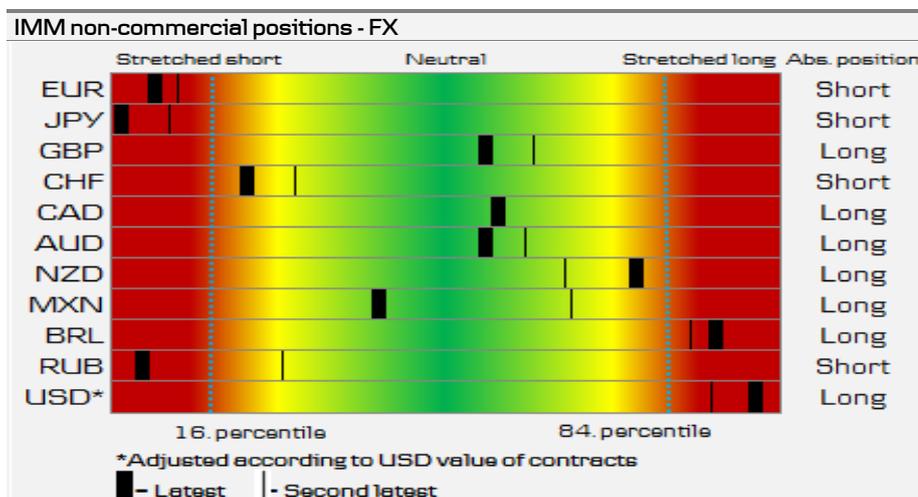
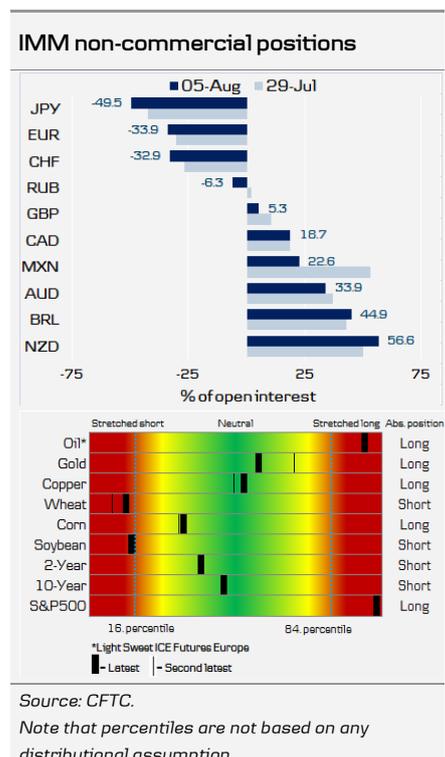


# IMM Positioning

## Positioning limits EUR/USD downside risk

- The latest IMM data cover the week from 29 July to 5 August 2014.
- IMM data released last Friday revealed yet another week of net EUR short builds, sending non-commercial positioning to the most bearish levels since November 2012. This week's move probably reflects speculation about a dovish Draghi at the August ECB meeting as well as the continuation of solid figures out of the US. The total residual positioning in USD continues to look very stretched at the most bullish levels since July 2013. This week's move in speculative USD positioning was primarily driven by speculators' bearish builds in EUR and JPY (see page 2). In sum, positioning has over the past three weeks significantly limited the short-run downside risk in EUR/USD. Having said that, we still expect EUR/USD to gradually edge lower, primarily driven by a divergence in relative monetary policy.
- Friday's report also revealed that investors continue to slash net longs in GBP and CHF, illustrating the change in sentiment for both currencies. While speculative GBP positioning has moved to broadly square levels (57<sup>th</sup> percentile), CHF-positioning now increasingly looks stretched from a historical perspective (21<sup>st</sup> percentile). The builds in net EUR and CHF shorts suggest that EUR/CHF has become increasingly vulnerable to rapid spot moves should sentiment change on one of the two currencies.
- The increase in geopolitical risks stemming from the Russia-Ukraine crisis is also reflected in data. Speculative RUB-positioning has returned to the very stretched short levels of the spring (below the 5<sup>th</sup> percentile) after seven weeks of absolute long levels (see page 7). This suggests that positioning increasingly poses a barrier for further RUB weakening and that an escalation in the conflict is required to send USD/RUB markedly higher in the short run.
- In commodities, positioning in non-commercial oil, wheat and soybeans continue to look stretched from a historical perspective.



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IMM table

	1000 contracts			% of open interest			USD bn		Statistics	
	05-Aug	29-Jul	Change	05-Aug	29-Jul	Change	05-Aug	Change	Percentile	Z-score
USD*							26.2	11.0	98	2.16
EUR	-128.7	-108.1	-20.7	-33.9	-30.3	-3.6	-21.5	-3.4	7	-1.76
JPY	-95.4	-73.1	-22.3	-49.5	-42.5	-7	-11.6	-2.7	2	-1.63
GBP	12.1	24.9	-12.8	5.3	10.4	-5.1	1.3	-1.4	57	0.21
CHF	-18.9	-11.8	-7.1	-32.9	-26.7	-6.2	-2.6	-1.0	21	-0.95
CAD	21.5	22.7	-1.2	18.7	18.5	0.2	2.0	-0.1	59	0.46
AUD	33.3	39.6	-6.3	33.9	37.1	-3.2	3.1	-0.6	57	0.44
NZD	14.5	15.2	-0.8	56.6	50.0	6.6	1.23	-0.1	80	0.92
MXN	32.4	77.1	-44.7	22.6	53.2	-30.6	1.22	-1.7	41	-0.13
BRL	16.1	16.4	-0.3	44.9	42.6	2.3	0.71	0.0	92	1.33
RUB	-2.5	0.8	-3.3	-6.3	2	-8.3	-0.17	-0.2	5	-1.48
Oil**	69.4	71.2	-1.8	14.7	14.5	0.2			96	1.88
Gold	121.5	139.2	-17.7	33.7	37.2	-3.5			59	0.44
Copper***	7.5	4.3	3.2	4.4	2.5	1.9			54	0.12
Corn****	77.1	65.8	11.3	5.6	4.8	0.8			33	-0.46
Wheat****	-55.7	-62.7	7.0	-12.6	-14.3	1.7			13	-1.07
Soybean****	-6.4	-3.8	-2.6	-1	-0.7	-0.3			15	-1.08
2Y US Treasury	79.3	91.8	-12.5	5.9	7.3	-1.4			39	0.00
10Y US Treasury	-45.1	-5.8	-39.3	-1.6	-0.2	-1.4			47	0.00
S&P500	-2.6	2.6	-5.2	-1.6	1.7	-3.3			100	8.45

\*Adjusted according to USD value of contracts

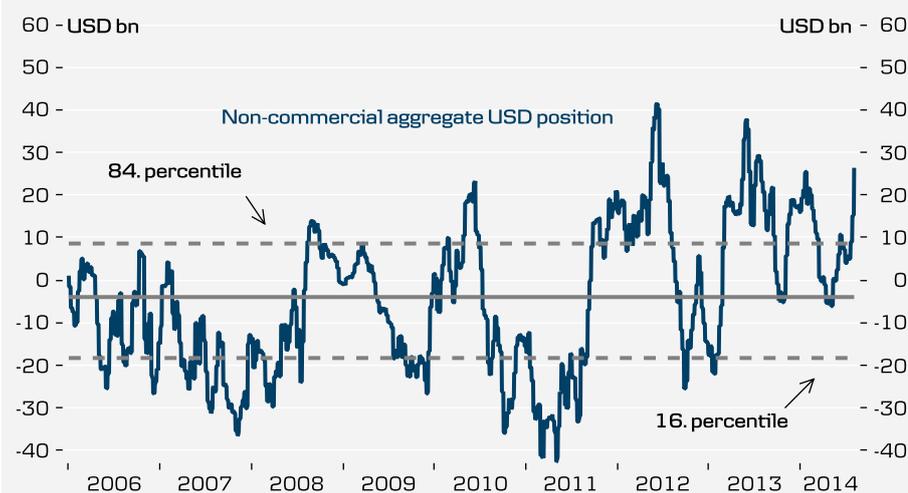
\*\* ICE Light Sweet Brent Crude Futures Europe

\*\*\*COMEX

\*\*\*\*CBOT

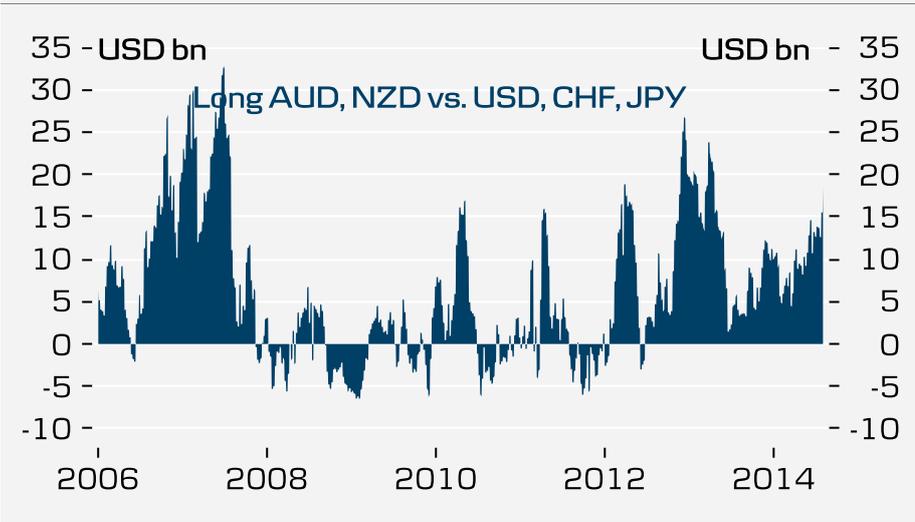
Source: CFTC, Macrobond, Danske Bank Markets

Chart 1. Sum of EUR, JPY, GBP, CHF, CAD, AUD, NZD, MXN, BRL and RUB



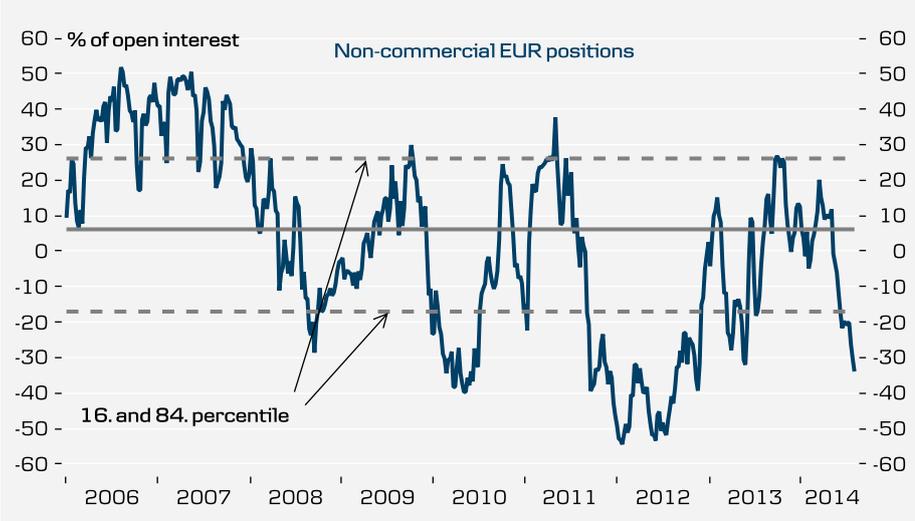
Source: CFTC, Danske Bank Markets

Chart 2. Non-commercial 'carry' positioning



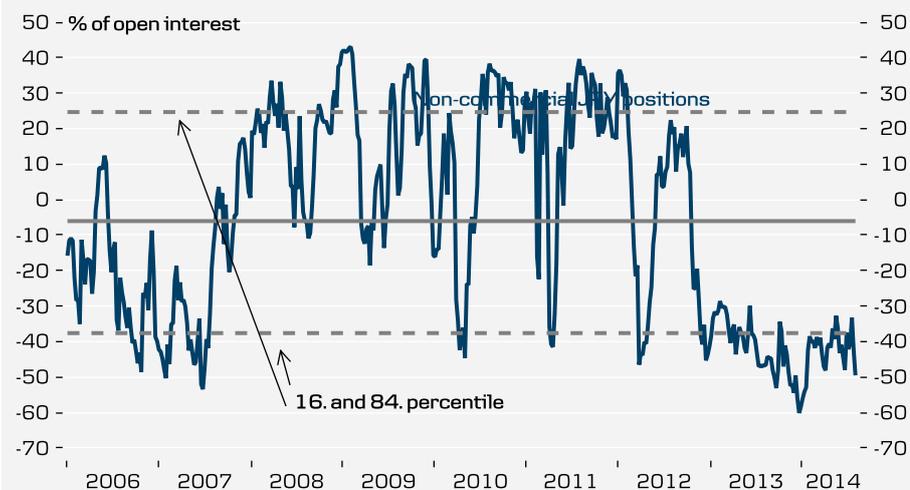
Source: CFTC

Chart 3. Net-long EUR positioning



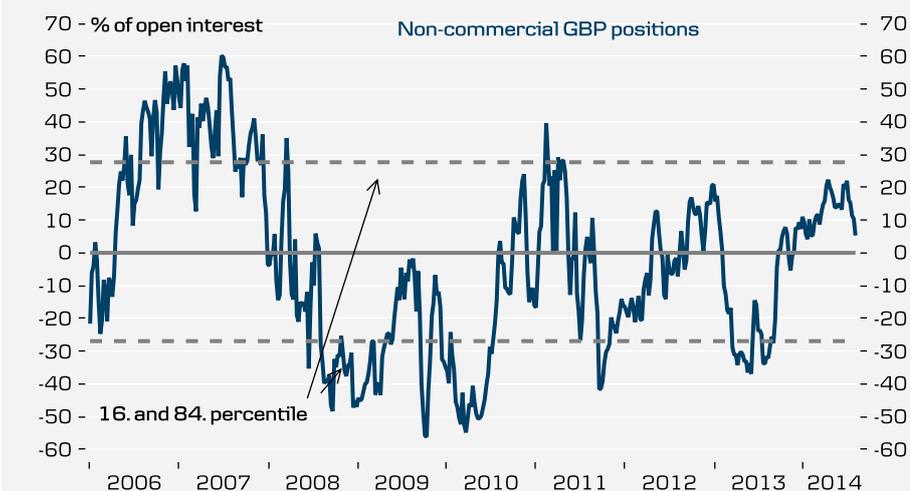
Source: CFTC

Chart 4. Net-long JPY positioning



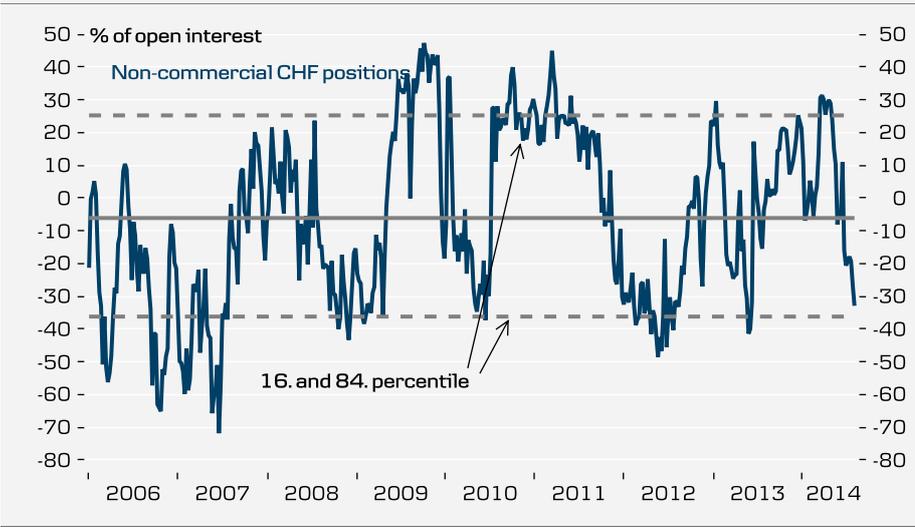
Source: CFTC

Chart 5. Net-long GBP positioning



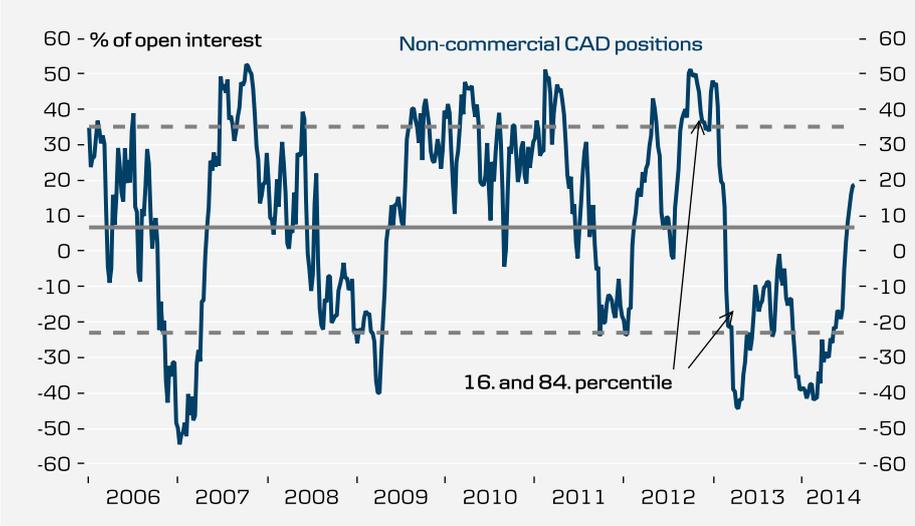
Source: CFTC

Chart 6. Net-long CHF positioning



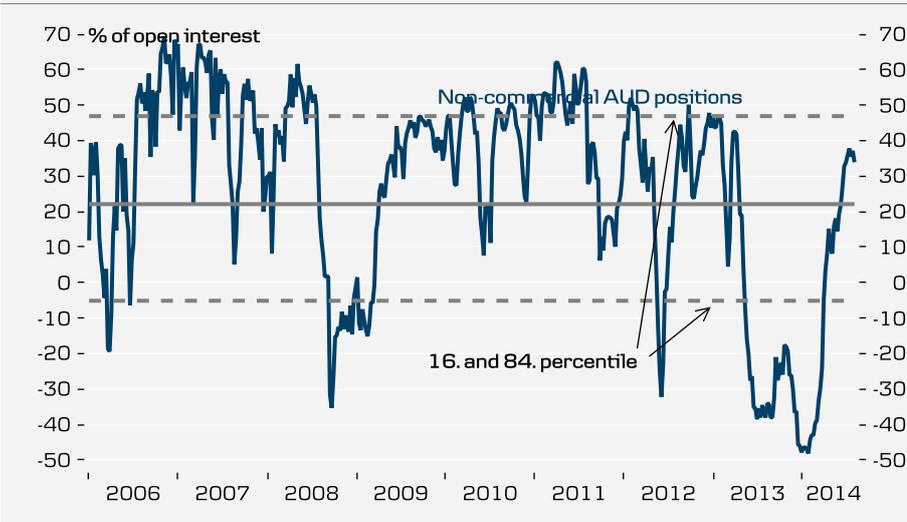
Source: CFTC

Chart 7. Net-long CAD positioning



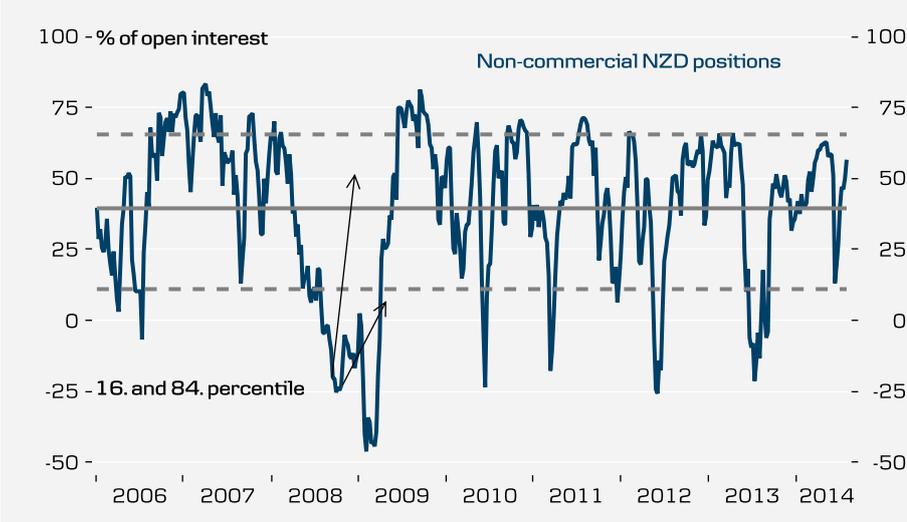
Source: CFTC

Chart 8. Net-long AUD positioning



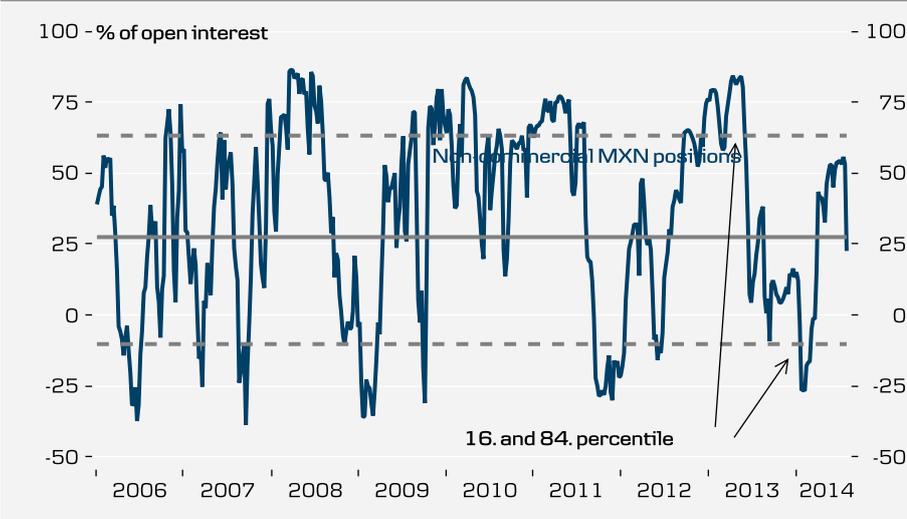
Source: CFTC

Chart 9. Net-long NZD positioning



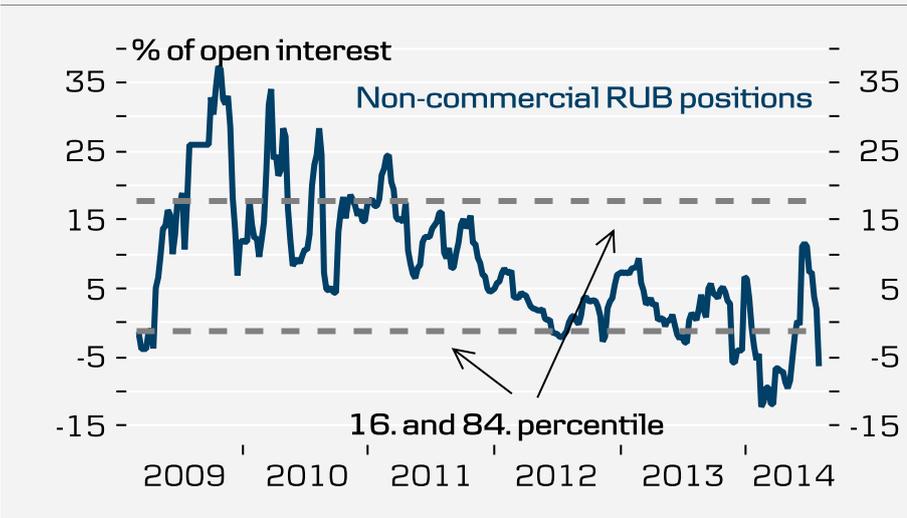
Source: CFTC

Chart 10. Net-long MXN positioning



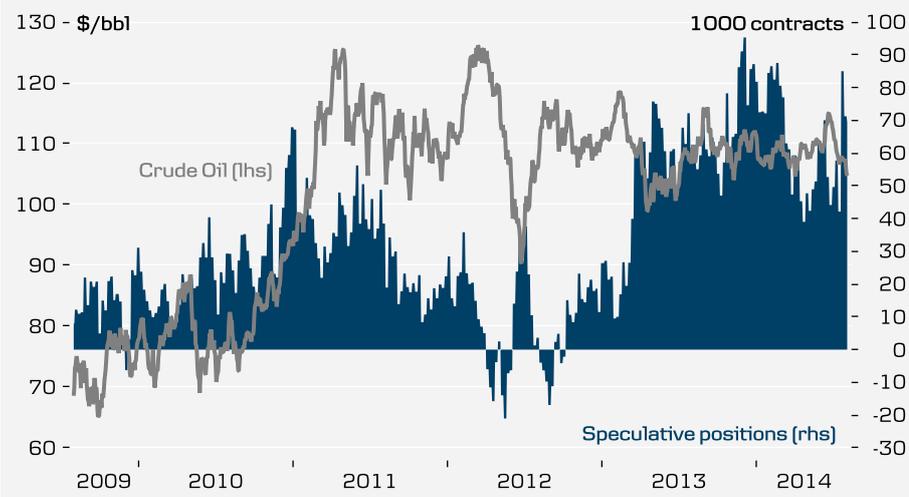
Source: CFTC

Chart 11. Net-long RUB positioning



Source: CFTC

**Chart 12. Oil\* and non-commercial positioning**



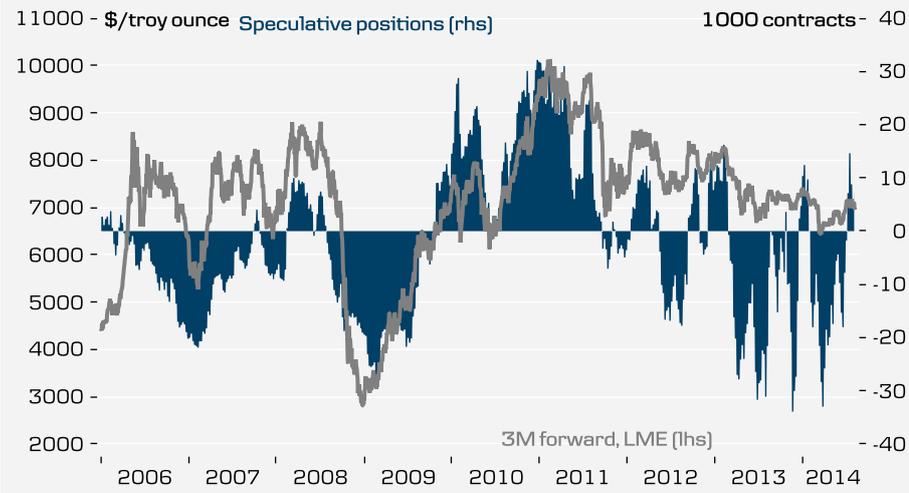
\* ICE Light Sweet Brent Crude Futures Europe  
Source: CFTC

**Chart 13. Gold and non-commercial positioning**



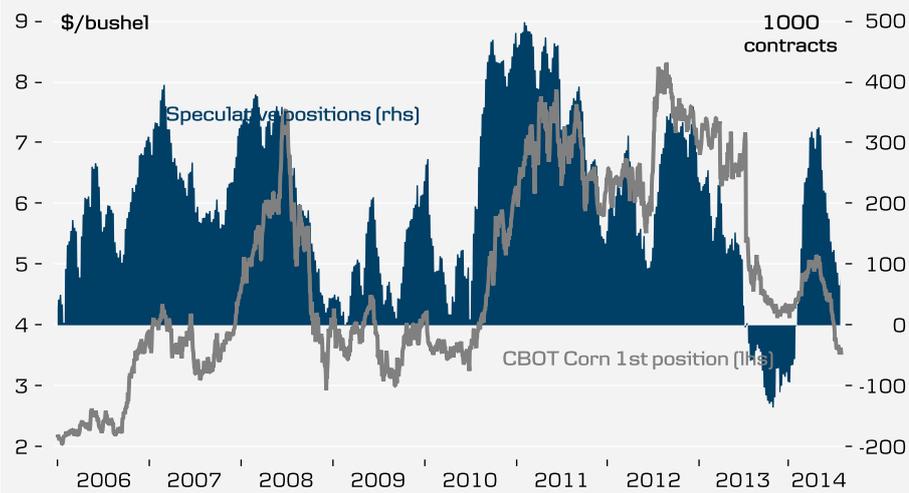
Source: CFTC

Chart 14. Copper and non-commercial positioning



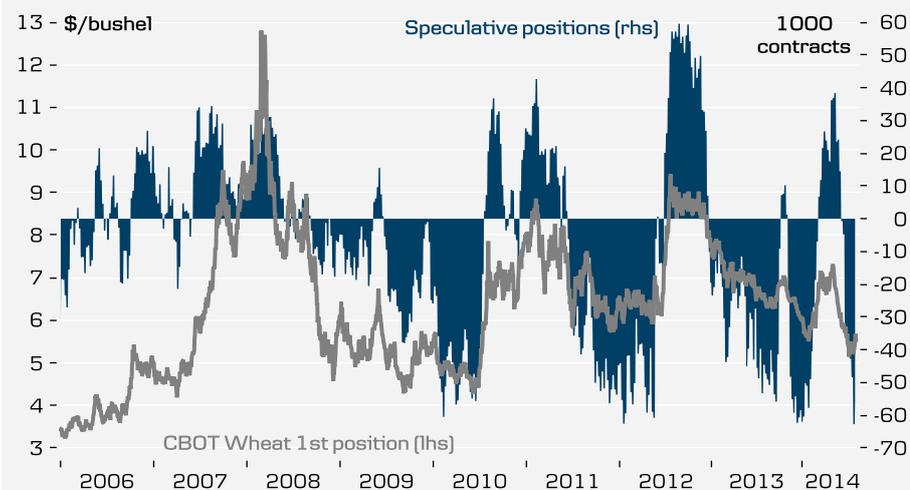
Source: CFTC

Chart 15. Corn and non-commercial positioning



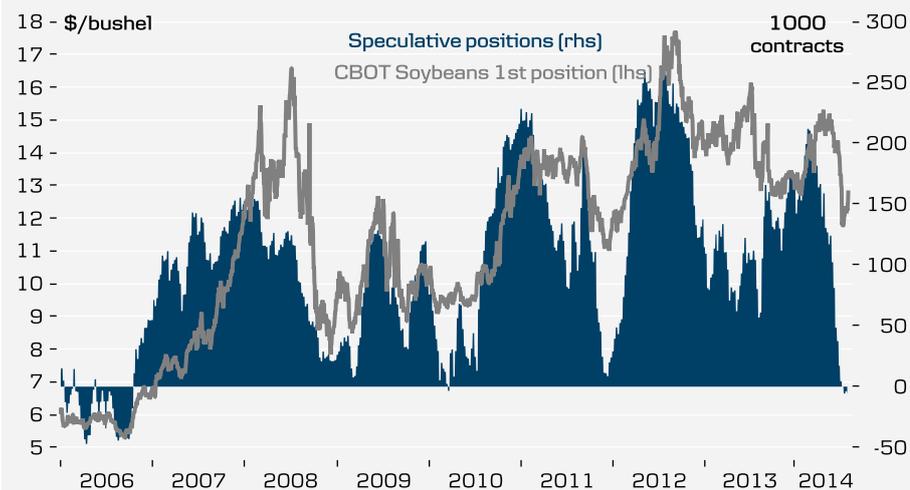
Source: CFTC

Chart 16. Wheat and non-commercial positioning



Source: CFTC

Chart 17. Soybean and non-commercial positioning

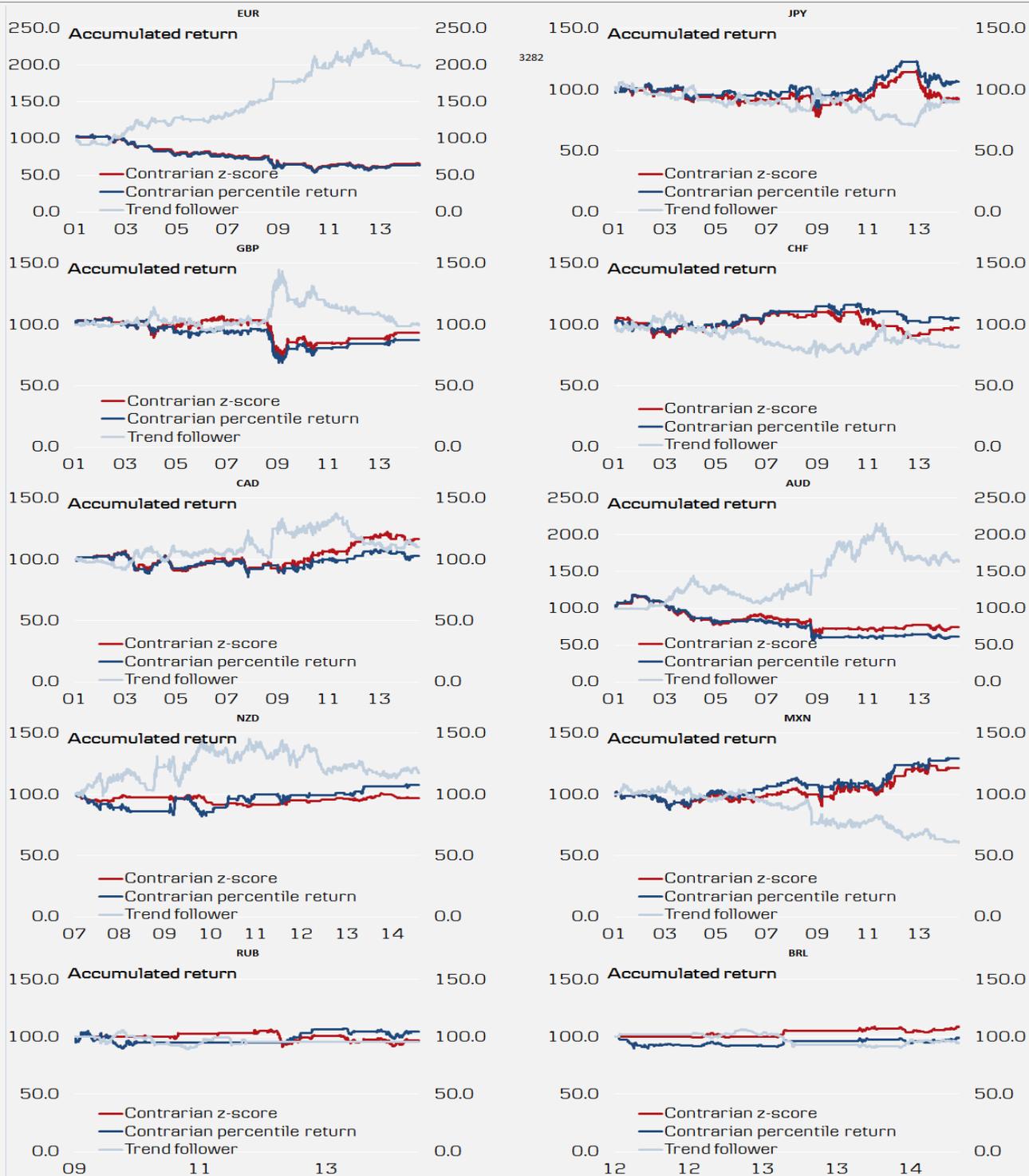


Source: CFTC

**The IMM data**

The IMM data is part of the Commitments of Traders (COT) reports published by the U.S. Commodity Futures Trading Commission (CFTC). The IMM data provides a breakdown of each Tuesday's open futures positions on the International Money Market (IMM) a division of the Chicago Mercantile Exchange. All of a trader's reported futures positions in a commodity are classified as commercial if the trader uses futures contracts in that particular commodity for hedging as defined in CFTC Regulation 1.3(z), 17 CFR 1.3(z). A trader may be classified as a commercial trader in some commodities and as a non-commercial trader in other commodities.

Accumulated return for each currency



Source: CFTC, Danske Bank Markets

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