

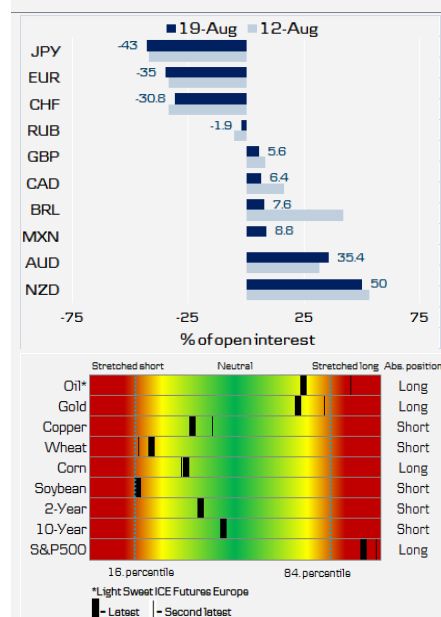
25 August 2014

IMM Positioning

Sharp reduction in CAD longs

- The latest IMM data cover the week from 12 to 19 August 2014.
- IMM data released last Friday reveal that investors have returned to **adding bearish EUR positions builds**. The bearish EUR sentiment has sent non-commercial positioning in the single currency to the 6th percentile – the most bearish level since November 2012. The stretched positioning indicates a very high sensitivity of EUR to positive news out of the euro-zone. Fundamentally, we still expect EUR/USD to edge lower but emphasise that positioning poses a barrier for rapid moves lower and the downtrend will consequently be gradual.
- Noteworthy, the week to 19 August saw **the largest single week bearish CAD build since March 2013**. The move reflects a combination of the general USD bullish sentiment, a Bank of Canada on hold and profit taking after last week's strong CAD performance. Non-commercial CAD positioning remains in neutral territory after this week's move but we emphasise that CAD sensitivity to the upside has been markedly increased over the past two weeks.
- Friday's report also showed that **speculators have reduced net GBP longs**. The move is a reflection of the unwinding of net longs in the wake of a softer-than-expected inflation report and consequently does not reveal a change of GBP sentiment. In fact, the Bank of England minutes on 20 August revealed a divided MPC for the first time in three years and **we still see a potential for some short-term GBP performance** in particular against the EUR. We target EUR/GBP at 0.79 on a 1M horizon (see [Here come the Scandies](#), 18 August).
- In commodities, **speculators slashed net longs in oil reflecting the fall in geopolitical risks**. Non-commercial positioning in the black gold is from a historical perspective no longer stretched (75th percentile). Data also revealed that **speculators continue to increase net shorts in copper**. Speculative copper positioning is now at the most bearish level since June this year, suggesting an increased sensitivity in the copper price to positive news out of China.

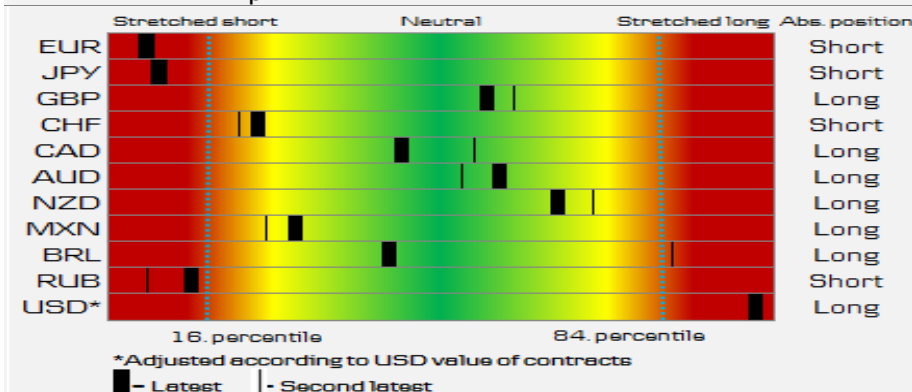
IMM non-commercial positions



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	
	19-Aug	12-Aug	Change	19-Aug	12-Aug	Change	19-Aug	Change	Percentile	Z-score
USD*							28.8	3.5	99	2.32
EUR	-138.8	-126.0	-12.8	-35	-33.5	-1.5	-23.1	-2.1	6	-1.80
JPY	-87.3	-81.1	-6.2	-43	-42.2	-0.8	-10.6	-0.7	8	-1.38
GBP	13.3	18.8	-5.5	5.6	8.4	-2.8	1.4	-0.6	58	0.22
CHF	-15.5	-17.4	1.9	-30.8	-33.4	2.6	-2.1	0.3	23	-0.87
CAD	7.3	18.0	-10.7	6.4	16.5	-10.1	0.7	-1.0	45	-0.01
AUD	36.6	29.5	7.0	35.4	31.5	3.9	3.4	0.7	60	0.50
NZD	12.0	13.4	-1.4	50	53.2	-3.2	1.01	-0.1	69	0.74
MXN	12.4	0.0	12.4	8.8	0	8.8	0.48	0.5	29	-0.51
BRL	3.6	14.5	-10.9	7.6	41.8	-34.2	0.16	-0.5	43	-0.34
RUB	-0.8	-2.1	1.3	-1.9	-5.1	3.2	-0.05	0.1	13	-1.03
Oil**	44.8	64.3	-19.5	9.6	13	-3.4			75	0.72
Gold	138.0	147.7	-9.7	37.7	40.1	-2.4			73	0.65
Copper***	-6.1	-1.4	-4.7	-4	-0.9	-3.1			36	-0.38
Corn****	79.0	70.6	8.3	6	5.2	0.8			34	-0.43
Wheat****	-43.1	-48.3	5.2	-10.2	-11.4	1.2			22	-0.84
Soybean****	0.8	2.8	-2.1	0.1	0.5	-0.4			17	-0.99
2Y US Treasury	100.1	85.1	14.9	6.9	6.4	0.5			39	0.00
10Y US Treasury	-43.5	-50.2	6.6	-1.5	-1.7	0.2			47	0.00
S&P500	4.3	3.9	0.4	2.6	2.4	0.2			96	1.47

*Adjusted according to USD value of contracts

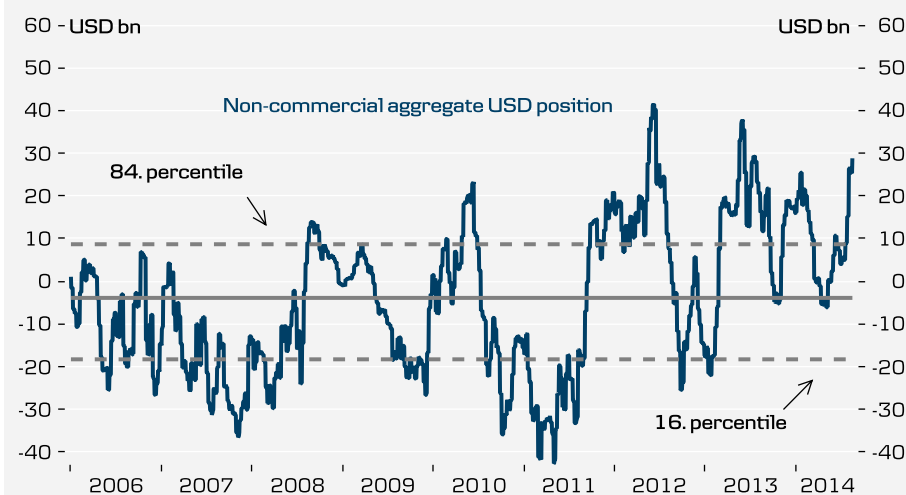
** ICE Light Sweet Brent Crude Futures Europe

***COMEX

****CBOT

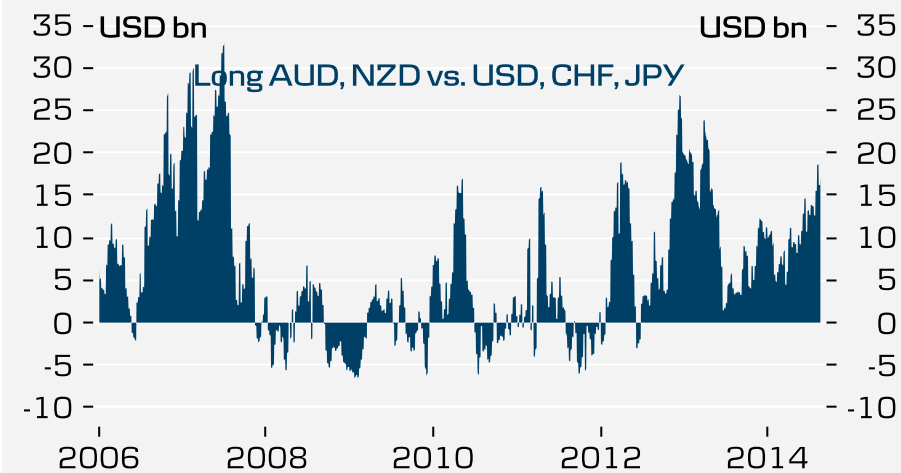
Source: CFTC, Macrobond, Danske Bank Markets

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



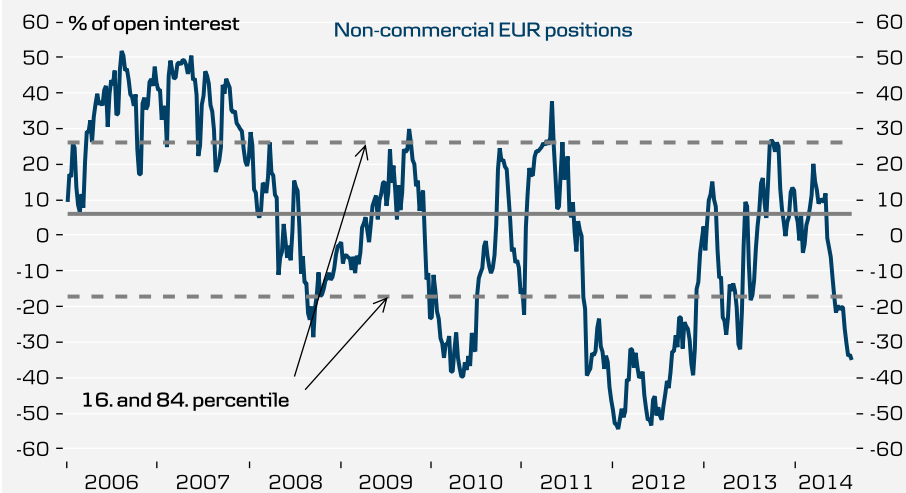
Source: CFTC, Danske Bank Markets

Chart 2. Non-commercial 'carry' positioning



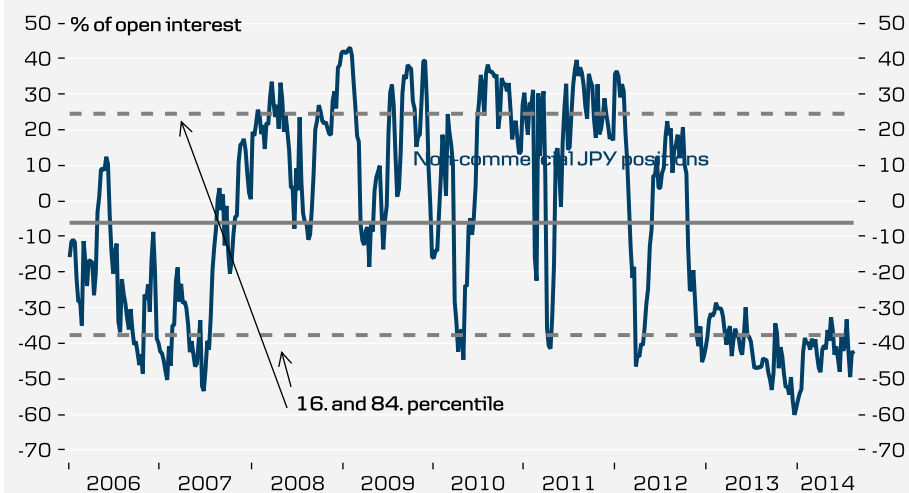
Source: CFTC

Chart 3. Net-long EUR positioning



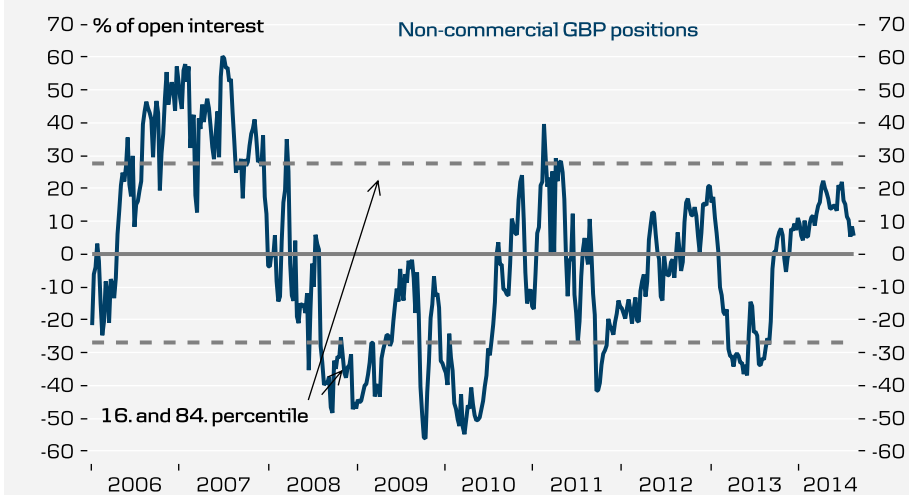
Source: CFTC

Chart 4. Net-long JPY positioning



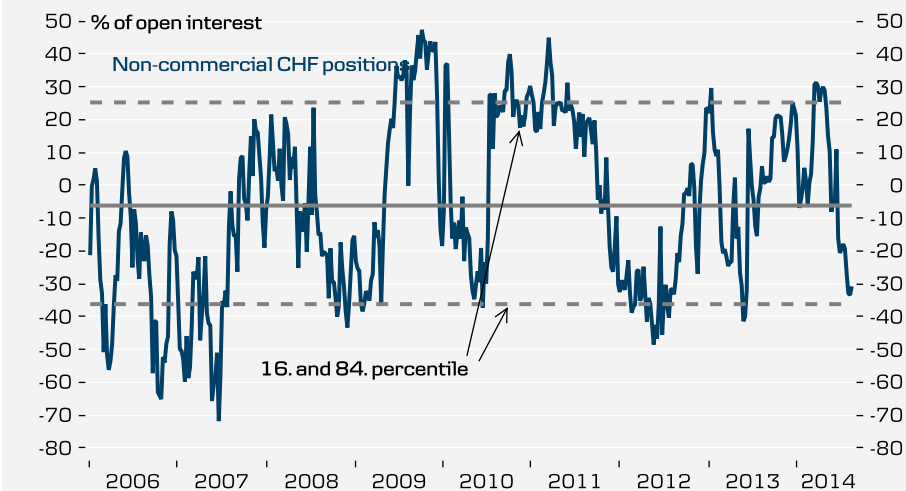
Source: CFTC

Chart 5. Net-long GBP positioning



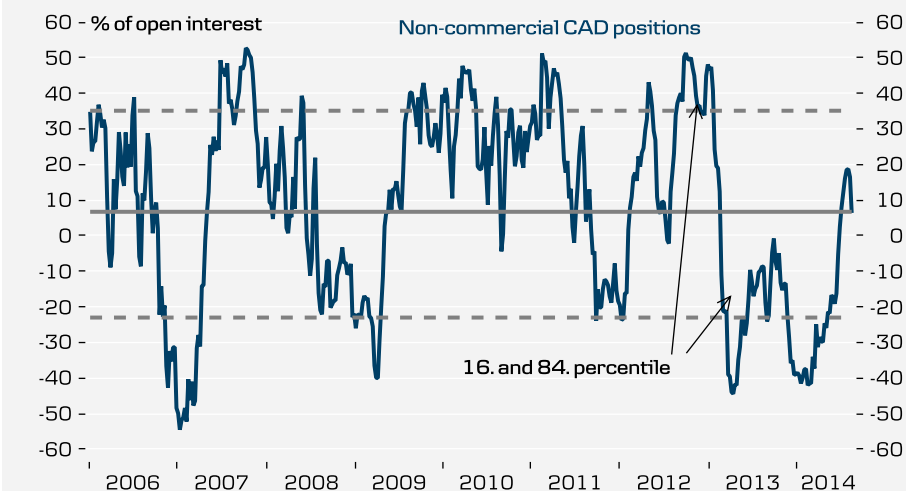
Source: CFTC

Chart 6. Net-long CHF positioning



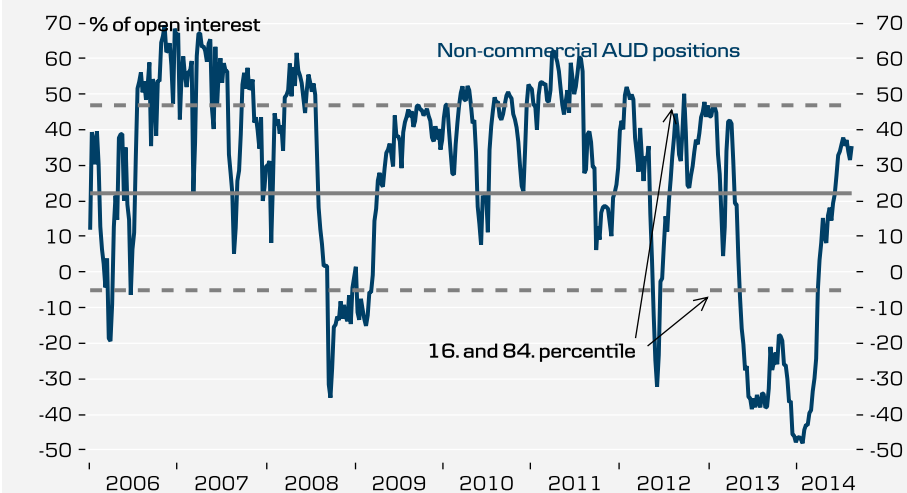
Source: CFTC

Chart 7. Net-long CAD positioning



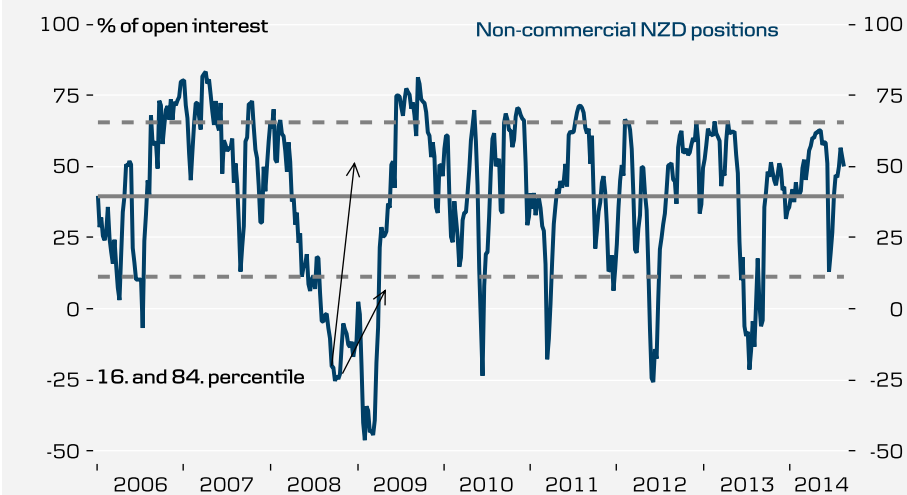
Source: CFTC

Chart 8. Net-long AUD positioning



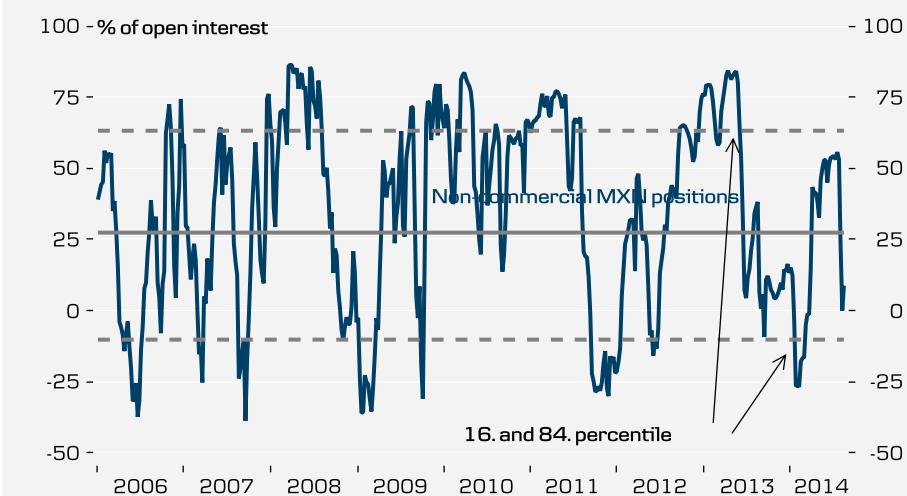
Source: CFTC

Chart 9. Net-long NZD positioning



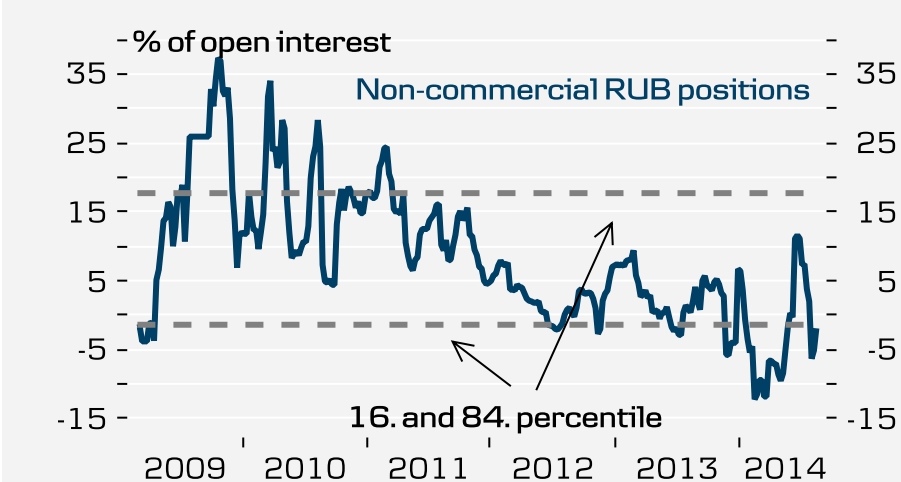
Source: CFTC

Chart 10. Net-long MXN positioning



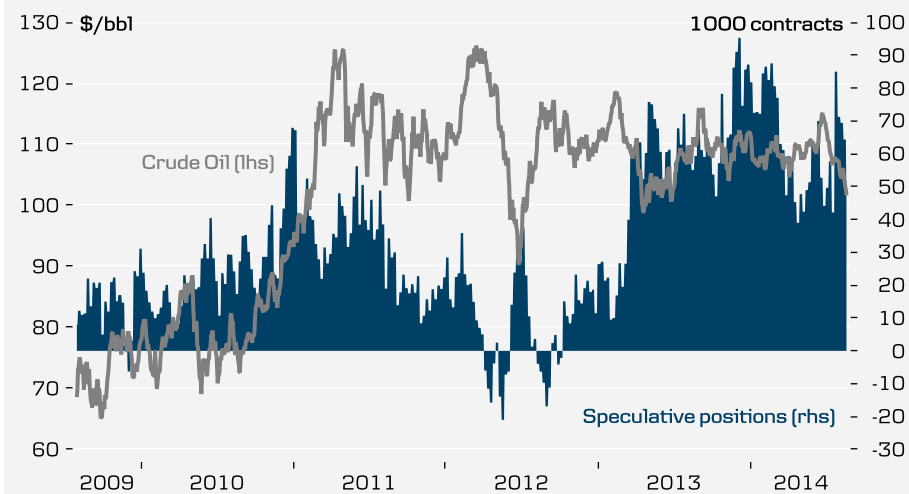
Source: CFTC

Chart 11. Net-long RUB positioning



Source: CFTC

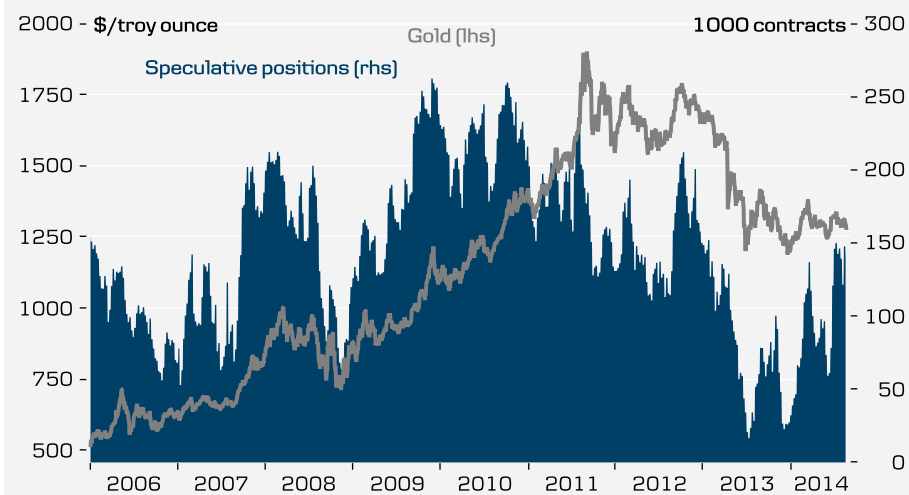
Chart 12. Oil* and non-commercial positioning



* ICE Light Sweet Brent Crude Futures Europe

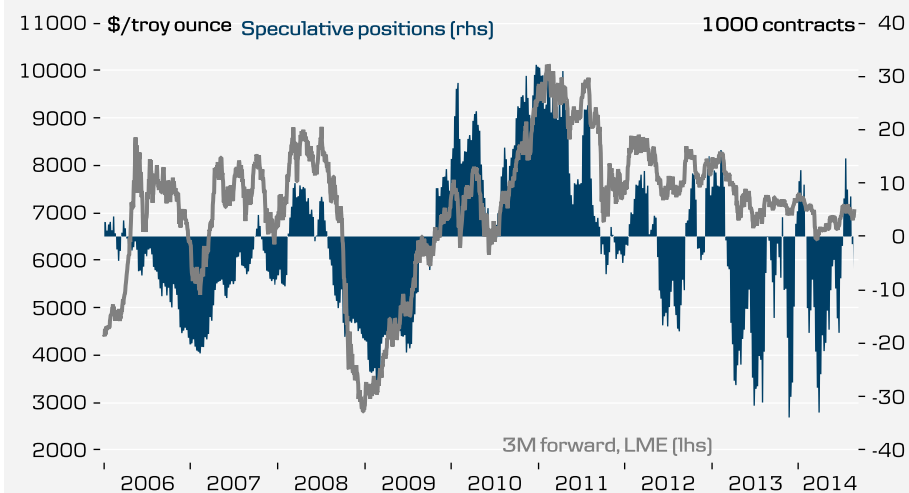
Source: CFTC

Chart 13. Gold and non-commercial positioning



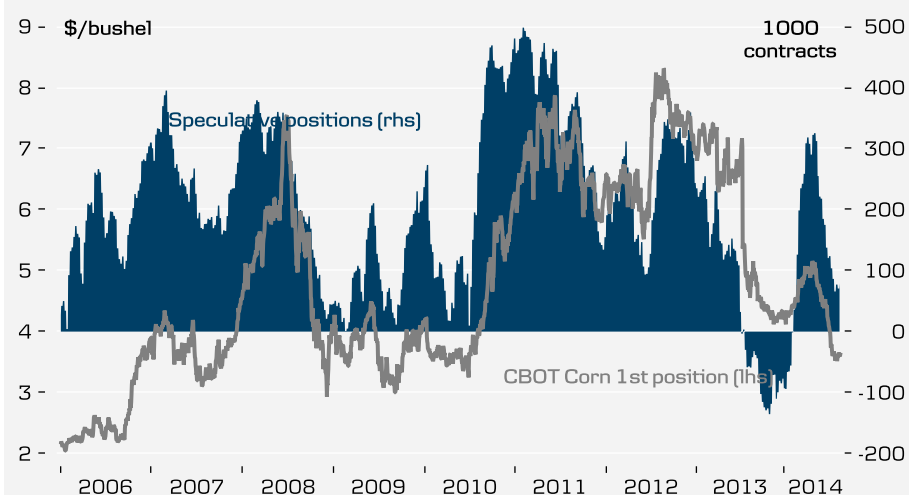
Source: CFTC

Chart 14. Copper and non-commercial positioning



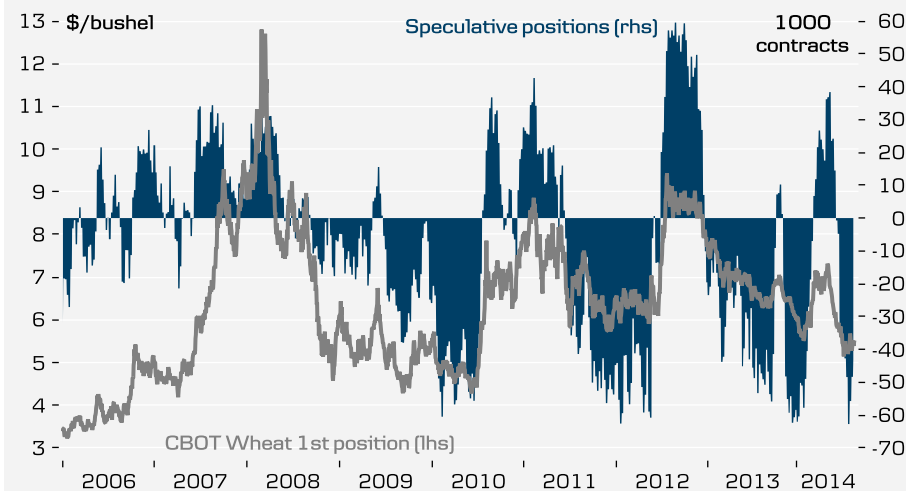
Source: CFTC

Chart 15. Corn and non-commercial positioning



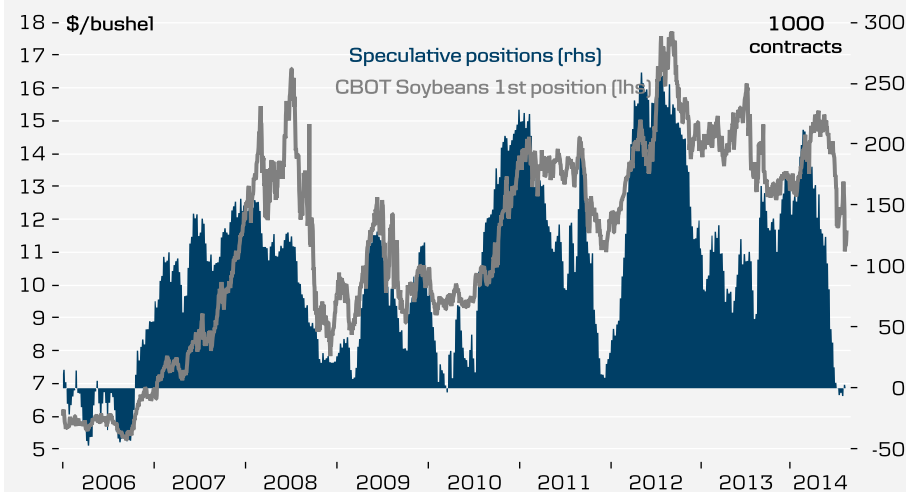
Source: CFTC

Chart 16. Wheat and non-commercial positioning



Source: CFTC

Chart 17. Soybean and non-commercial positioning

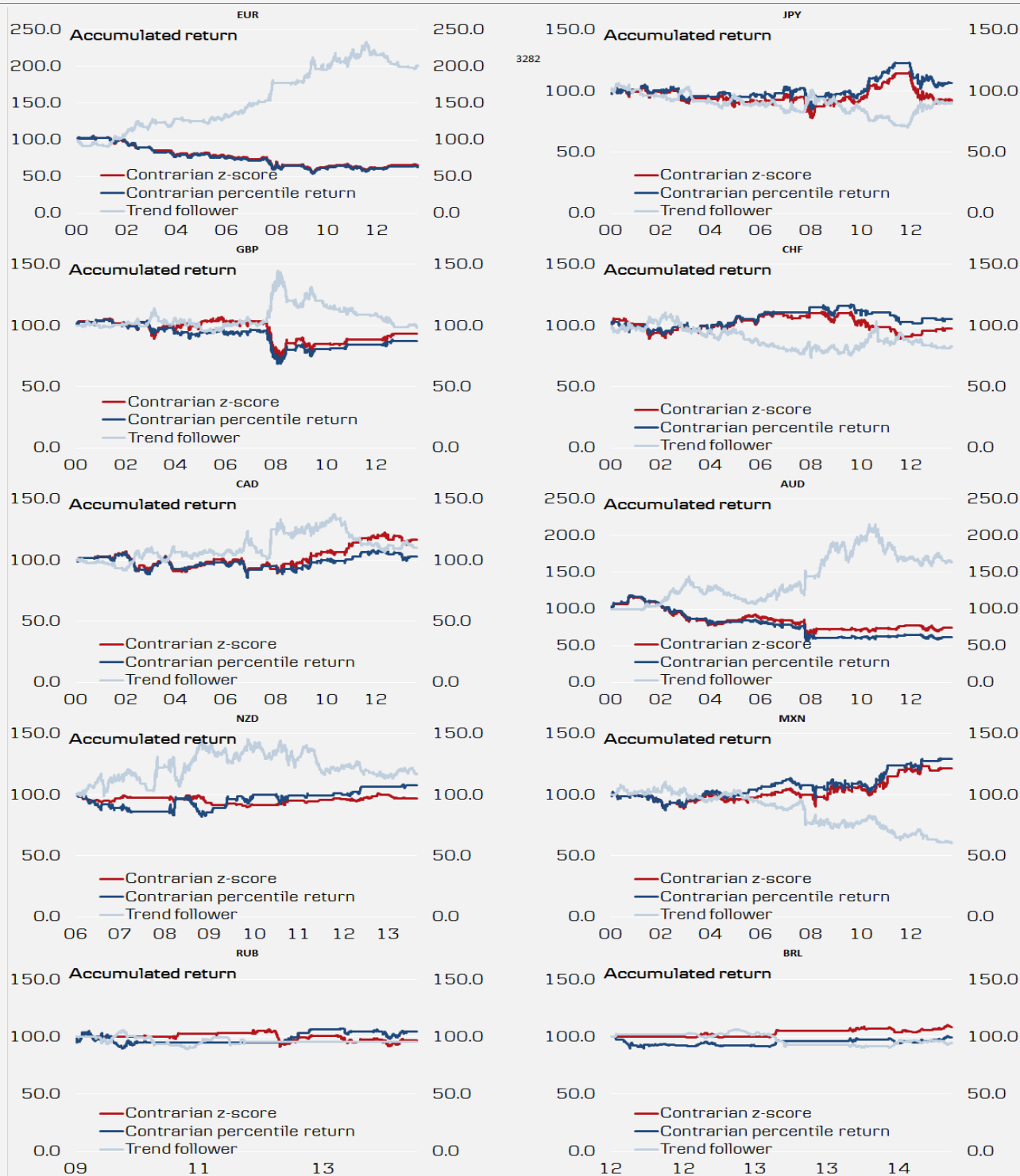


Source: CFTC

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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