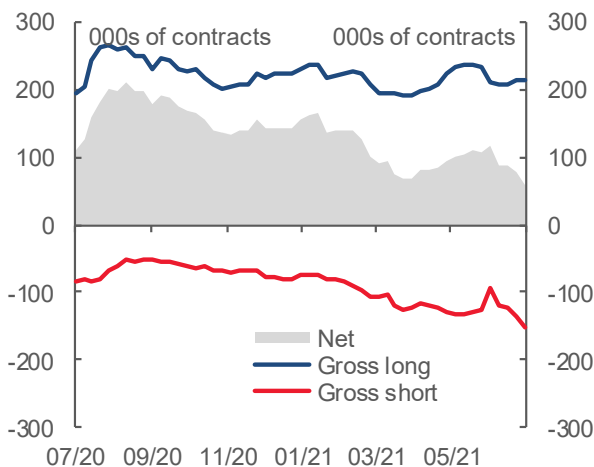
Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

JPY: Gross Long, Short and Net



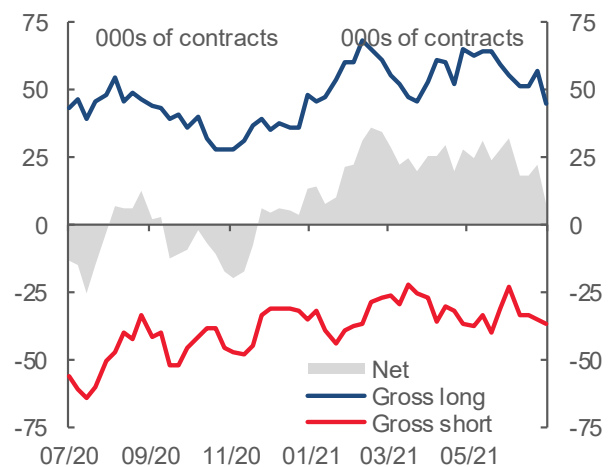
Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

EUR: Gross Long, Short and Net



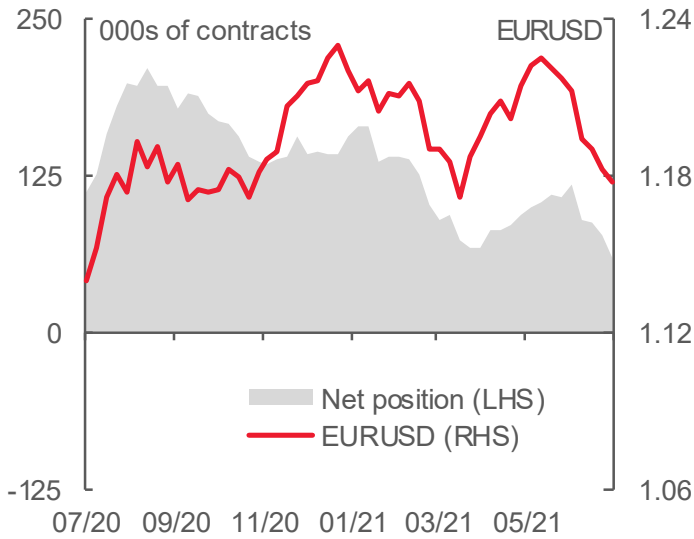
Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

GBP: Gross Long, Short and Net



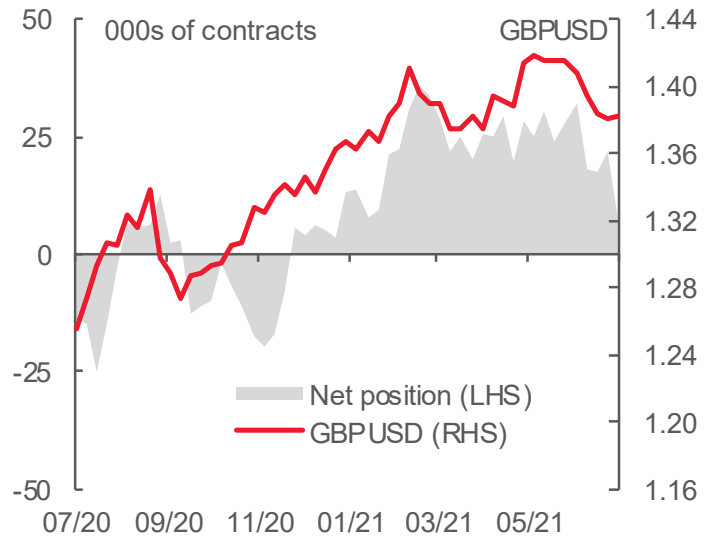
Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

EUR vs Net Position



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

GBP vs Net Position



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

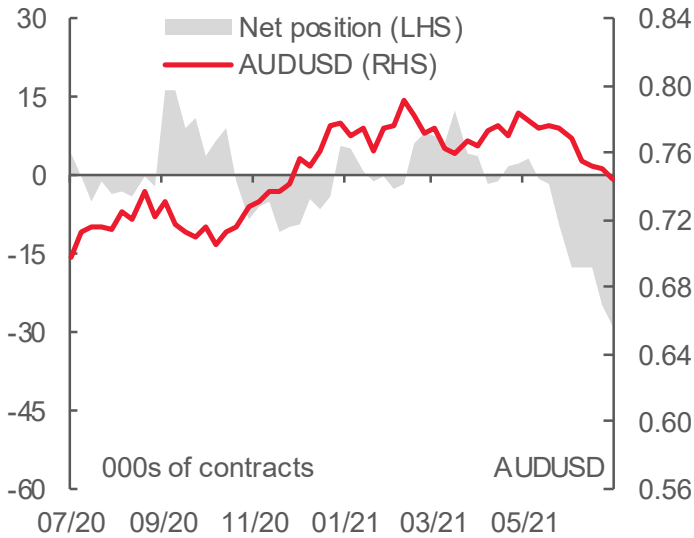
EUR — NON-COMMERCIAL POSITIONING

| Date | (USD mn) | Position - Contracts of 125,000 EUR | | | | Open Int. |
|--------|----------|-------------------------------------|----------|--------|---------|-----------|
| | Net | Long | Short | Net | Net w/w | |
| 13-Jul | 8,790 | 212,851 | -153,138 | 59,713 | 17,477 | 688,952 |
| 6-Jul | 11,409 | 212,998 | -135,808 | 77,190 | 9,956 | 699,383 |
| 29-Jun | 12,960 | 209,058 | -121,912 | 87,146 | 1,911 | 697,425 |
| 22-Jun | 13,292 | 207,863 | -118,806 | 89,057 | 29,129 | 694,804 |

GBP — NON-COMMERCIAL POSITIONING

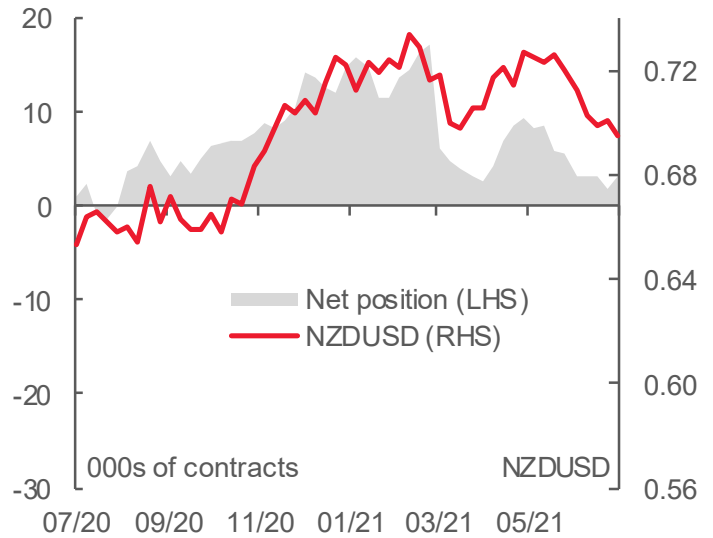
| Date | (USD mn) | Position - Contracts of 62,500 GBP | | | | Open Int. |
|--------|----------|------------------------------------|---------|--------|---------|-----------|
| | Net | Long | Short | Net | Net w/w | |
| 13-Jul | 688 | 44,686 | -36,717 | 7,969 | 13,934 | 172,345 |
| 6-Jul | 1,889 | 57,232 | -35,329 | 21,903 | -4,180 | 178,783 |
| 29-Jun | 1,533 | 51,596 | -33,873 | 17,723 | 204 | 169,230 |
| 22-Jun | 1,563 | 51,445 | -33,518 | 17,927 | 14,243 | 171,280 |

AUD vs Net Position



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

NZD vs Net Position



Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

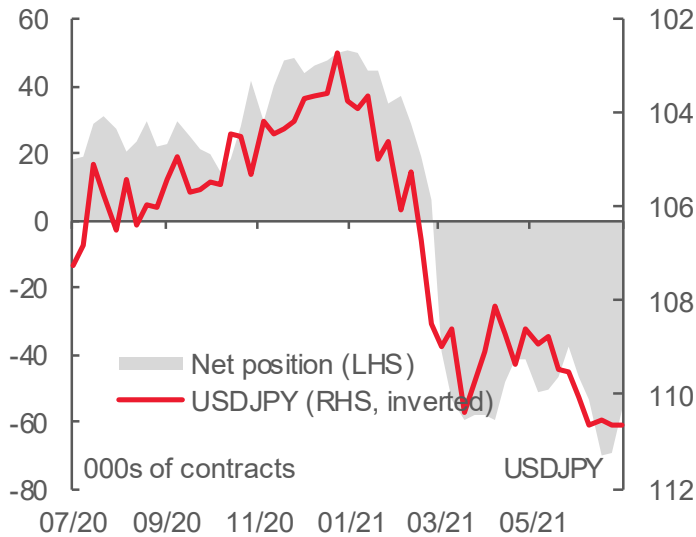
AUD — NON-COMMERCIAL POSITIONING

| Date | (USD mn) | Position - Contracts of 100,000 AUD | | | | Open Int. |
|--------|----------|-------------------------------------|---------|---------|---------|-----------|
| | Net | Long | Short | Net | Net w/w | |
| 13-Jul | -2,144 | 56,721 | -85,509 | -28,788 | 3,918 | 155,995 |
| 6-Jul | -1,865 | 53,352 | -78,222 | -24,870 | 7,070 | 147,352 |
| 29-Jun | -1,337 | 48,824 | -66,624 | -17,800 | 225 | 140,482 |
| 22-Jun | -1,328 | 56,133 | -73,708 | -17,575 | -305 | 147,814 |

NZD — NON-COMMERCIAL POSITIONING

| Date | (USD mn) | Position - Contracts of 100,000 NZD | | | | Open Int. |
|--------|----------|-------------------------------------|---------|-------|---------|-----------|
| | Net | Long | Short | Net | Net w/w | |
| 13-Jul | 224 | 20,627 | -17,397 | 3,230 | -1,469 | 42,463 |
| 6-Jul | 123 | 19,412 | -17,651 | 1,761 | 1,363 | 41,756 |
| 29-Jun | 218 | 19,914 | -16,790 | 3,124 | 162 | 41,352 |
| 22-Jun | 231 | 19,171 | -15,885 | 3,286 | -21 | 39,285 |

JPY vs Net Position

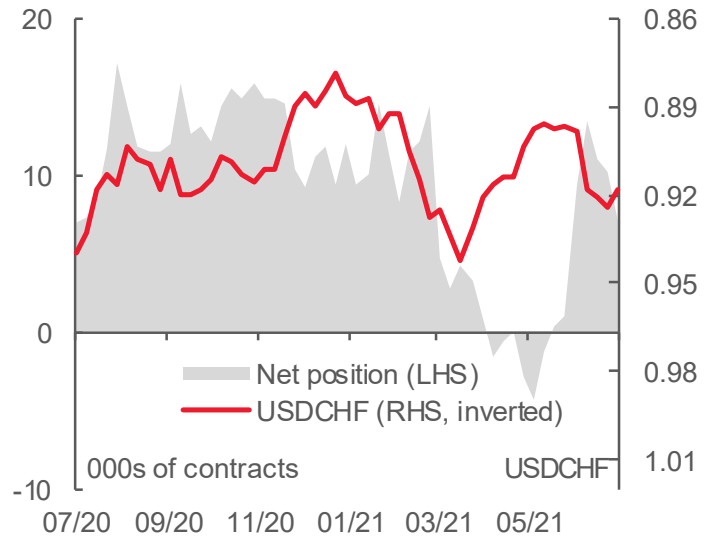


Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

JPY — NON-COMMERCIAL POSITIONING

| Date | (USD mn) | Position - Contracts of 12.5mn JPY | | | | Open Int. |
|--------|----------|------------------------------------|----------|---------|---------|-----------|
| | Net | Long | Short | Net | Net w/w | |
| 13-Jul | -6,356 | 40,440 | -96,690 | -56,250 | -12,886 | 203,727 |
| 6-Jul | -7,812 | 31,625 | -100,761 | -69,136 | -759 | 205,341 |
| 29-Jun | -7,905 | 27,380 | -97,275 | -69,895 | 16,033 | 195,698 |
| 22-Jun | -6,085 | 34,118 | -87,980 | -53,862 | 7,012 | 190,545 |

CHF vs Net Position

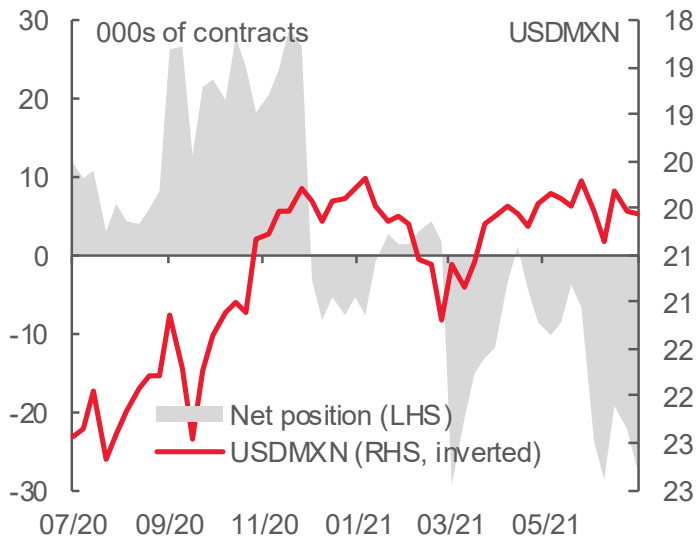


Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

CHF — NON-COMMERCIAL POSITIONING

| Date | (USD mn) | Position - Contracts of 125,000 CHF | | | | Open Int. |
|--------|----------|-------------------------------------|---------|--------|---------|-----------|
| | Net | Long | Short | Net | Net w/w | |
| 13-Jul | 971 | 18,074 | -10,937 | 7,137 | 3,025 | 45,704 |
| 6-Jul | 1,374 | 19,230 | -9,068 | 10,162 | 903 | 44,739 |
| 29-Jun | 1,502 | 18,941 | -7,876 | 11,065 | 2,487 | 42,684 |
| 22-Jun | 1,845 | 20,980 | -7,428 | 13,552 | -4,165 | 41,889 |

MXN vs Net Position

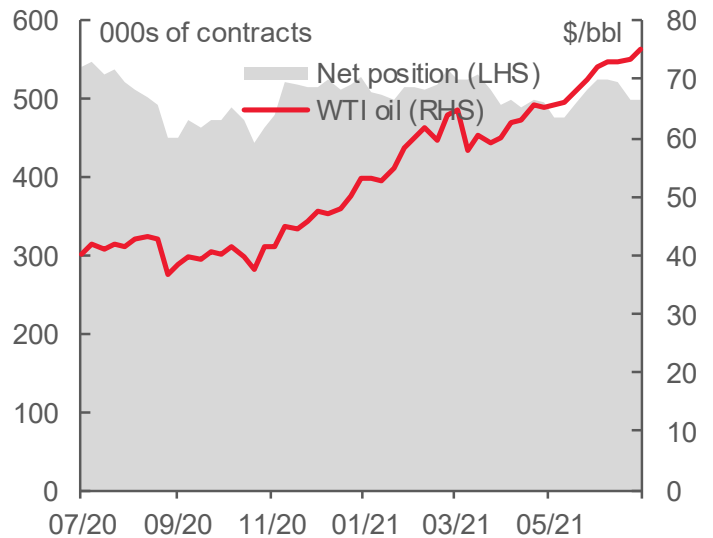


Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

MXN — NON-COMMERCIAL POSITIONING

| Date | (USD mn) | Position - Contracts of 500,000 MXN | | | | Open Int. |
|--------|----------|-------------------------------------|---------|---------|---------|-----------|
| | Net | Long | Short | Net | Net w/w | |
| 13-Jul | -684 | 69,611 | -97,043 | -27,432 | 5,099 | 149,382 |
| 6-Jul | -557 | 70,788 | -93,121 | -22,333 | 2,879 | 147,459 |
| 29-Jun | -491 | 71,449 | -90,903 | -19,454 | -9,137 | 144,435 |
| 22-Jun | -702 | 61,955 | -90,546 | -28,591 | 4,661 | 139,874 |

WTI Oil vs Net Position

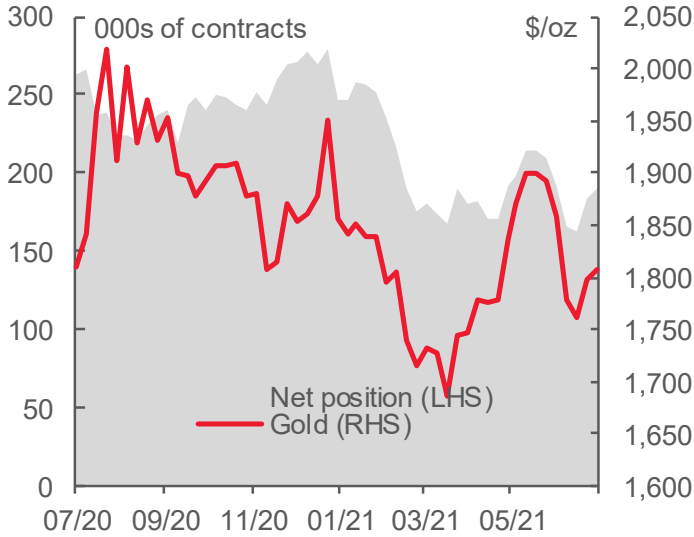


Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

OIL — NON-COMMERCIAL POSITIONING

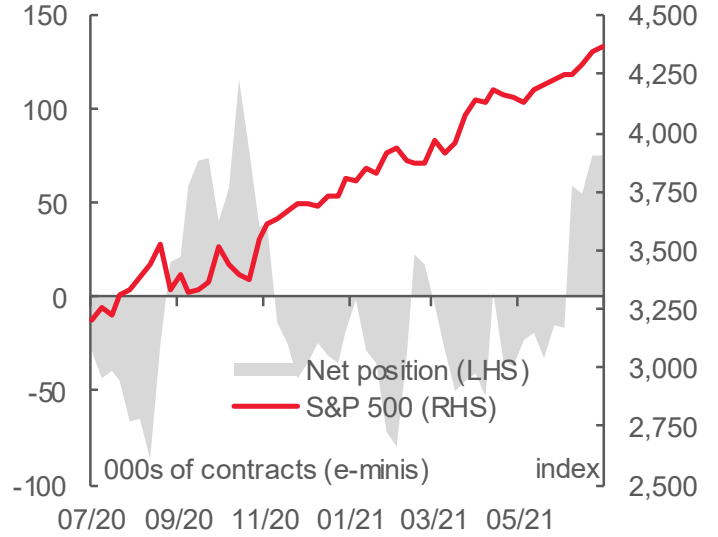
| Date | (USD mn) | Position - Contracts of 1,000 barrels | | | | Open Int. |
|--------|----------|---------------------------------------|----------|---------|---------|-----------|
| | Net | Long | Short | Net | Net w/w | |
| 13-Jul | 37,557 | 636,318 | -137,222 | 499,096 | -1,745 | 2,413,536 |
| 6-Jul | 36,491 | 640,068 | -142,717 | 497,351 | 25,139 | 2,413,946 |
| 29-Jun | 38,131 | 664,867 | -142,377 | 522,490 | 3,671 | 2,369,631 |
| 22-Jun | 38,441 | 669,980 | -143,819 | 526,161 | -2,205 | 2,348,317 |

Gold vs Net Position



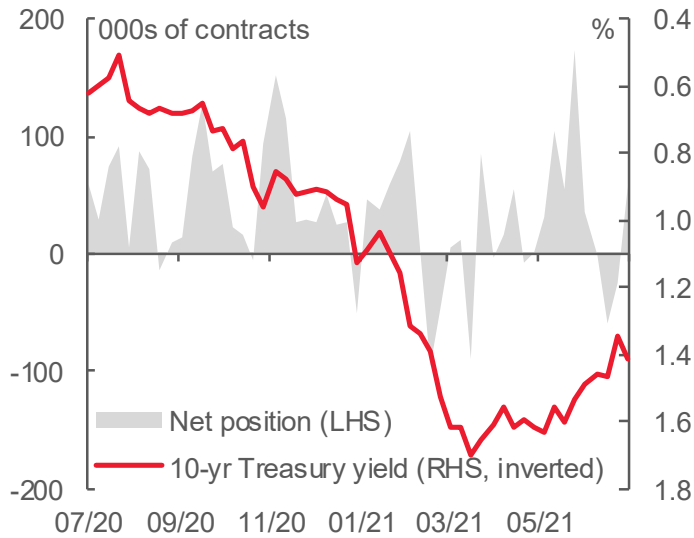
Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

S&P 500 vs Net Position



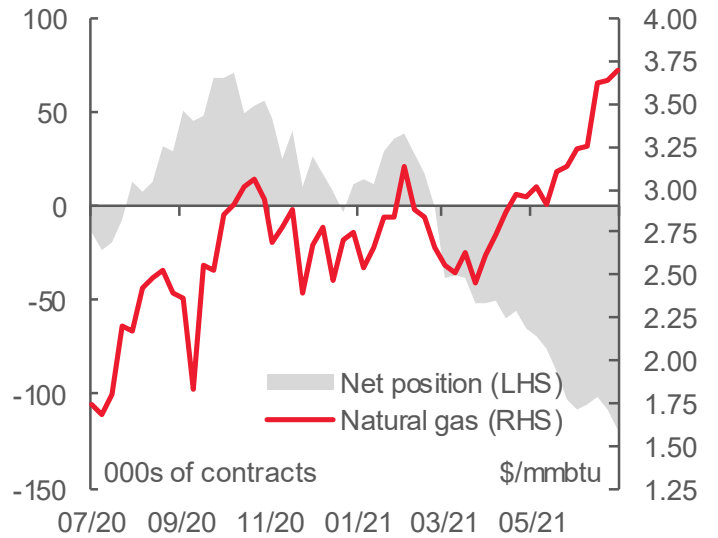
Source: Bloomberg, CFTC, Scotiabank FICC Strategy.

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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