

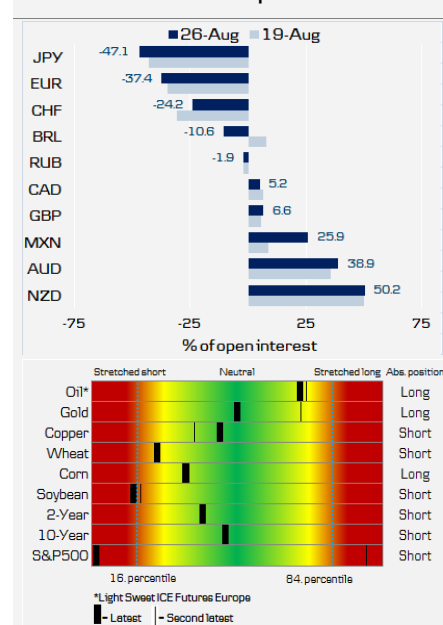
1 September 2014

IMM Positioning

Investors add net shorts in EUR and JPY

- The latest IMM data cover the week from 19 to 26 August 2014.
- IMM data released last **Friday showed that investors in the week to 26 August added considerable net short positions in EUR and JPY.** The move in EUR has sent non-commercial positioning in the single currency to the 5th percentile – the most bearish level since November 2012. In the same way the build in net JPY shorts has sent speculative JPY positioning to the 3rd percentile. In sum, positioning suggests a very high sensitivity of the two currencies to the upside. Therefore, should the ECB disappoint on Thursday, we see potential for a bounce in EUR/USD. However, fundamentally we still expect EUR/USD to edge lower, primarily driven by diverging monetary policy. In addition, the case for a short-term stronger USD has strengthened in recent weeks in light of the strong performance of USD-denominated assets.
- The bearish builds in EUR and JPY were the primary drivers for **this week's overall bullish USD build** (see page 2), which sent total non-commercial USD positioning to the 99th percentile – the most bullish level since June 2013.
- In the week to 26 August investors added net long positions in the high yielding currencies of AUD, NZD and MXN.** The move in MXN was particularly significant as it was the largest single week bullish build since April this year. Nevertheless, from a historical perspective speculative positioning in the three currencies remains broadly square.
- In commodities, **speculators added net longs in copper** lifting speculative copper positioning to an absolute long level at the 45th percentile. Investors also **added net shorts in soybeans as well as reducing their net long positions in oil.** However, from a historical perspective the changes in commodities positioning this week - including the changes above - were insignificant.

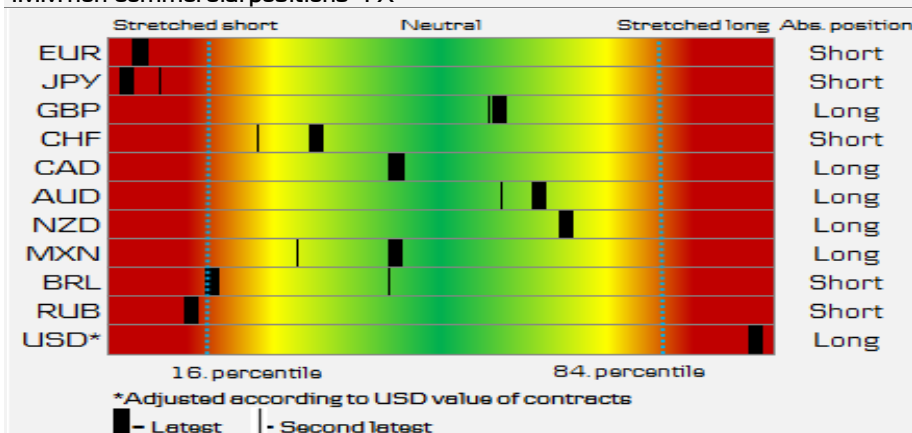
IMM non-commercial positions



Source: CFTC.

Note that percentiles are not based on any distributional assumption.

IMM non-commercial positions - FX



Source: CFTC.

Note that percentiles are not based on any distributional assumption.

Analyst

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IMM table

	1000 contracts			% of open interest			USD bn		Statistics	
	26-Aug	19-Aug	Change	26-Aug	19-Aug	Change	26-Aug	Change	Percentile	Z-score
USD*							30.9	2.1	99	2.46
EUR	-150.7	-138.8	-11.8	-37.4	-35	-2.4	-24.9	-1.8	5	-1.90
JPY	-102.9	-87.3	-15.6	-47.1	-43	-4.1	-12.4	-1.8	3	-1.53
GBP	15.5	13.3	2.2	6.6	5.6	1	1.6	0.2	60	0.26
CHF	-13.0	-15.5	2.5	-24.2	-30.8	6.6	-1.8	0.4	32	-0.64
CAD	5.7	7.3	-1.6	5.2	6.4	-1.2	0.5	-0.2	44	-0.06
AUD	41.9	36.6	5.4	38.9	35.4	3.5	3.9	0.5	66	0.63
NZD	11.8	12.0	-0.2	50.2	50.0	0.2	0.98	0.0	70	0.74
MXN	36.7	12.4	24.3	25.9	8.8	17.1	1.40	0.9	44	-0.04
BRL	-6.8	3.6	-10.4	-10.6	7.6	-18.2	-0.30	-0.5	16	-1.16
RUB	-0.8	-0.8	0.0	-1.9	-1.9	0.0	-0.05	0.0	13	-1.02
Oil**	42.7	44.8	-2.2	9.4	9.6	-0.2			73	0.67
Gold	113.2	138.0	-24.8	31.1	37.7	-6.6			51	0.29
Copper***	0.1	-6.1	6.2	0.1	-4	4.1			45	-0.14
Corn****	67.3	79.0	-11.6	5.4	6	-0.6			33	-0.48
Wheat****	-39.3	-43.1	3.9	-9.9	-10.2	0.3			23	-0.81
Soybean****	-9.7	0.8	-10.5	-1.5	0.1	-1.6			15	-1.11
2Y US Treasury	44.3	100.1	-55.7	2.9	6.9	-4			39	0.00
10Y US Treasury	7.9	-43.5	51.5	0.2	-1.5	1.7			47	0.00
S&P500	3.2	4.3	-1.0	2	2.6	-0.6			2	-1.77

*Adjusted according to USD value of contracts

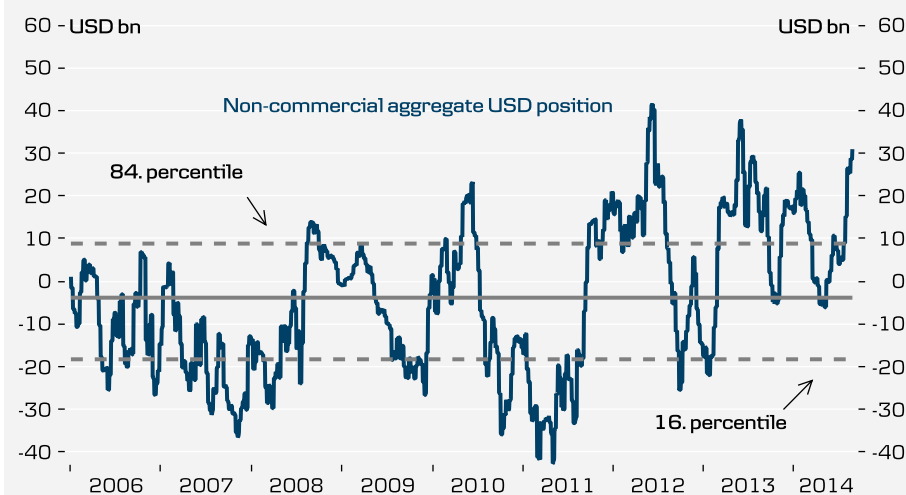
** ICE Light Sweet Brent Crude Futures Europe

***COMEX

****CBOT

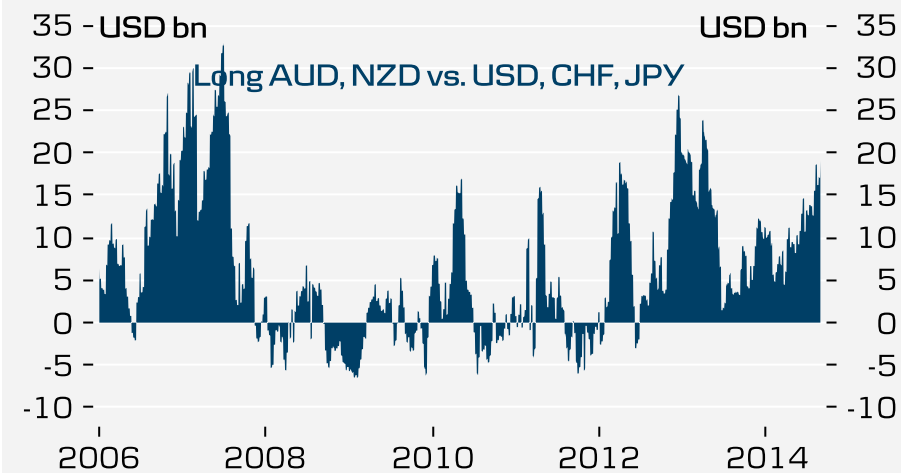
Source: CFTC, Macrobond, Danske Bank Markets

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



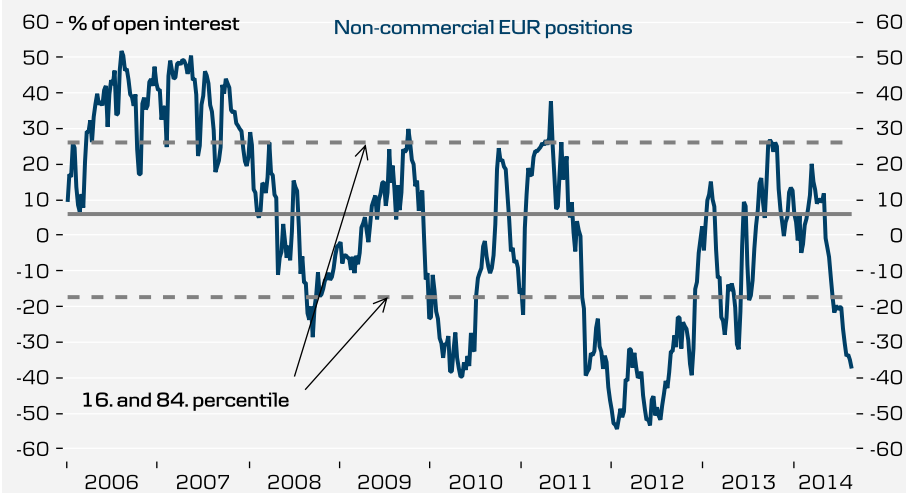
Source: CFTC, Danske Bank Markets

Chart 2. Non-commercial 'carry' positioning



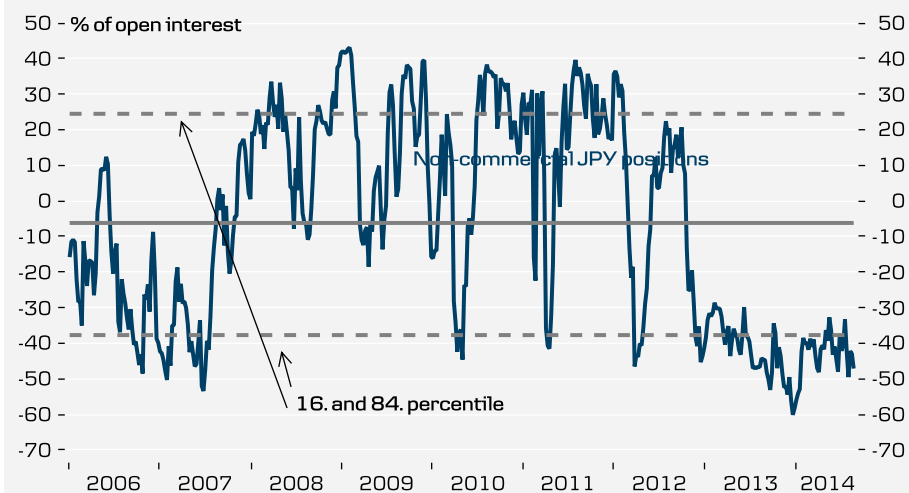
Source: CFTC

Chart 3. Net-long EUR positioning



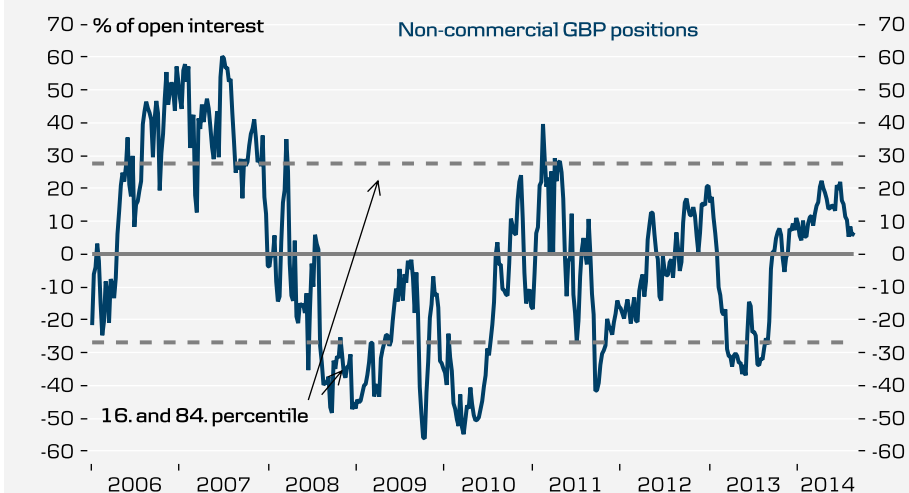
Source: CFTC

Chart 4. Net-long JPY positioning



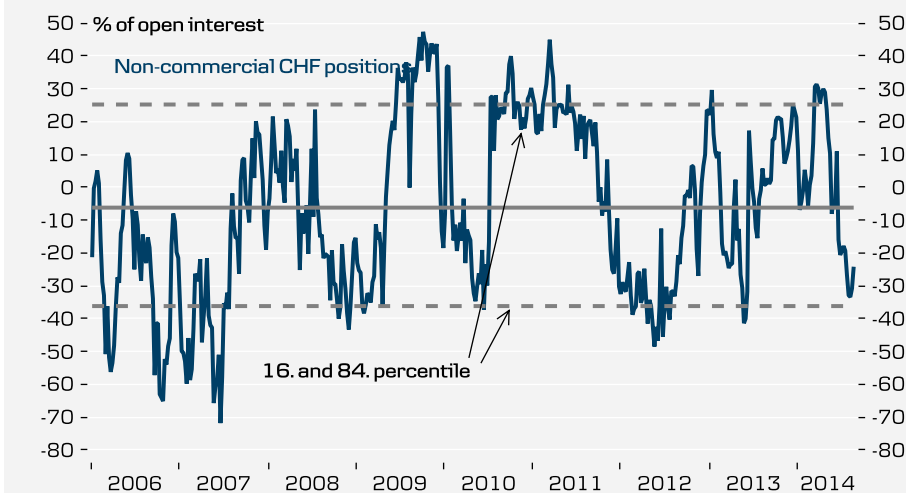
Source: CFTC

Chart 5. Net-long GBP positioning



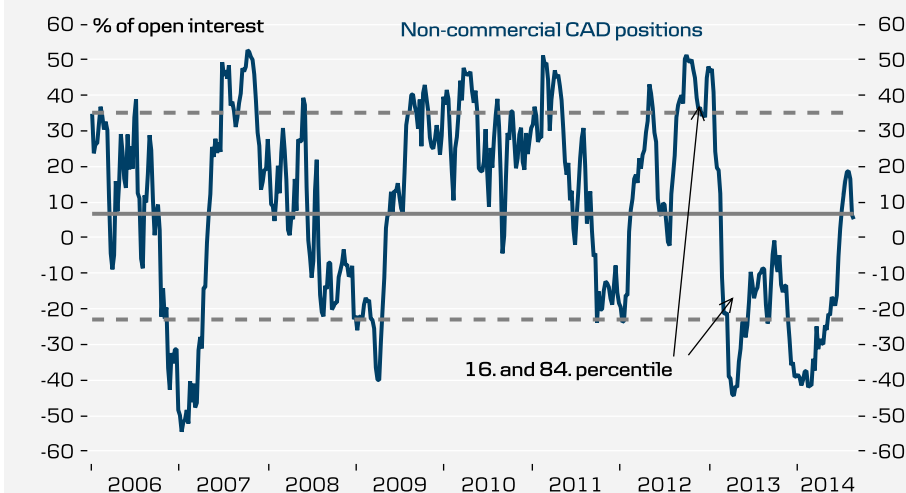
Source: CFTC

Chart 6. Net-long CHF positioning



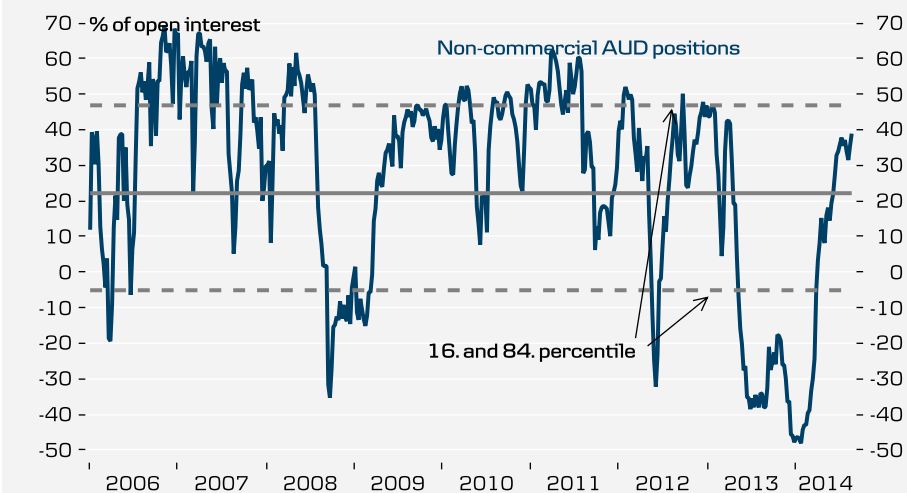
Source: CFTC

Chart 7. Net-long CAD positioning



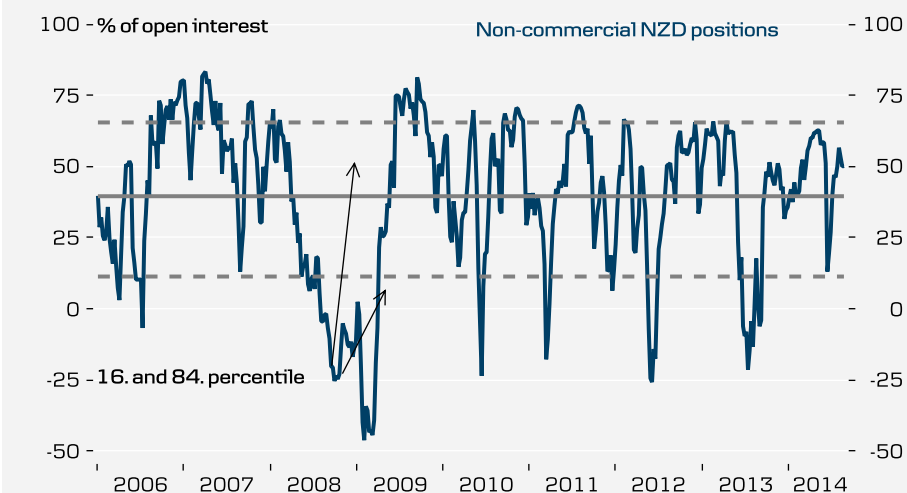
Source: CFTC

Chart 8. Net-long AUD positioning



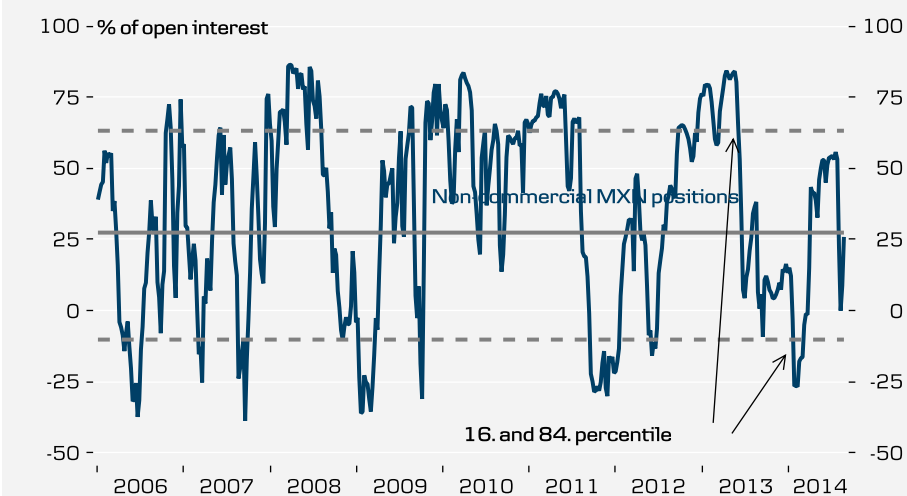
Source: CFTC

Chart 9. Net-long NZD positioning



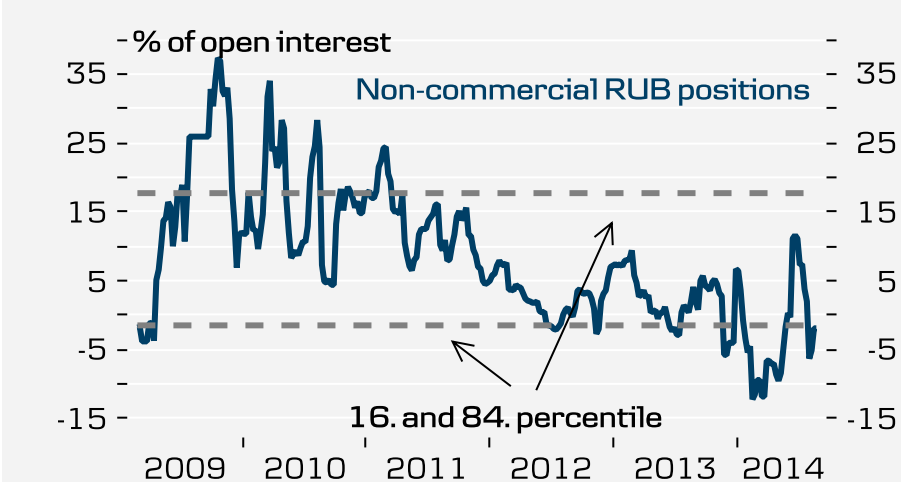
Source: CFTC

Chart 10. Net-long MXN positioning



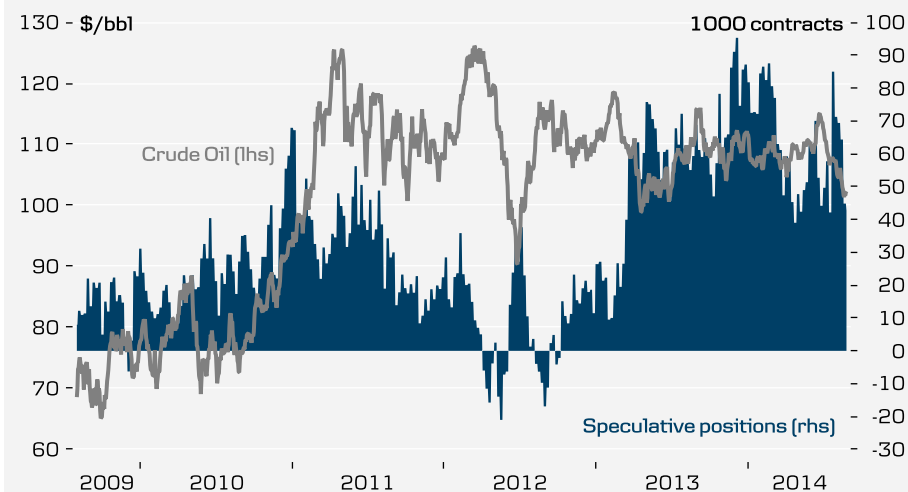
Source: CFTC

Chart 11. Net-long RUB positioning



Source: CFTC

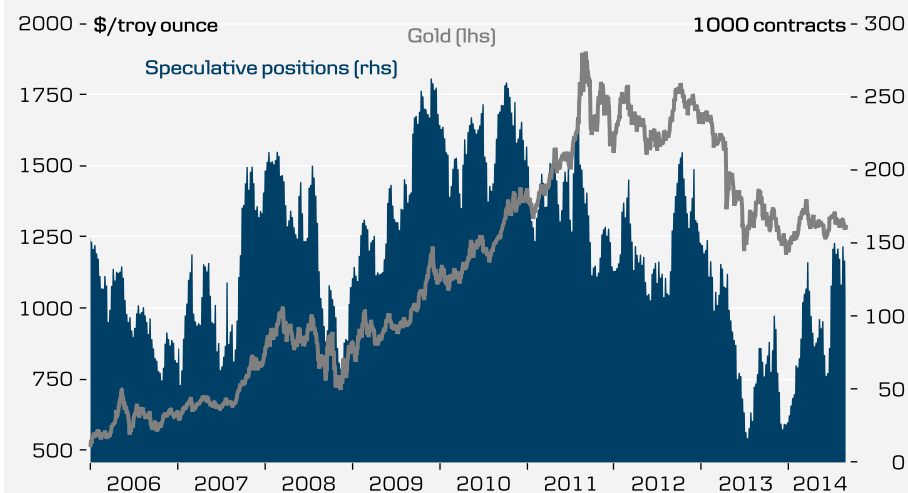
Chart 12. Oil* and non-commercial positioning



* ICE Light Sweet Brent Crude Futures Europe

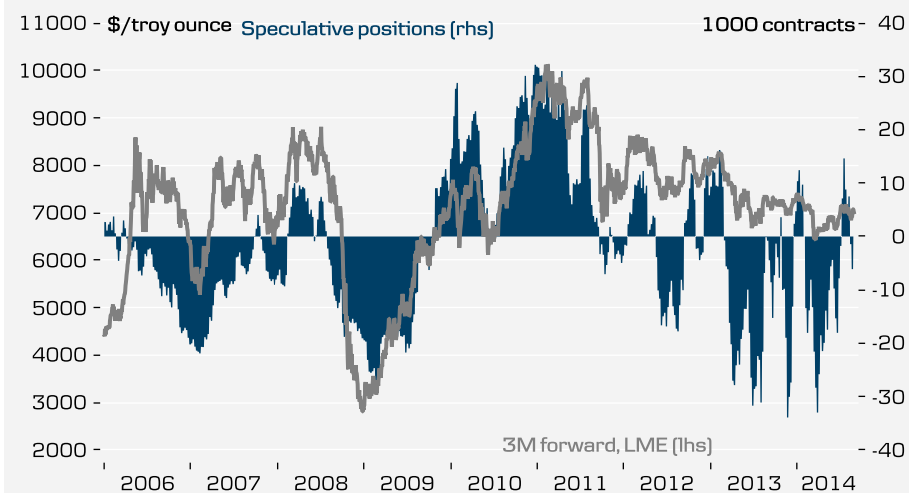
Source: CFTC

Chart 13. Gold and non-commercial positioning



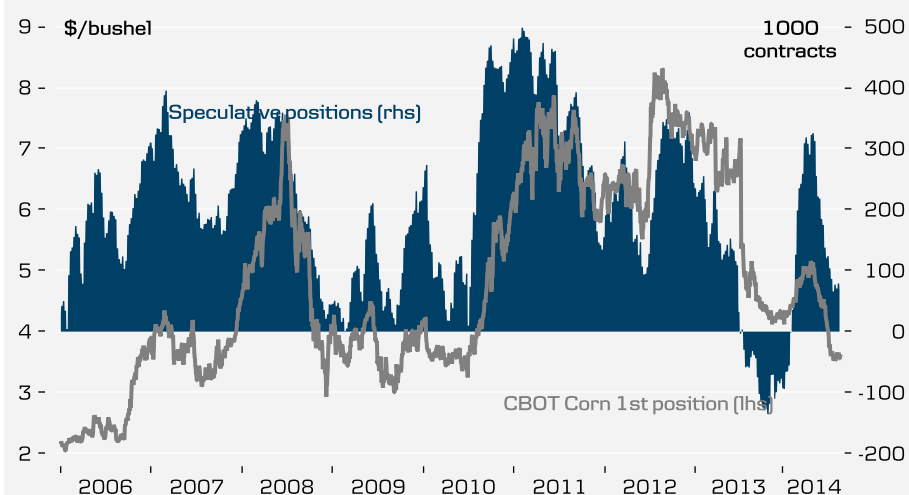
Source: CFTC

Chart 14. Copper and non-commercial positioning



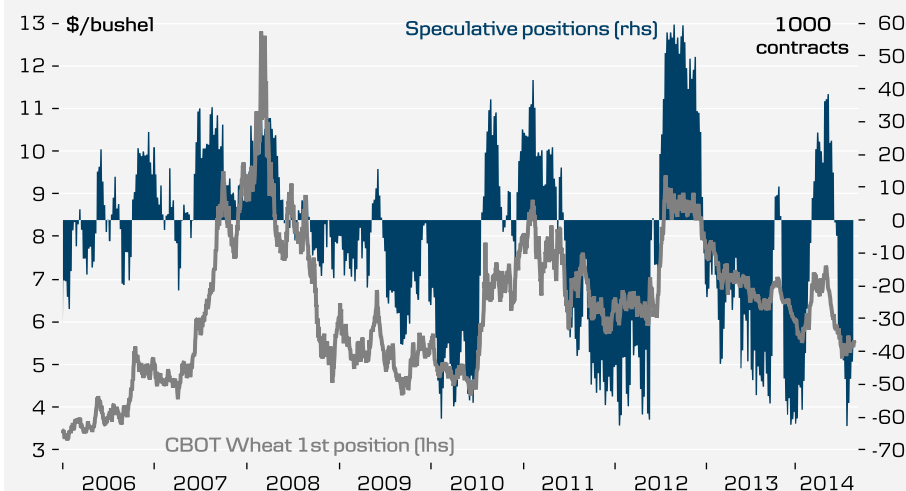
Source: CFTC

Chart 15. Corn and non-commercial positioning



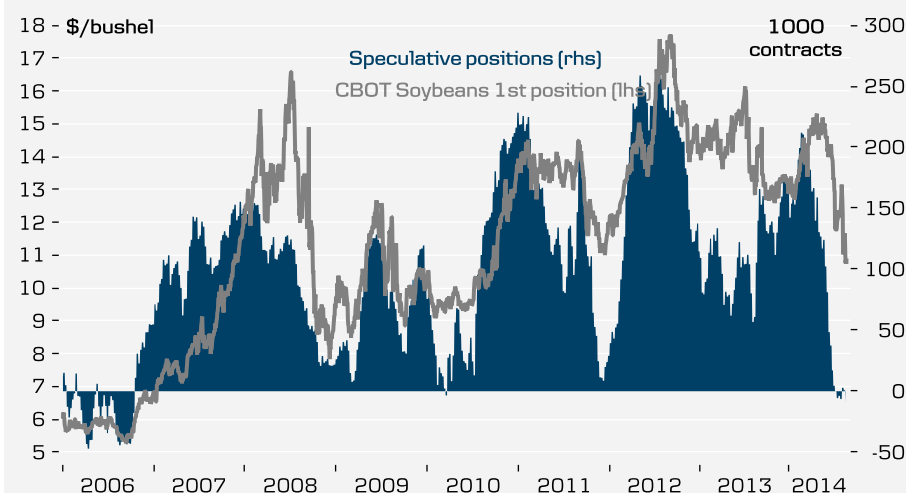
Source: CFTC

Chart 16. Wheat and non-commercial positioning



Source: CFTC

Chart 17. Soybean and non-commercial positioning

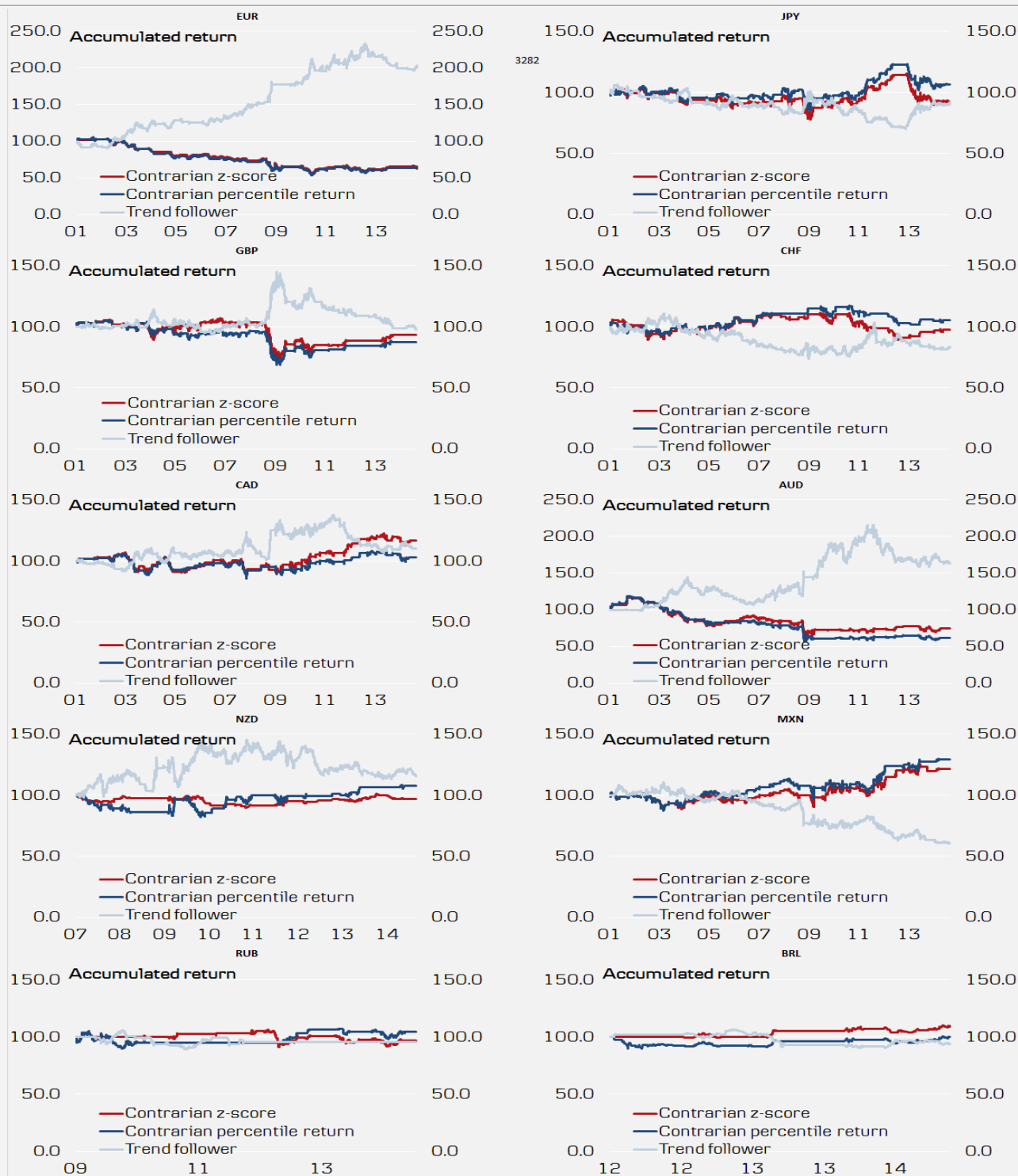


Source: CFTC

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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