

FX SENTIMENT REPORT

COMMITMENT OF TRADERS—CFTC

Friday, June 27, 2014

CAD SHORTS CONTINUE TO COVER

Data in this report cover up to Tuesday June 24 & were released Friday June 27.

• Traders are active in the most liquid currencies; with the largest positions reported as shorts in EUR (\$10bn) and JPY (\$9bn) and the net long GBP (\$5bn) and AUD positions (\$3bn); most other currencies are held close to flat (bottom left p2). The diverging positions suggest the market is not positioned for a broad USD move but instead for individual currencies to appreciate or depreciate on local developments.

• The long held short CAD position has narrowed to just -\$0.5bn. Shorts continue to cover and longs are slowly being added (bottom right p1) – this highlights a significant change in sentiment towards CAD. Once the shorts are fully covered it suggests that CAD will need a catalyst to drive it higher still.

• EUR remains the largest held net short at \$10bn, a level around which it has oscillated since the June ECB meeting. The steady bearish sentiment highlights a fundamental challenge to EUR movement from here, as current relative policy provides an offset to expectations of weakness over the longer term.

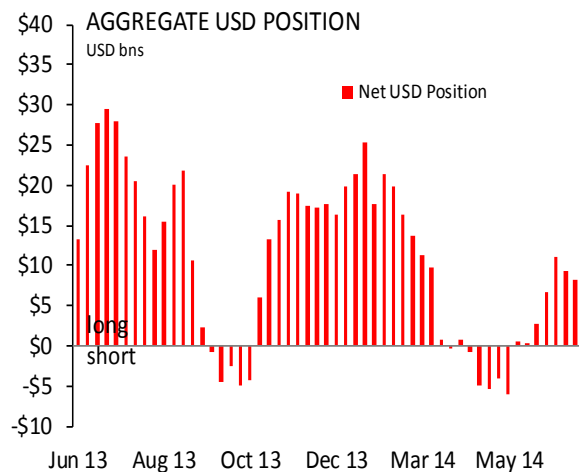
• A \$1.4bn deterioration in CHF sentiment has returned the net position back to short, which at \$0.8bn lies at the bottom of its one year range (bottom right p2).

• Investors have cut JPY risk, reducing both longs and shorts this week, as positioning reflects a current environment of uncertainty as geopolitical risk offsets fundamental weakness.

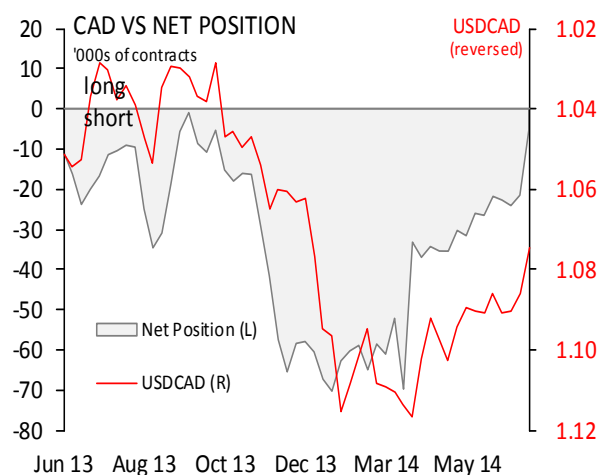
Sentiment			\$mns	
24-Jun	Bias	Trend	Position	w/w chg.
CAD	neutral	neutral	-495	1,487
AUD	bullish	increasing	3,135	611
NZD	bullish	neutral	534	210
MXN	bullish	neutral	2,640	7
EUR	bearish	decreasing	-9,780	691
GBP	bullish	decreasing	5,282	-295
CHF	bearish	increasing	-751	-1,241
JPY	bearish	increasing	-8,731	-405
Gold	bullish	increasing	15,933	5,985
Total USD pos'n (excluding gold)			8,167	-1,066

CAD — NON-COMMERCIAL POSITIONING

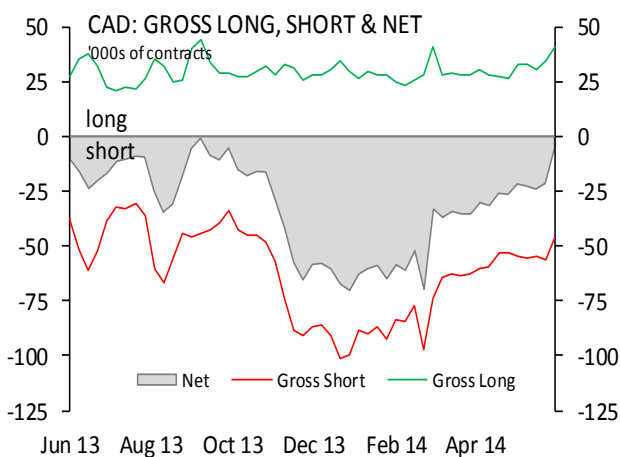
Date	(\$MM)	Position - Contracts of 100,000 CAD				Open Int.
	Net	Long	Short	Net	Net w/w	
24-Jun	-495	40,595	45,915	-5,320	16,213	103,193
17-Jun	-1,983	34,582	56,115	-21,533	2,575	132,209
10-Jun	-2,211	30,303	54,411	-24,108	-1,377	125,832
3-Jun	-2,084	32,519	55,250	-22,731	-921	130,275



Source: Scotiabank FX Strategy, Bloomberg & CFTC

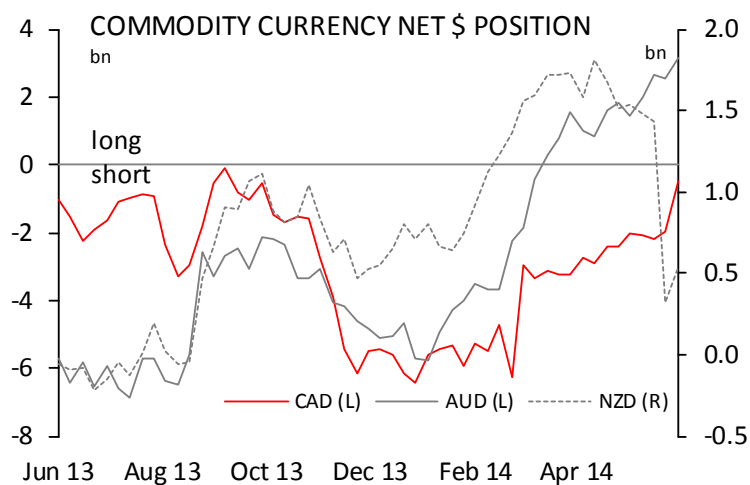


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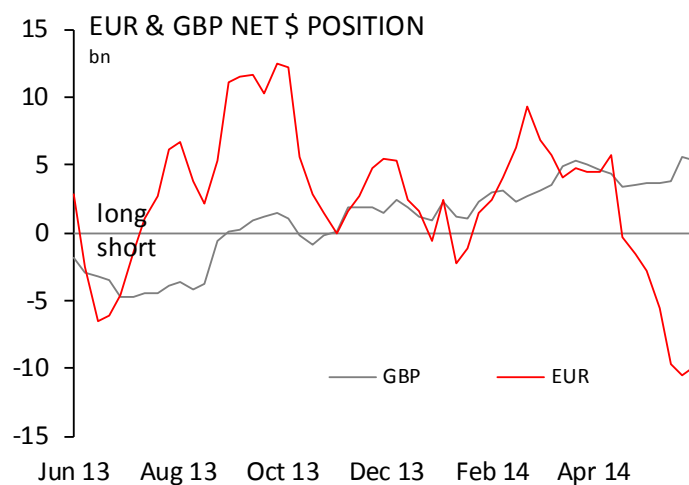


Source: Scotiabank FX Strategy, Bloomberg & CFTC

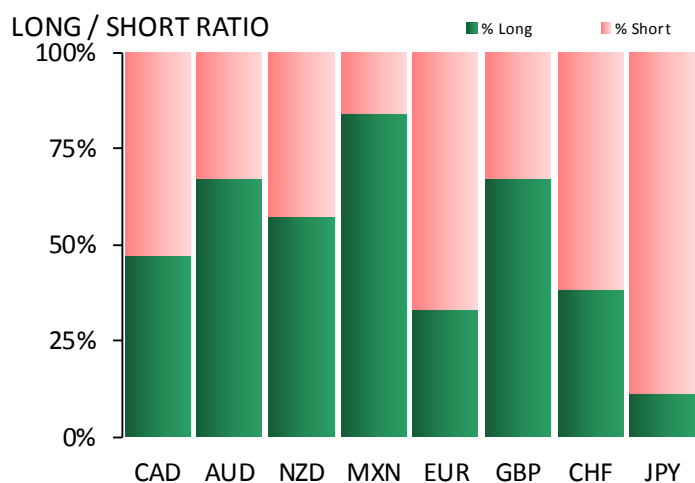
* A trader is classified as "non-commercial" by the Commodity Futures Trading Commission if the trader is not using futures contracts in a particular currency for hedging purposes (as defined by the Commission). This category of futures trader is generally considered to include individual investors, hedge funds and other large financial institutions engaged in trading the securities for speculative purposes.



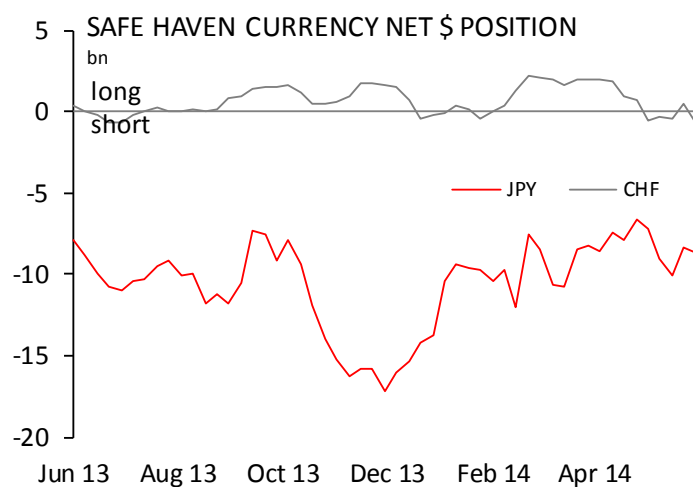
Source: Scotiabank FX Strategy, Bloomberg & CFTC



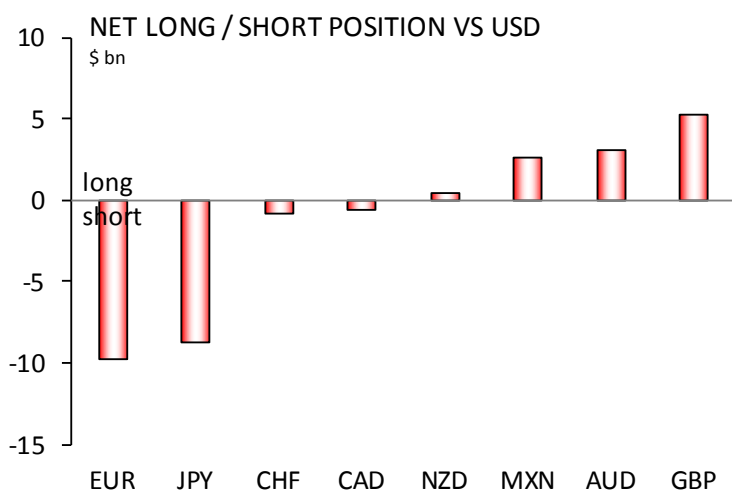
Source: Scotiabank FX Strategy, Bloomberg & CFTC



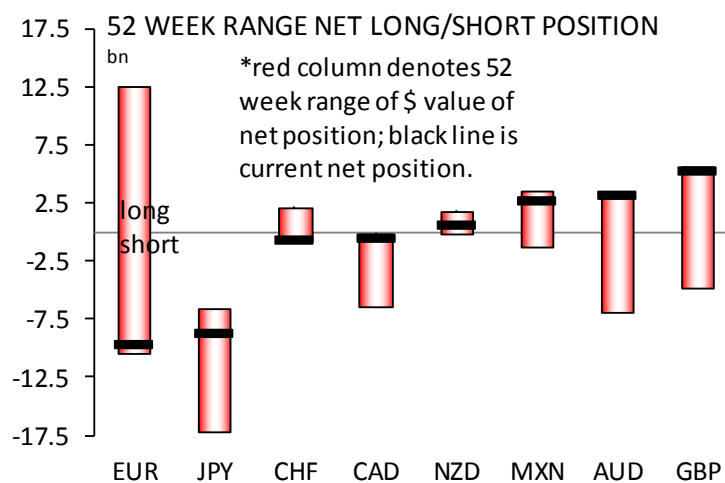
Source: Scotiabank FX Strategy, Bloomberg & CFTC



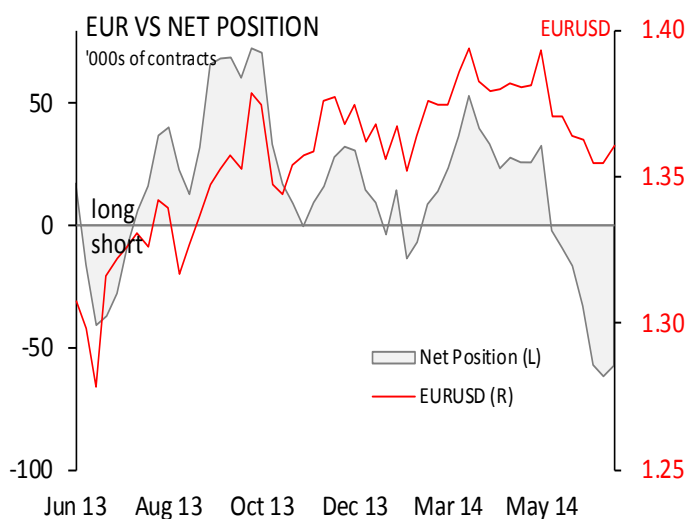
Source: Scotiabank FX Strategy, Bloomberg & CFTC



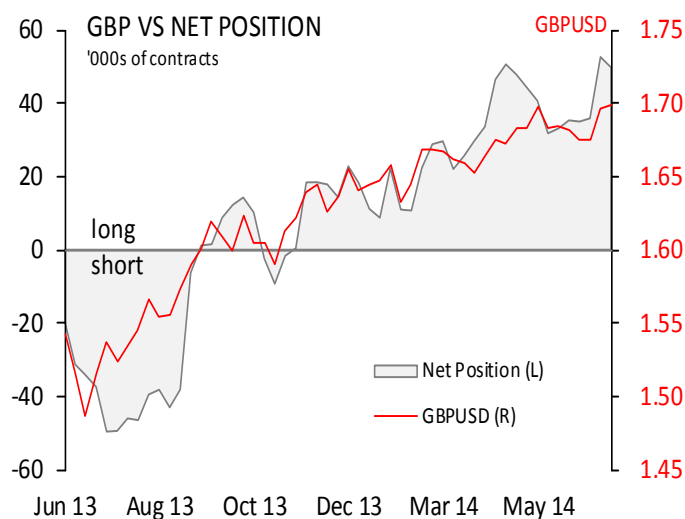
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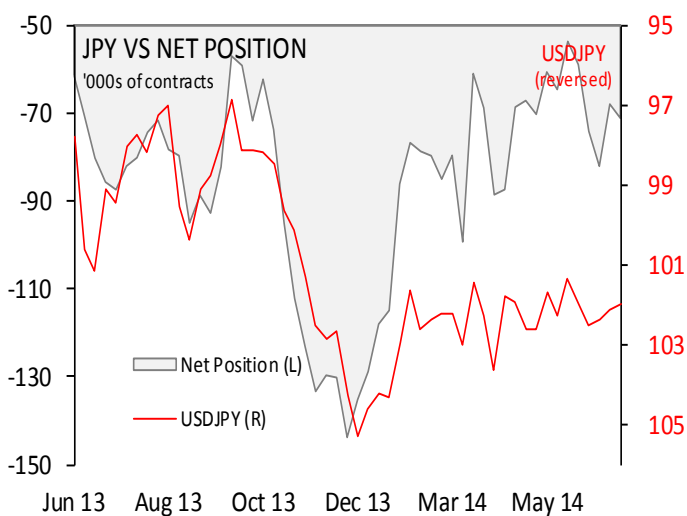
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EUR — NON-COMMERCIAL POSITIONING

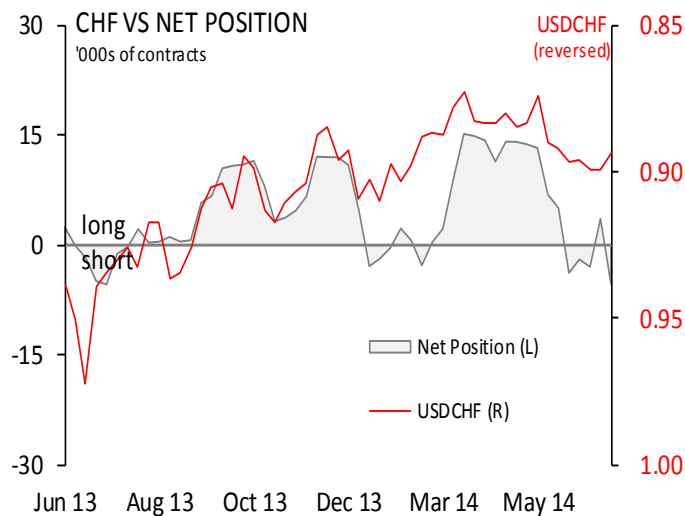
Date	(\$MM) Net	Position - Contracts of 125,000 EUR				Open Int.
		Long	Short	Net	Net w/w	
24-Jun	-9,780	55,062	112,565	-57,503	4,332	291,244
17-Jun	-10,471	51,405	113,240	-61,835	-4,650	285,489
10-Jun	-9,684	43,739	100,924	-57,185	-24,160	331,636
3-Jun	-5,626	57,109	90,134	-33,025	-16,392	280,747

GBP — NON-COMMERCIAL POSITIONING

Date	(\$MM) Net	Position - Contracts of 62,500 GBP				Open Int.
		Long	Short	Net	Net w/w	
24-Jun	5,282	98,098	48,347	49,751	-2,845	254,369
17-Jun	5,577	100,434	47,838	52,596	16,754	250,231
10-Jun	3,754	85,202	49,360	35,842	868	271,602
3-Jun	3,661	79,476	44,502	34,974	-330	239,604



Source: Scotiabank FX Strategy, Bloomberg & CFTC



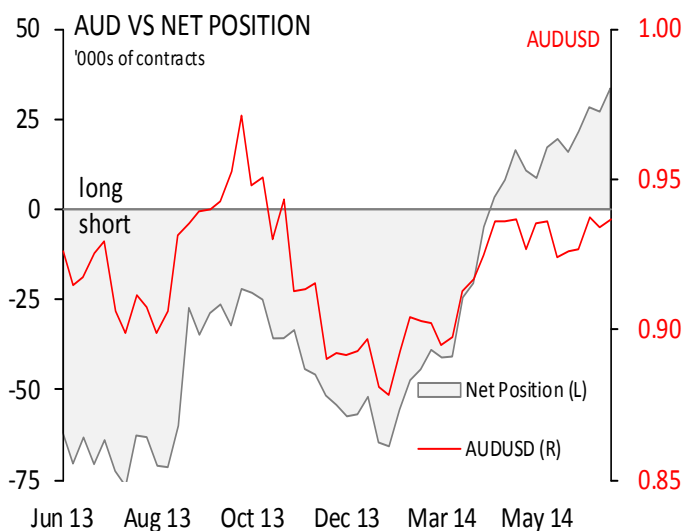
Source: Scotiabank FX Strategy, Bloomberg & CFTC

JPY — NON-COMMERCIAL POSITIONING

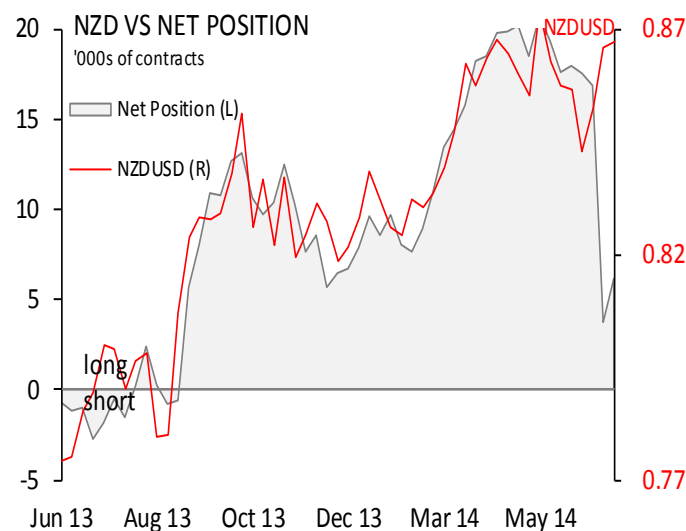
Date	(\$MM) Net	Position - Contracts of 12.5MM JPY				Open Int.
		Long	Short	Net	Net w/w	
24-Jun	-8,731	10,325	81,548	-71,223	-3,185	148,257
17-Jun	-8,326	17,832	85,870	-68,038	14,124	153,007
10-Jun	-10,034	11,893	94,055	-82,162	-7,944	201,094
3-Jun	-9,050	12,578	86,796	-74,218	-15,182	171,804

CHF — NON-COMMERCIAL POSITIONING

Date	(\$MM) Net	Position - Contracts of 125,000 CHF				Open Int.
		Long	Short	Net	Net w/w	
24-Jun	-751	9,069	14,441	-5,372	-8,892	33,599
17-Jun	489	15,296	11,776	3,520	6,550	32,259
10-Jun	-421	9,615	12,645	-3,030	-1,018	52,445
3-Jun	-281	11,907	13,919	-2,012	1,860	48,936



Source: Scotiabank FX Strategy, Bloomberg & CFTC



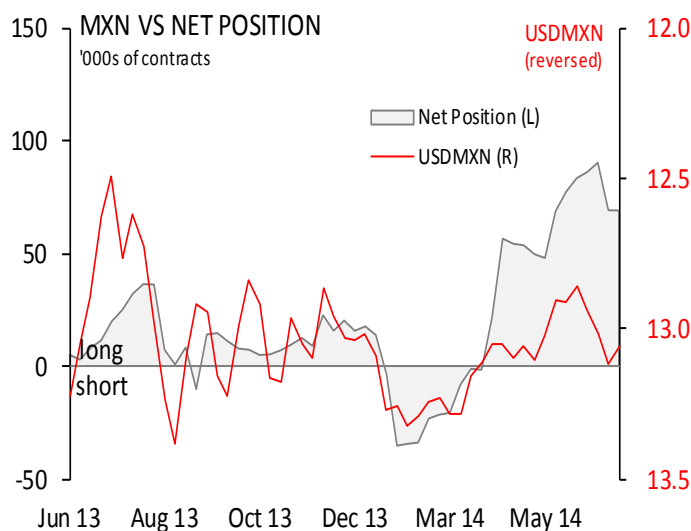
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AUD — NON-COMMERCIAL POSITIONING

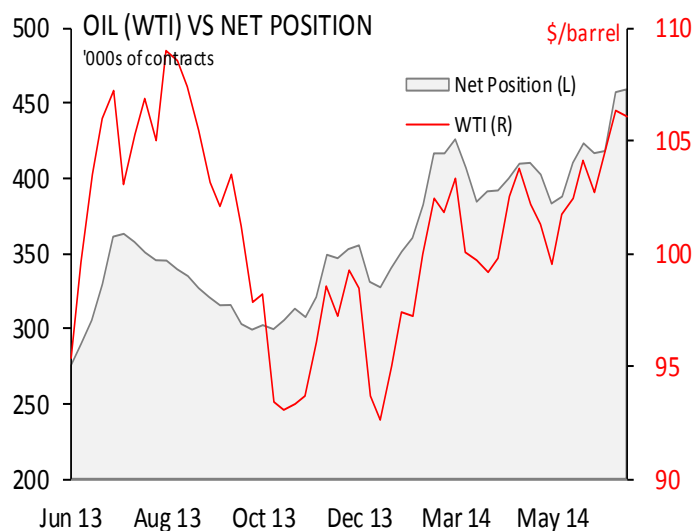
Date	(\$MM) Net	Position - Contracts of 100,000 AUD				Open Int.
		Long	Short	Net	Net w/w	
24-Jun	3,135	65,612	32,149	33,463	6,434	101,998
17-Jun	2,524	61,078	34,049	27,029	-1,218	99,400
10-Jun	2,648	62,141	33,894	28,247	6,720	128,984
3-Jun	1,995	56,811	35,284	21,527	5,679	110,911

NZD — NON-COMMERCIAL POSITIONING

Date	(\$MM) Net	Position - Contracts of 100,000 NZD				Open Int.
		Long	Short	Net	Net w/w	
24-Jun	534	24,855	18,703	6,152	2,419	31,415
17-Jun	323	21,671	17,938	3,733	-13,122	28,467
10-Jun	1,437	20,401	3,546	16,855	-676	32,946
3-Jun	1,478	22,400	4,869	17,531	-413	30,066



Source: Scotiabank FX Strategy, Bloomberg & CFTC



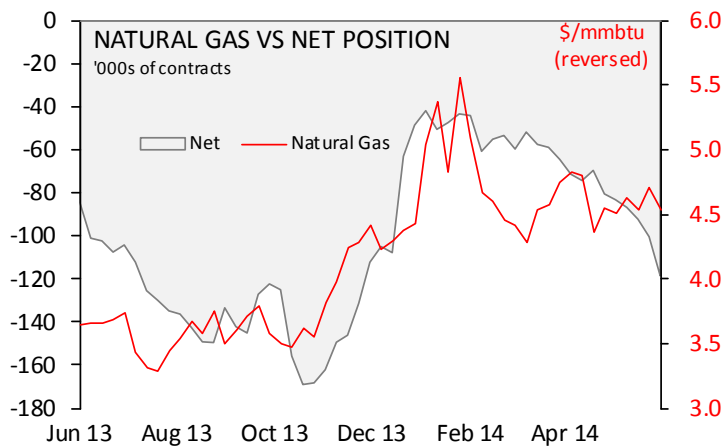
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MXN — NON-COMMERCIAL POSITIONING

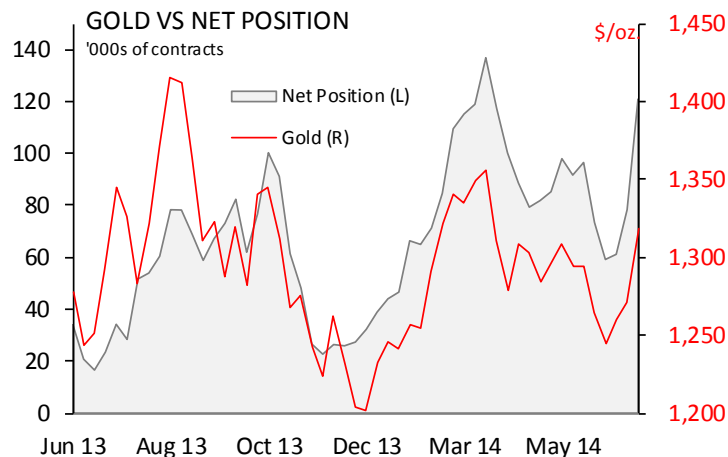
Date	(\$MM) Net	Position - Contracts of 100,000 AUD				Open Int.
		Long	Short	Net	Net w/w	
24-Jun	2,640	84,943	15,974	68,969	-106	128,333
17-Jun	2,633	91,227	22,152	69,075	-21,128	135,017
10-Jun	3,464	106,566	16,363	90,203	4,187	200,202
3-Jun	3,324	105,666	19,650	86,016	2,715	162,647

NYMEX Crude — NON-COMMERCIAL POSITIONING

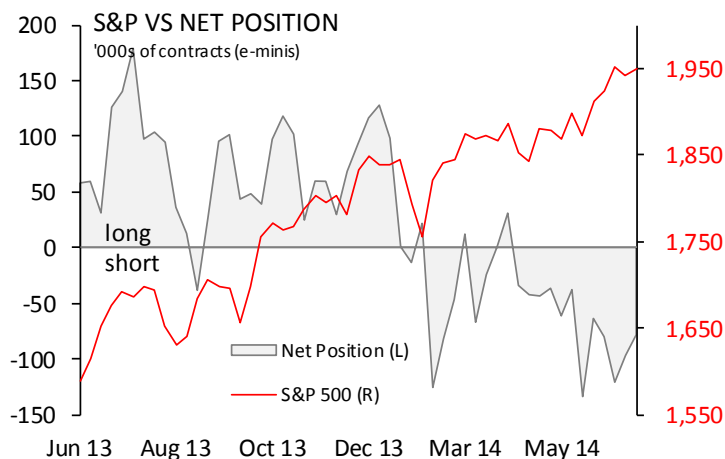
Date	(\$MM) Net	Position - Contracts of 1000 barrels				Open Int.
		Long	Short	Net	Net w/w	
24-Jun	48,664	548,016	89,047	458,969	1,813	1,720,856
17-Jun	48,623	545,061	87,905	457,156	39,145	1,721,703
10-Jun	43,619	520,876	102,865	418,011	1,426	1,676,336
3-Jun	42,767	520,556	103,971	416,585	-6,551	1,664,043



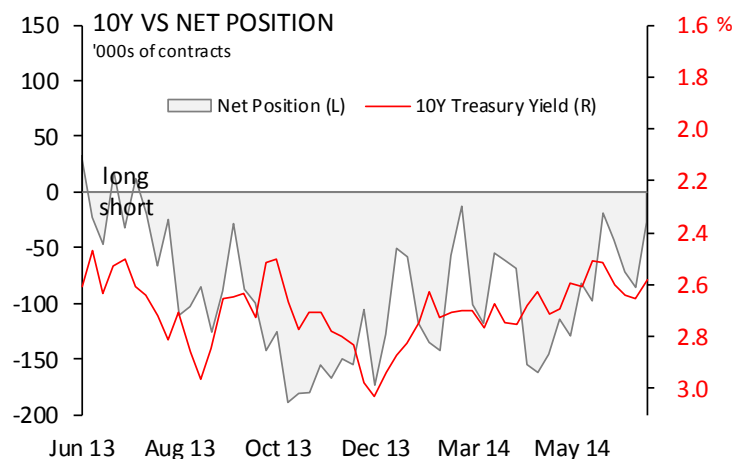
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