

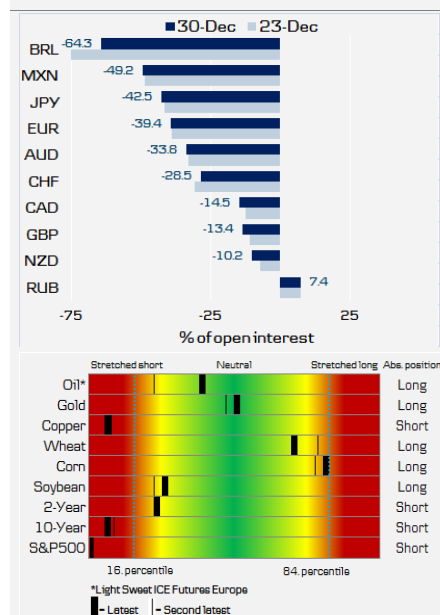
6 January 2015

IMM Positioning

Bearish EUR bets back at 'Whatever it takes' levels

- The latest IMM data covers the week from 23 December to 30 December 2014.
- IMM data released yesterday reveals that for the third consecutive week investors added speculative EUR net shorts. While this week's bearish build in the single currency is insignificant in a historical perspective, the move does suggest a renewed bearish trend driven by speculation about a Greek EUR-exit and the ECB introducing sovereign QE. The recent weeks' change in positioning has notably returned non-commercial EUR positions below the 4th percentile – a level last seen in the summer of 2012 when Draghi delivered his famous 'Whatever it takes' speech. The recent build in bearish EUR bets has also notably **increased the aggregate bullish USD bets** after several weeks of greenback profit taking ahead of year end (see page 2). Aggregate speculative USD positioning has consequently returned to the 99th percentile. While EUR/USD positioning suggests a very high sensitivity to the upside we still expect more downside in the coming weeks as the FX market will continue to price ECB sovereign QE, a Grexit and Russian risks. With the recent rapid move lower in the cross we have now broken below our 6M target for the cross and we are consequently looking to revise our forecasts.
- Notably, Monday's report also revealed that **speculators unwound some of the net CHF shorts** that were added post the Swiss National Bank (SNB) rate cut in December. The move suggests a higher CHF sensitivity to the downside and indeed fundamentally we still expect the currency to weaken going forward. Specifically, we expect a combination of the SNB leading the currency war and portfolio flows out of Switzerland to weigh on the currency in 2015, and as a result CHF remains our preferred funding currency. We target EUR/CHF at 1.2200 in 6M but emphasize that risks are skewed towards our target being reached earlier than projected.
- In commodities, **speculators added net longs in oil** sending non-commercial positioning in the black gold to the 40th percentile. While the current oil price arguably undershoots its long-term level and while positioning suggests speculation about a rebound, we remain cautious in trying to call the bottom in the short term.

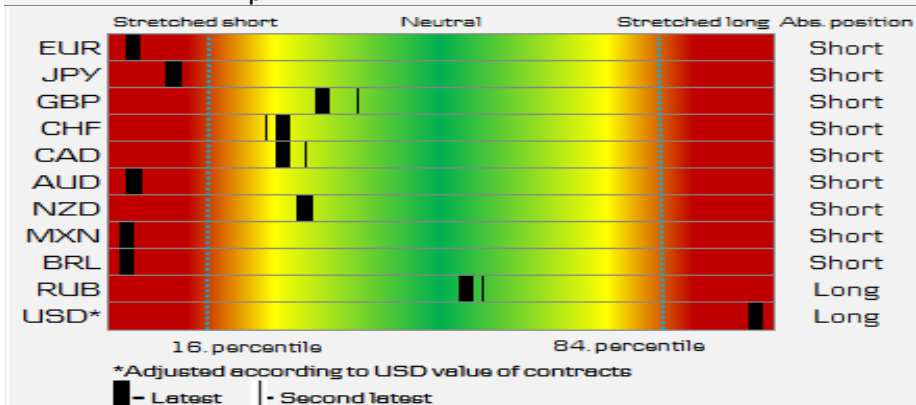
IMM non-commercial positions



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 | |
|-----------------|----------------|--------|--------|--------------------|--------|--------|--------|--------|------------|---------|
| | 30-Dec | 23-Dec | Change | 30-Dec | 23-Dec | Change | 30-Dec | Change | Percentile | Z-score |
| USD* | | | | | | | 45.2 | 1.2 | 99 | 3.05 |
| EUR | -152.2 | -146.6 | -5.6 | -39.4 | -38.9 | -0.5 | -23.1 | -0.8 | 4 | -1.90 |
| JPY | -96.3 | -93.7 | -2.6 | -42.5 | -41.5 | -1 | -10.1 | -0.4 | 10 | -1.32 |
| GBP | -19.3 | -15.2 | -4.1 | -13.4 | -10.8 | -2.6 | -1.9 | -0.4 | 33 | -0.53 |
| CHF | -16.5 | -16.8 | 0.3 | -28.5 | -30.7 | 2.2 | -2.1 | 0.0 | 27 | -0.78 |
| CAD | -14.0 | -12.2 | -1.8 | -14.5 | -12.4 | -2.1 | -1.2 | -0.2 | 27 | -0.79 |
| AUD | -40.7 | -39.2 | -1.5 | -33.8 | -33.1 | -0.7 | -3.3 | -0.2 | 4 | -2.02 |
| NZD | -1.8 | -1.4 | -0.4 | -10.2 | -7.3 | -2.9 | -0.14 | 0.0 | 30 | -0.85 |
| MXN | -63.8 | -63.4 | -0.4 | -49.2 | -48.5 | -0.7 | -2.17 | 0.0 | 3 | -2.08 |
| BRL | -29.5 | -49.9 | 20.5 | -64.3 | -76.6 | 12.3 | -1.10 | 0.7 | 3 | -2.53 |
| RUB | 3.9 | 3.9 | 0.0 | 7.4 | 7.6 | -0.2 | 0.17 | 0.0 | 55 | -0.02 |
| Oil** | 20.3 | 14.4 | 6.0 | 4.8 | 3.5 | 1.3 | | | 40 | -0.39 |
| Gold | 115.8 | 110.9 | 4.9 | 31 | 29.5 | 1.5 | | | 52 | 0.29 |
| Copper*** | -35.1 | -32.2 | -2.9 | -22 | -21 | -1 | | | 7 | -1.44 |
| Corn**** | 286.8 | 271.2 | 15.6 | 23.4 | 22.1 | 1.3 | | | 83 | 1.02 |
| Wheat**** | 13.5 | 21.9 | -8.4 | 3.7 | 5.9 | -2.2 | | | 72 | 0.49 |
| Soybean**** | 30.2 | 20.0 | 10.3 | 5 | 3.1 | 1.9 | | | 27 | -0.60 |
| 2Y US Treasury | -43.9 | -46.9 | 3.0 | -3.5 | -3.8 | 0.3 | | | 24 | -0.64 |
| 10Y US Treasury | -261.3 | -235.9 | -25.4 | -10 | -9.1 | -0.9 | | | 7 | -1.37 |
| S&P500 | 5.6 | 7.5 | -1.8 | 4.4 | 5.9 | -1.5 | | | 1 | -6.34 |

*Adjusted according to USD value of contracts

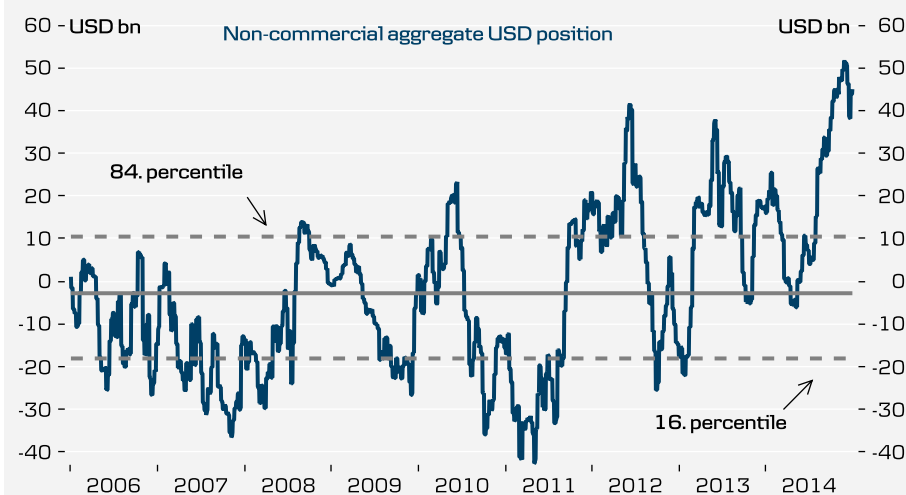
** ICE Light Sweet Brent Crude Futures Europe

***COMEX

****CBOT

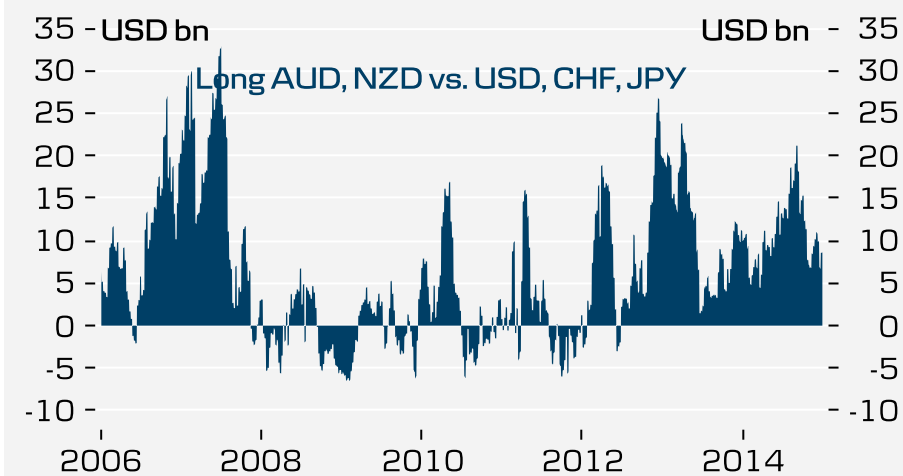
Source: CFTC, Macrobond Financial, Danske Bank Markets

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



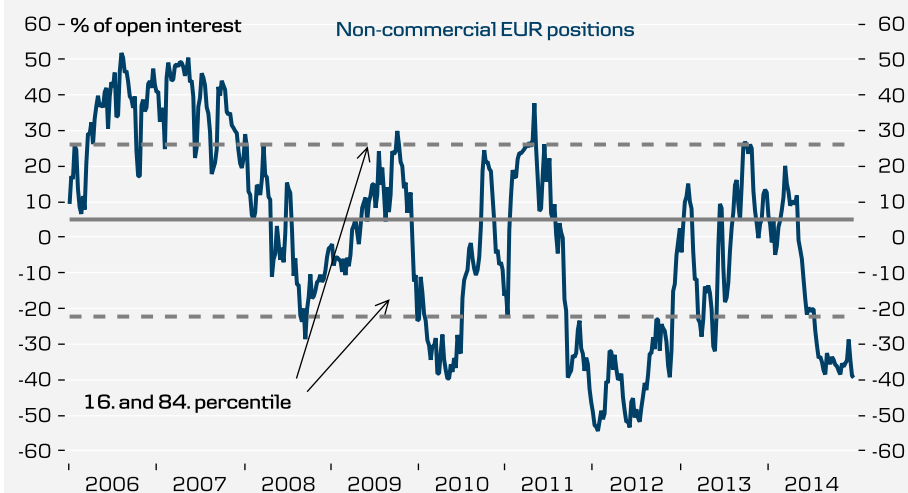
Source: CFTC, Danske Bank Markets

Chart 2. Non-commercial 'carry' positioning



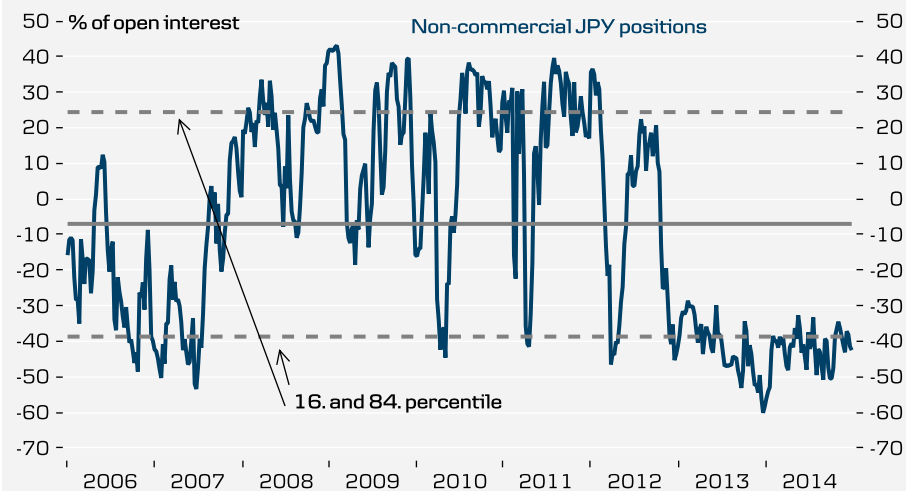
Source: CFTC

Chart 3. Net-long EUR positioning



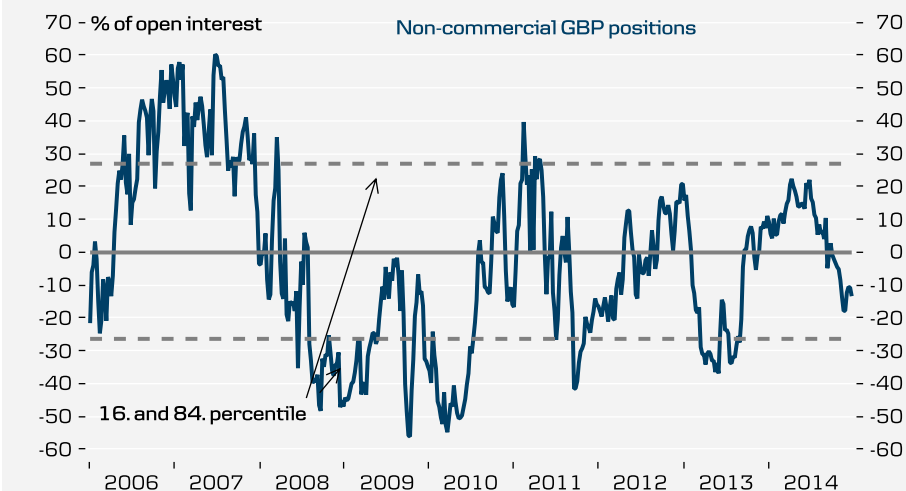
Source: CFTC

Chart 4. Net-long JPY positioning



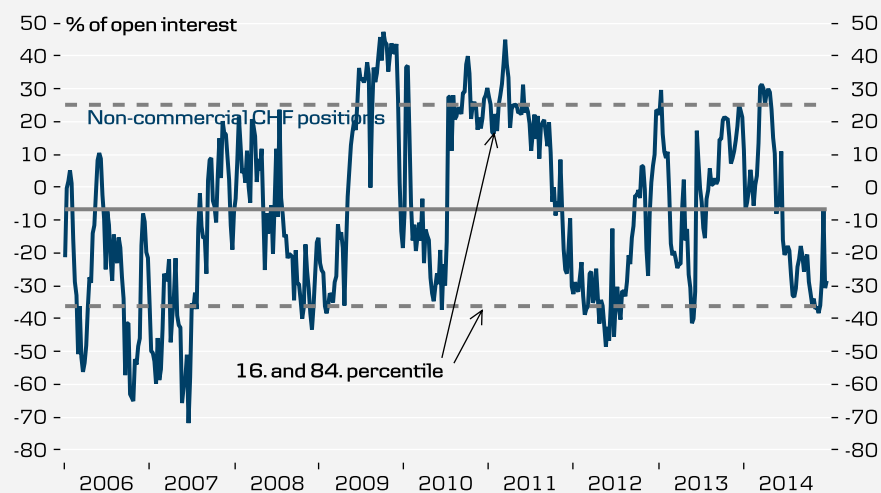
Source: CFTC

Chart 5. Net-long GBP positioning



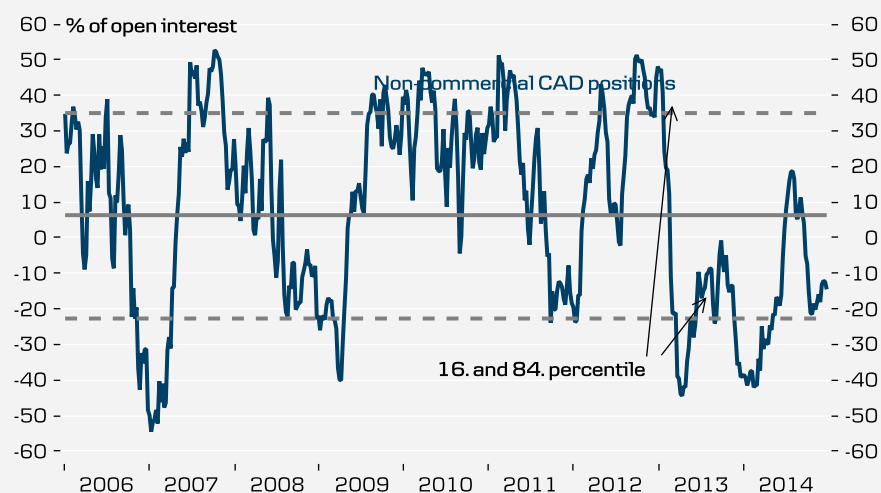
Source: CFTC

Chart 6. Net-long CHF positioning



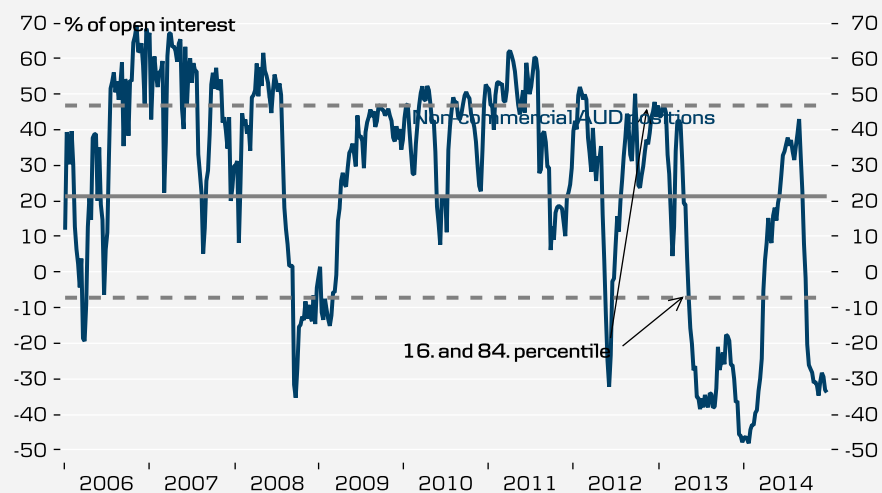
Source: CFTC

Chart 7. Net-long CAD positioning



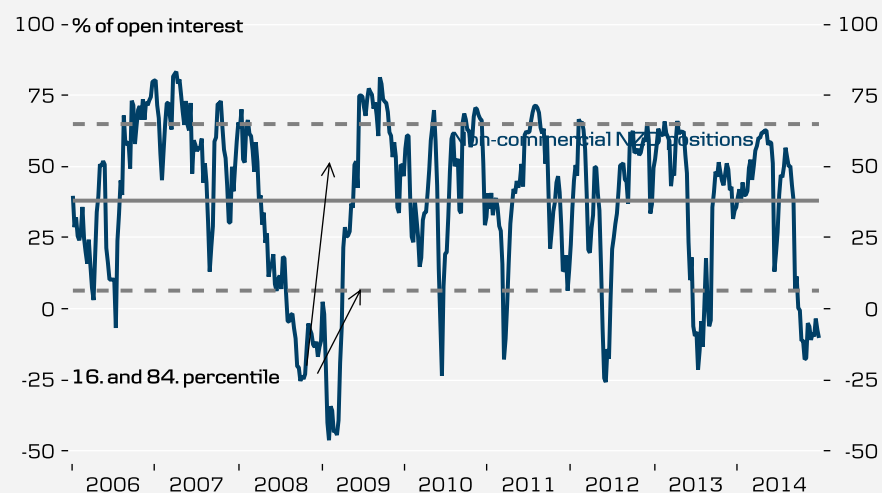
Source: CFTC

Chart 8. Net-long AUD positioning



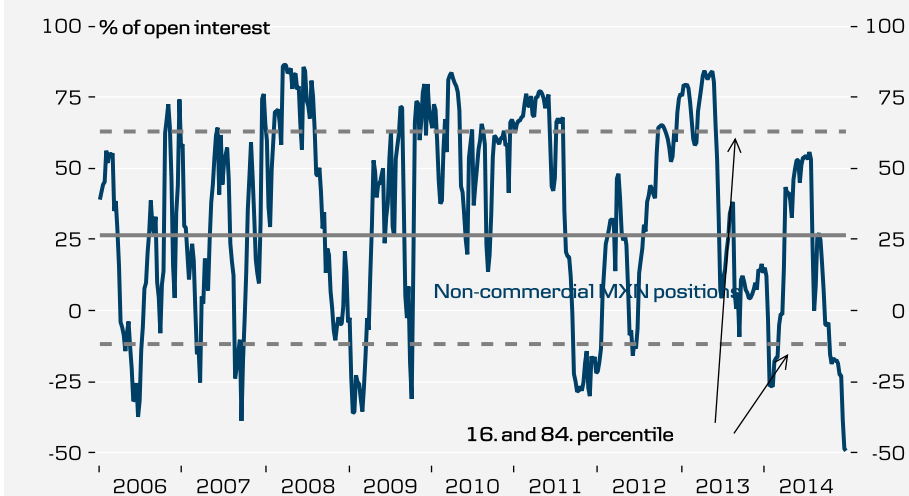
Source: CFTC

Chart 9. Net-long NZD positioning



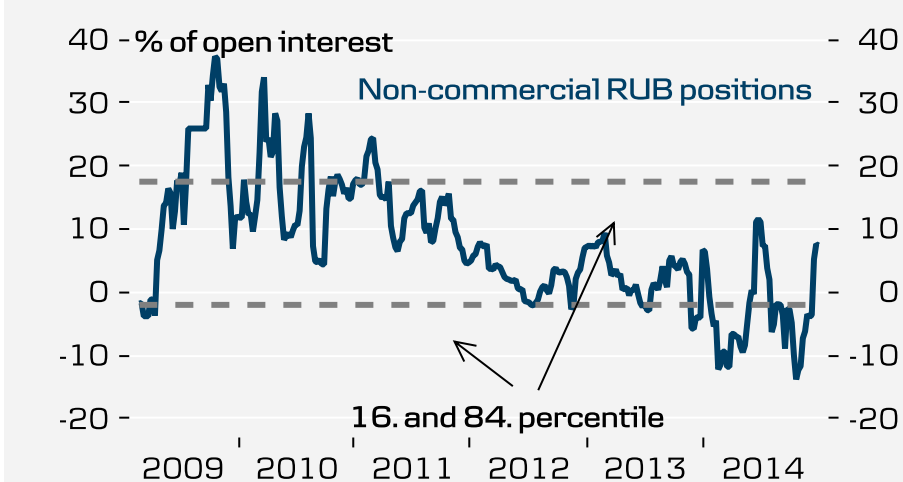
Source: CFTC

Chart 10. Net-long MXN positioning



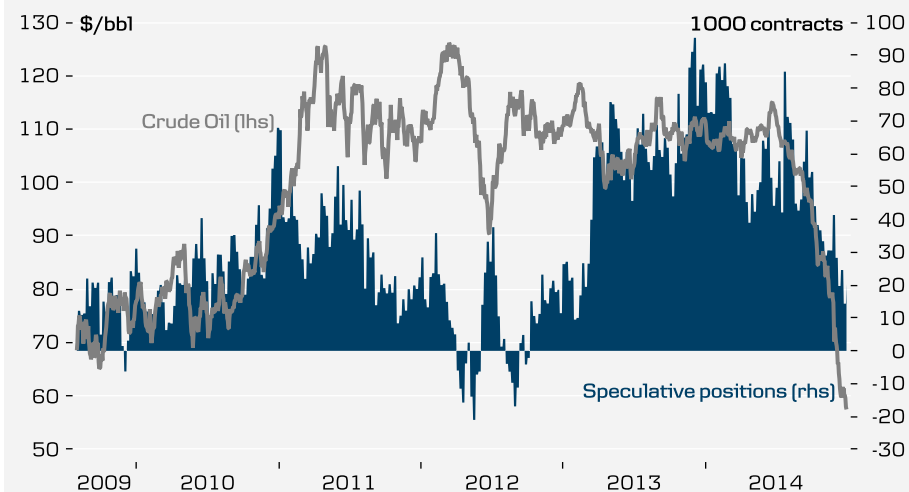
Source: CFTC

Chart 11. Net-long RUB positioning



Source: CFTC

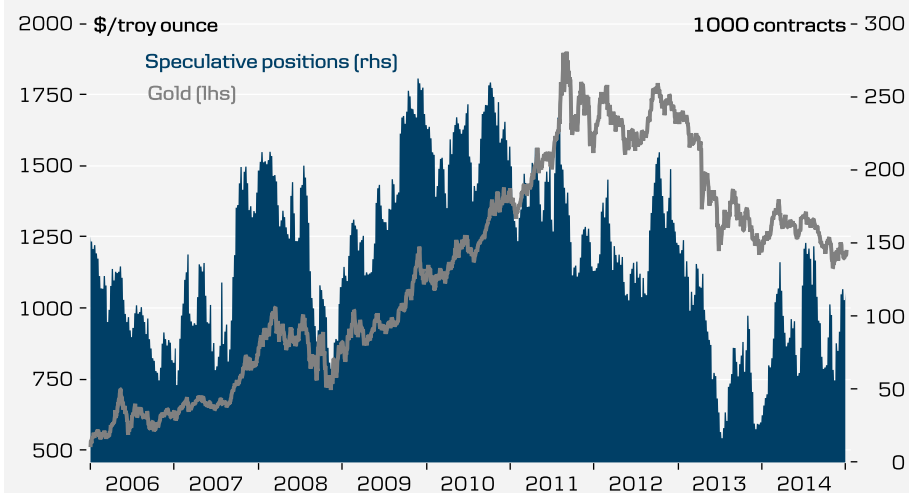
Chart 12. Oil* and non-commercial positioning



* ICE Light Sweet Brent Crude Futures Europe

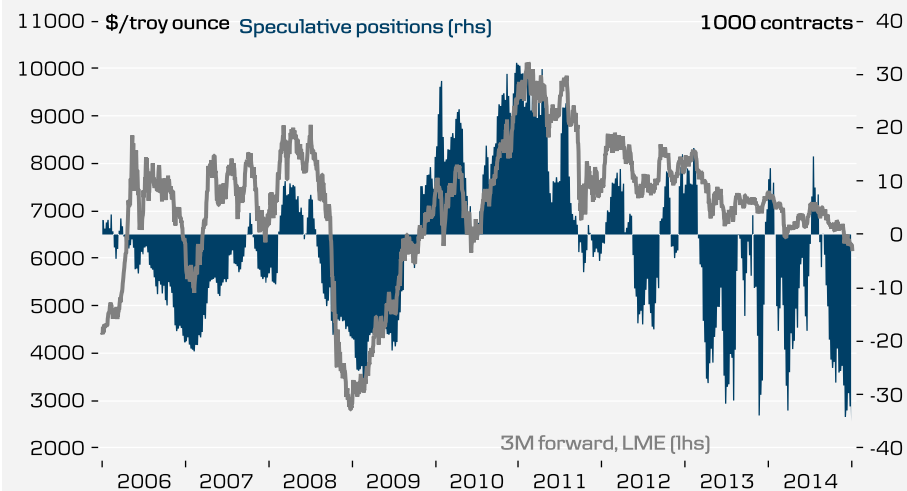
Source: CFTC

Chart 13. Gold and non-commercial positioning



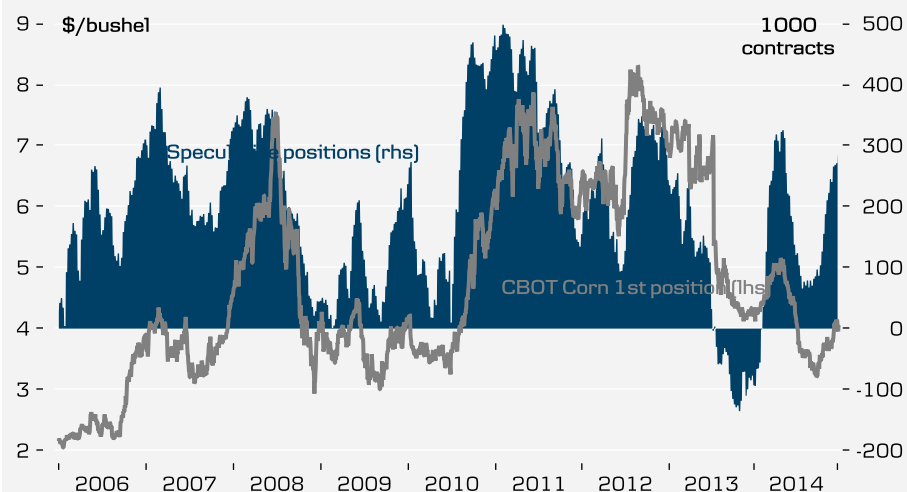
Source: CFTC

Chart 14. Copper and non-commercial positioning



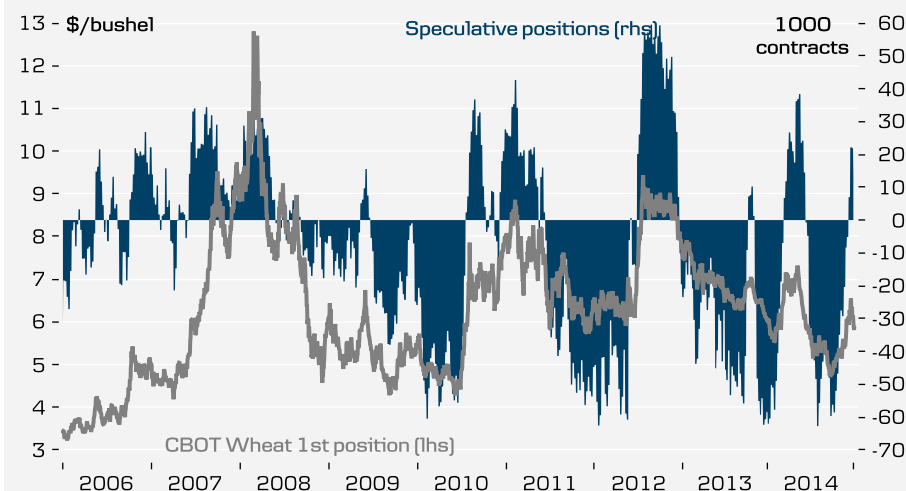
Source: CFTC

Chart 15. Corn and non-commercial positioning



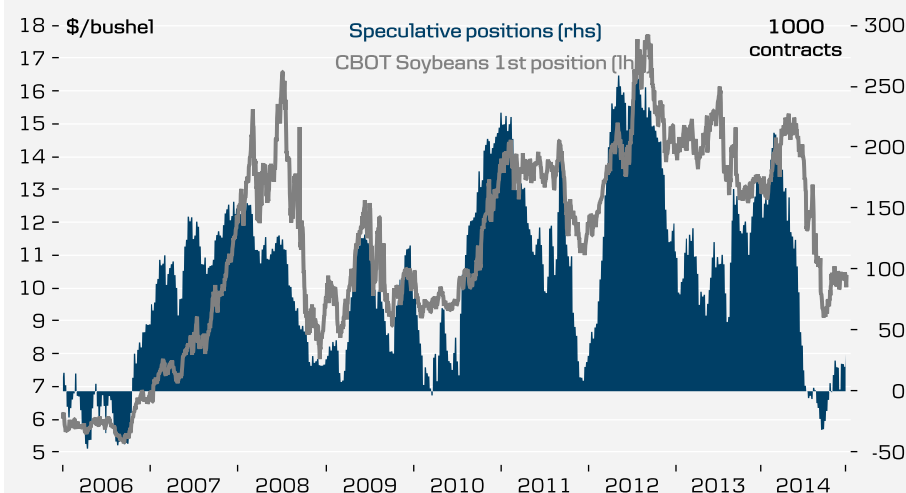
Source: CFTC

Chart 16. Wheat and non-commercial positioning



Source: CFTC

Chart 17. Soybean and non-commercial positioning

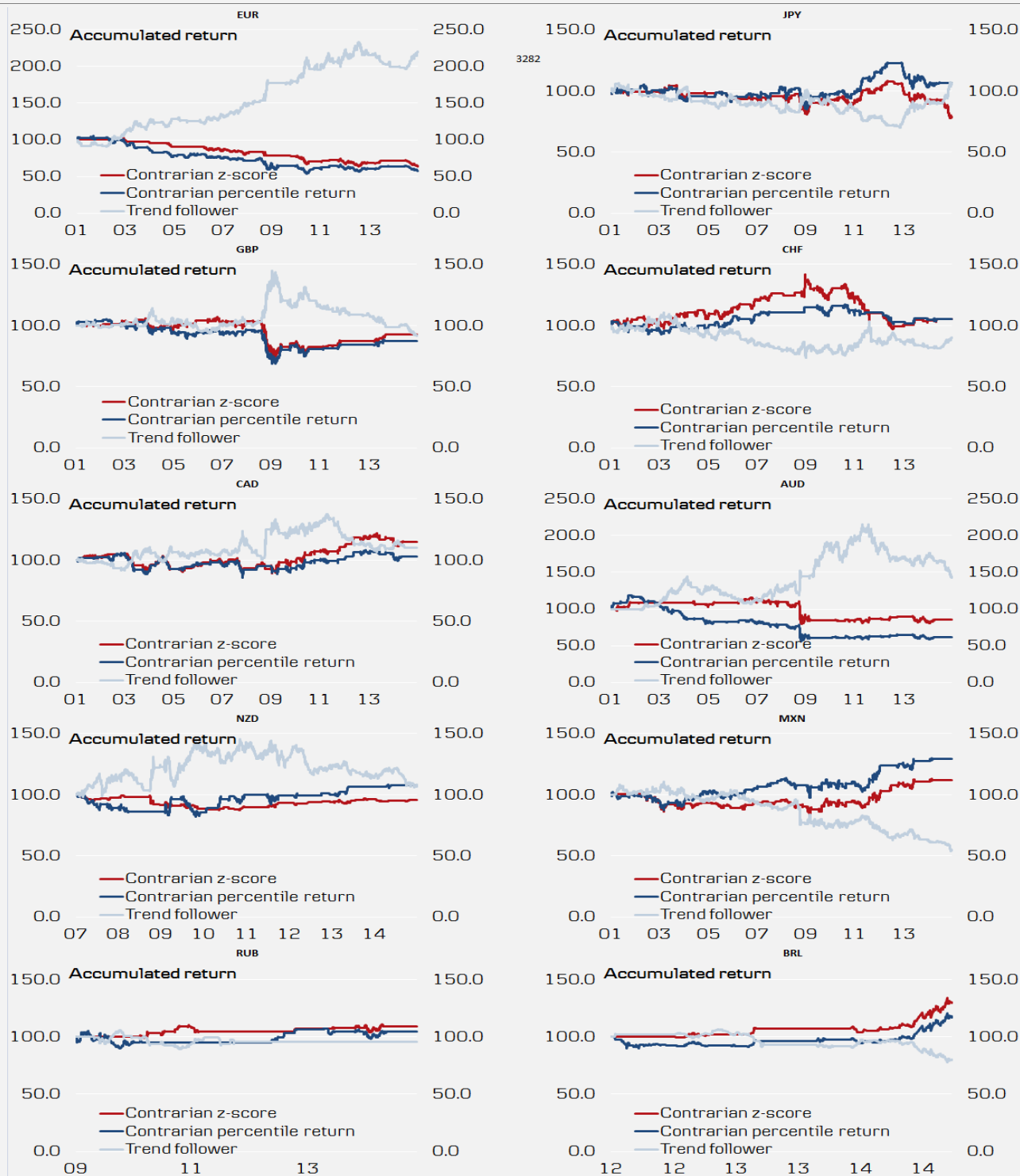


Source: CFTC

The IMM data

The IMM data is part of the Commitments of Traders (COT) reports published by the US 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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