

Liquid Cross Border Flows

Ahead of a busy week

Key takeaways

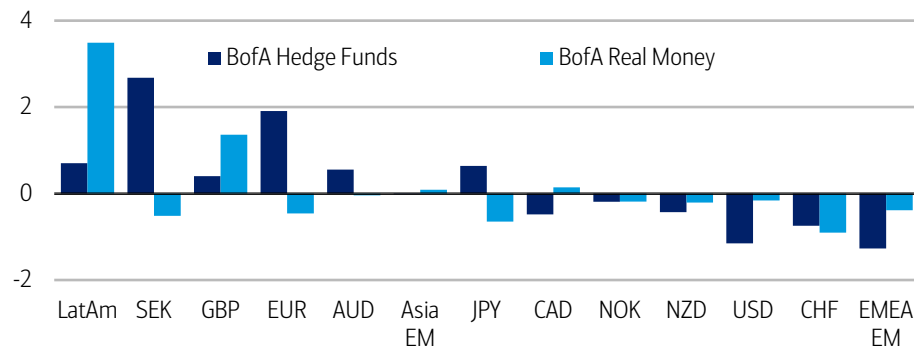
- Into the ECB HF continued reducing their EUR shorts. GBP investors flows positive ahead of budget. "Carry-flavoured" RM flows
- Corporate end-month flows likely supported USD vs JPY & GBP. YTD corporate flows have modestly supported USD vs EUR, AUD, NZD
- EM FX: The accelerated, Real Money-led, LatAm FX buying and, Hedge Funds-led, TRY & ZAR selling stood out last week

Hedge Funds turned neutral EUR ahead of the ECB

Amid the hawkish Feb CPI data and ahead of the ECB Hedge Funds continued reducing their EUR shorts, turning neutral on EUR (Exhibit 1, Exhibit 7). Meanwhile, investor GBP flows turned positive ahead of the UK budget—BofA investors are long GBP. Real Money's "carry-flavoured" flows (LatAm FX & GBP vs CHF, JPY, EUR) also stood out.

Exhibit 1: BofA investor weekly FX flows (2-year z-score)

Hedge Funds reduced their EURUSD shorts * USDSEK longs last week. "Carry-flavored" Real Money flows



Source: BofA Securities. Currencies ranked on the sum of weekly (2-year) z-scores across BofA Hedge Funds and BofA Real Money
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04 March 2024

Currency Strategy
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Analytics



Michalis Rousakis
FX Strategist
MLI (UK)
+44 20 7995 0336
michalis.rousakis@bofa.com

Athanasios Vamvakidis
FX Strategist
MLI (UK)
+44 20 7995 0279
athanasios.vamvakidis@bofa.com

See Team Page for List of Analysts

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Refer to important disclosures on page 6 to 8.

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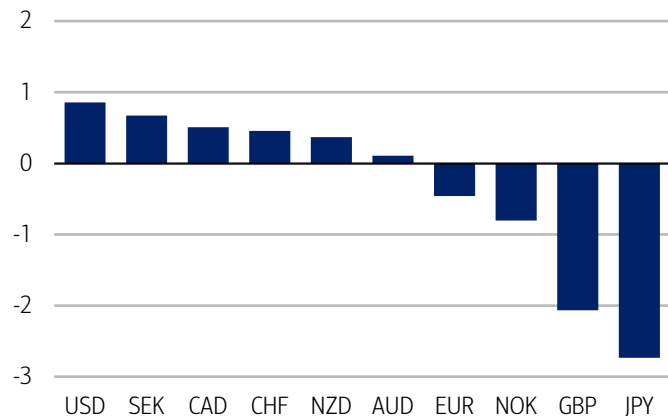
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Corporate end-month flows supported USD vs JPY & GBP

Corporate end-months flows likely supported the USD vs. JPY & GBP, according to our proprietary data (Exhibit 2). Year-to-date corporate flows have likely offered modest support to the USD vs. mainly EUR, AUD, and NZD (Exhibit 3).

Exhibit 2: BofA corporate flows last week (2-year weekly z-score)

Corporate end-months flows likely supported the USD vs. JPY & GBP

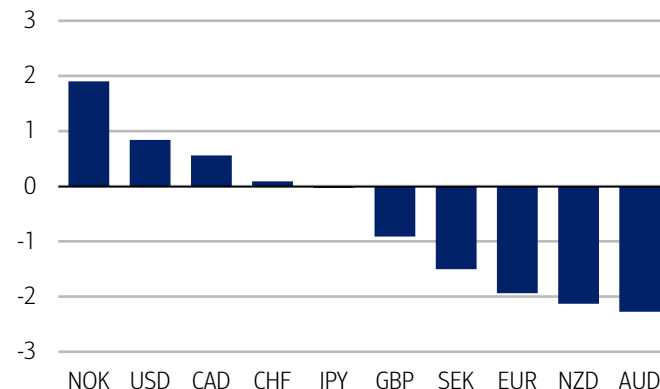


Source: BofA Securities

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Exhibit 3: BofA corporate flows past 8 weeks

Year-to-date corporate flows have likely offered modest support to the USD vs. mainly EUR, AUD, and NZD



Source: BofA Securities. Currencies ranked on their sum of 4-week z-scores as of Mar 1 and Feb 2
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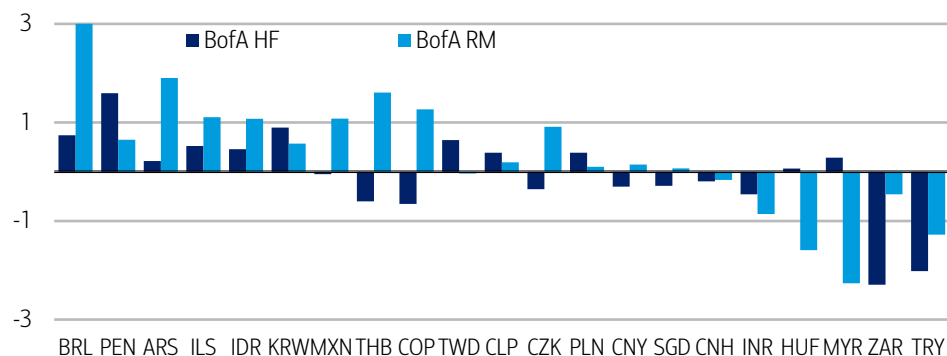
EM FX: LatAm buying and selling of TRY & ZAR stood out

The accelerated, Real Money-led, LatAm FX buying stood out last week across the EM regions (Exhibit 4, Exhibit 6). Within regions:

- Real Money continued buying largely across the board in LatAm (3rd week in a row). Hedge Funds' LatAm flows were also favourable overall last week, more so for PEN
- In EMEA, the accelerated, Hedge Fund-led, TRY and ZAR selling stood out. Real Money also sold HUF but continued supporting ILS
- In Asia, net investor flows were light—the strong Real Money MYR selling stood out

Exhibit 4: BofA investor weekly EM FX flows (2-year z-score)

The Real Money-led LatAm FX buying and the Hedge Funds-led TRY & ZAR selling stood out last week



Source: BofA Securities. Currencies ranked on the sum of weekly (2-year) z-scores across BofA Hedge Funds and BofA Real Money

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For more information and data files on flows and positioning, please see

[Liquid Cross Border Flows: Flows data 4 March 2024](#)

[Liquid Cross Border Flows: Positioning data 4 March 2024](#)

[Liquid Cross Border Flows: Charts and Tables 4 March 2024](#)

Snapshot of flows

Exhibit 5: Snapshot G10 FX flows (z-score)

BofA proprietary FX flows in the past four weeks

	Total				Corporate				Official				Hedge funds				Real money			
	t-3	t-2	t-1	t	t-3	t-2	t-1	t	t-3	t-2	t-1	t	t-3	t-2	t-1	t	t-3	t-2	t-1	t
USD	-0.32	-0.01	0.43	0.31	-0.46	-0.75	0.33	0.86	0.02	0.52	0.95	0.32	-0.29	1.43	0.57	-1.15	0.44	-0.11	-0.73	-0.16
EUR	0.39	0.41	-0.48	-0.20	0.21	0.29	-1.12	-0.46	0.62	0.14	-1.23	-0.14	1.71	0.06	2.36	1.91	-0.67	0.23	0.40	-0.46
JPY	-0.70	-1.33	-0.40	-1.38	0.49	-0.34	0.44	-2.73	0.85	-0.25	-0.10	0.97	-0.74	-1.00	-0.31	0.64	-0.86	-0.83	-0.51	-0.65
GBP	0.37	0.64	-0.22	-0.87	0.12	1.10	0.41	-2.07	-0.40	0.27	0.08	-0.23	0.58	-1.48	-1.22	0.40	0.38	0.12	-0.37	1.36
CAD	0.03	-0.43	-0.58	0.13	0.23	-0.32	-0.12	0.51	-0.35	0.11	0.23	-0.11	-0.34	-0.78	-2.66	-0.48	0.34	-0.14	0.26	0.14
AUD	-0.04	1.03	0.00	0.25	0.00	0.69	0.43	0.11	1.53	0.94	-0.73	-0.25	-1.59	0.56	-1.14	0.55	0.53	0.17	0.37	-0.04
NZD	-0.05	-0.90	0.29	-0.35	-0.20	0.46	-3.06	0.37	-1.29	1.67	-0.65	0.05	0.27	-1.31	0.50	-0.43	0.01	-0.49	0.73	-0.21
CHF	-1.07	-0.73	-1.23	-0.53	0.09	0.08	-0.15	0.46	0.21	-1.52	0.01	0.49	-0.93	-2.14	-0.80	-0.75	-1.03	0.31	-0.97	-0.90
NOK	-0.16	-1.19	-0.13	-0.56	0.63	0.66	0.28	-0.80	0.27	-0.99	0.26	0.27	-0.11	0.04	-1.96	-0.19	-0.46	-1.61	1.39	-0.18
SEK	0.65	-0.90	-1.88	1.47	0.24	-0.85	-0.72	0.67	0.12	0.48	0.05	2.89	0.74	0.58	-3.98	2.68	0.18	-0.57	0.44	-0.52
G10-xUSD	0.09	-0.09	-0.96	-0.77	0.34	0.51	-0.71	-1.19	0.33	0.23	-0.68	0.04	0.35	-1.29	-0.67	1.65	-0.71	-0.37	0.07	-0.39
Asia	-0.08	0.31	0.43	0.35	0.37	0.48	0.59	0.70	-0.53	-0.19	-0.83	-0.35	-0.01	-0.36	0.03	-0.01	-0.33	0.67	0.85	0.09
EMEA	0.09	-0.19	0.15	-0.90	-0.18	2.31	2.79	-0.05	-0.46	-0.02	-0.07	-0.18	-0.43	-0.53	-1.27	-1.27	0.62	-0.67	0.14	-0.39
LatAm	0.07	-0.20	1.07	2.16	0.27	1.41	-0.24	-0.26	0.46	-4.00	2.49	-1.11	-0.10	-1.67	-0.57	0.70	-0.15	1.55	1.80	3.49

Source: BofA Securities

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Exhibit 6: Snapshot of EM Flows (Z-score)

BofA proprietary FX flows in the past four weeks

	Total				Corporate				Official				Hedge funds				Real money											
	t-3	t-2	t-1	t	t-3	t-2	t-1	t	t-3	t-2	t-1	t	t-3	t-2	t-1	t	t-3	t-2	t-1	t								
LatAm	0.07	-0.20	1.07	2.16	0.27	1.41	-0.24	-0.26	0.46	-4.00	2.49	-1.11	-0.10	-1.67	-0.57	0.70	-0.15	1.55	1.80	3.49								
BRL	-0.54	-1.00	0.86	2.31	-0.04	0.48	-0.66	0.01	0.18	-4.00	-	0.18	-0.22	-0.13	0.40	0.74	-0.82	-0.28	2.08	3.60								
MXN	0.91	0.48	0.45	0.09	0.45	1.27	0.29	-1.06	0.46	0.35	0.45	-1.03	0.88	-2.14	-0.90	-0.05	0.15	1.30	0.97	1.08								
CLP	-0.09	0.41	0.12	0.60	0.69	-0.32	0.79	0.76	0.02	0.02	4.00	-0.07	-0.59	-0.16	-1.06	0.38	0.15	0.83	-0.78	0.19								
COP	0.35	-0.21	0.85	0.27	0.10	4.00	0.11	0.39	-	-2.51	-	-0.50	0.13	-1.25	-0.50	-0.65	0.21	0.55	1.63	1.26								
PEN	0.16	1.07	0.20	1.03	0.02	0.50	1.39	0.32	-	-	-	-4.00	-1.00	-1.03	0.73	1.59	0.73	1.62	-0.45	0.65								
ARS	0.00	4.00	-0.05	1.84	0.27	0.24	0.22	0.22	-	-	-	-	0.22	0.22	0.22	0.22	-0.20	4.00	-0.22	1.90								
Asia	-0.08	0.31	0.43	0.35	0.37	0.48	0.59	0.70	-0.53	-0.19	-0.83	-0.35	-0.01	-0.36	0.03	-0.01	-0.33	0.67	0.85	0.09								
CNY	-0.69	0.22	0.03	0.13	0.26	0.27	-0.84	0.09	-1.88	-	1.06	-	-0.31	-1.11	1.77	-0.30	0.56	0.24	-0.35	0.14								
CNH	-0.64	-0.04	0.40	-0.03	-0.64	0.22	0.40	0.35	1.91	0.06	-0.12	0.01	-0.60	-0.50	-0.06	-0.19	-0.69	0.60	0.66	-0.17								
INR	-0.88	-0.42	0.40	-1.06	-0.03	-0.30	0.39	-0.49	-0.51	-0.53	-0.51	-0.46	-0.16	-0.10	0.93	-0.46	-1.16	0.35	0.68	-0.86								
KRW	1.00	0.53	0.21	1.04	0.47	0.39	0.71	0.74	-	0.44	-	-	1.54	0.89	-0.93	0.90	0.57	-0.15	-0.37	0.57								
IDR	2.55	0.55	1.73	1.45	0.46	0.58	0.47	0.61	-0.33	0.12	-0.39	0.12	0.09	0.07	0.41	0.46	2.67	0.29	1.59	1.07								
MYR	-0.21	-1.66	0.76	-0.92	-0.64	-0.80	-0.54	1.07	-	-	1.03	-0.63	0.10	0.05	0.07	0.29	0.38	-1.34	1.53	-2.26								
SGD	-0.57	0.38	-0.85	-0.13	0.03	0.51	-0.30	0.13	-0.33	1.12	-3.90	0.03	-0.31	-0.48	0.70	-0.29	-0.40	0.38	-0.05	0.07								
TWD	0.85	1.13	-0.59	0.69	1.62	1.03	0.33	0.62	-	-	-	0.40	1.02	0.08	-1.14	0.64	-0.78	0.78	-0.13	-0.04								
THB	-0.33	-0.90	0.02	1.01	1.00	-0.10	0.50	0.94	-0.49	-0.01	-0.19	-0.06	-0.45	-0.48	-0.17	-0.60	-0.39	-0.91	0.00	1.61								
EMEA	0.09	-0.19	0.15	-0.90	-0.18	2.31	2.79	-0.05	-0.46	-0.02	-0.07	-0.18	-0.43	-0.53	-1.27	-1.27	0.62	-0.67	0.14	-0.39								
TRY	0.59	0.76	-0.82	-1.65	0.55	0.07	0.28	0.40	-0.27	-0.29	4.00	-0.27	-0.22	0.23	-0.78	-2.02	0.66	1.00	-1.27	-1.28								
HUF	0.36	-1.29	-0.15	-1.40	-0.29	0.19	-0.63	-0.13	-1.62	0.18	0.24	0.18	-0.38	0.16	-0.35	0.06	0.82	-1.69	0.21	-1.59								
PLN	0.32	0.53	1.02	0.23	0.52	0.93	1.57	-0.10	-0.48	1.72	0.18	0.23	0.02	0.42	0.76	0.39	0.26	-0.05	0.30	0.10								
ILS	0.33	-0.35	0.46	0.75	-0.45	-0.37	2.74	0.61	-0.17	-0.17	-0.17	-0.26	0.80	-0.40	-0.92	0.52	0.53	0.17	0.21	1.11								
CZK	-0.58	0.73	-0.04	0.17	-0.04	4.00	0.87	-0.65	-0.57	0.24	0.11	0.18	-0.62	0.05	-0.30	-0.35	-0.16	-0.60	-0.10	0.91								
ZAR	-0.53	-0.87	-0.92	-1.75	-1.08	0.98	1.56	-0.40	-0.12	-1.60	-0.85	-0.07	-0.62	-1.52	-2.09	-2.29	0.04	-0.15	0.03	-0.46								
KEY:																												
	Z>2				2>Z>1.5				1.5>Z>1				1>Z>-1				-1>Z>-1.5				-1.5>Z>-2				Z<-2			

Source: BofA Securities; Note: The Z-score is calculated as the weekly flow minus the 2-year average flow, divided by the 2-year standard deviation of flow. A positive (negative) number does not necessarily suggest buying (selling), as it is expressed relative to the 2-year average flow and depends on whether the latter is a positive or a negative number. In this context, the arrows indicate whether our flow, and not the z-score, is positive or negative, suggesting buying or selling. Weeks with no flow are marked with '-'.
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Positioning Scorecard

Exhibit 7: G10 FX Positioning Scorecard

50 (-50) represents a max long (short) positioning relative to history

Currency	BofA HF	BofA RM	FXRS	COT	TFF LF	TFF AM	EPFR	Aggregate Positioning Signal	Change in positioning	MAA Breadth
NOK	30	0	34	-	-	-	41	21	↓	5
GBP	16	27	-7	25	12	-16	44	6	↑	3
EUR	-1	7	-14	8	1	38	26	6	↑	-1
USD	27	-1	3	4	4	-18	50	3	↓	-1
JPY	3	8	10	-36	-28	-17	50	-5	↓	-9
CAD	1	-9	7	-1	-8	-17	49	-5	↓	-4
AUD	-23	17	23	-37	1	-49	47	-6	↓	-5
NZD	-25	-32	7	16	4	4	46	-8	↑	7
SEK	9	-22	-13	-	-	-	36	-8	↑	9
CHF	-29	-21	-	-18	4	-17	41	-16	↓	-4

Source: BofA Global Research, Bloomberg, EPFR Global; See appendix for details; HF: Hedge Fund, RM Real Money, FXRS: FX and Rates Sentiment Survey

Note: Aggregate positioning is the unweighted average of BofA HF, BofA RM, FXRS, TFF LF and TFF AM

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Exhibit 8: EM FX Positioning Scorecard

50 (-50) represents a max long (short) positioning relative to history

Currency	BofA HF	BofA RM	FXRS	COT	TFF LF	TFF AM	EPFR	Aggregate Positioning Signal	Change in positioning	MAA trend
INR	31	19	-	-	-	-	50	25	↓	↓
HUF	28	18	-	-	-	-	22	23	↓	↑
PLN	5	30	-	-	-	-	-11	18	↑	↓
CZK	15	20	-	-	-	-	43	18	↑	↑
CLP	26	-3	-	-	-	-	46	12	↑	↑
CNH	-10	26	-	-	-	-	0	8	↓	↓
MXN	-50	29	-	22	6	47	48	8	↑	↓
MYR	21	-7	-	-	-	-	38	7	↓	↑
ILS	1	12	-	-	-	-	50	6	↑	↔
BRL	-41	39	-	14	-4	22	42	4	↑	↑
IDR	24	-19	-	-	-	-	8	3	↑	↓
THB	-16	17	-	-	-	-	30	0	↑	↑
COP	30	-31	-	-	-	-	46	0	↑	↔
PEN	-46	33	-	-	-	-	36	-6	↑	↑
ARS	-37	16	-	-	-	-	50	-11	↑	↑
TRY	-47	13	-	-	-	-	11	-17	↓	↑
TWD	-21	-14	-	-	-	-	31	-17	↑	↑
CNY	-3	-44	-	-	-	-	44	-23	↓	↔
KRW	-16	-38	-	-	-	-	44	-27	↑	↑
ZAR	-43	-22	-	-	-	-	47	-32	↓	↑
SGD	-32	-35	-	-	-	-	45	-33	↓	↔

Source: BofA Global Research, Bloomberg, EPFR Global; See appendix for details; HF: Hedge Fund, RM Real Money, FXRS: FX and Rates Sentiment Survey

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Data appendix

BofA Securities Proprietary FX Flows represent the aggregated net base notional of spot and forward trades for sales-only data on a firm-wide basis for the 31 major currencies we track. We filter the data by customer type, which we categorize as Hedge Funds, Corporates, Real Money and Official Institutions. For the purposes of this report we exclude interbank flows, which would include commercial banks, proprietary trading, broker/dealer and affiliates. Indexed data is available upon request.

The currencies used in building this report are defined as:

- **G10:** USD, EUR, JPY, AUD, NZD, CAD, GBP, CHF, NOK, SEK
- **LatAm:** BRL, MXN, CLP, COP, PEN, ARS
- **ASIA:** CNH, CNY, INR, KRW, IDR, MYR, SGD, TWD, THB
- **EMEA:** TRY, HUF, PLN, ILS, CZK, ZAR, RUB

Emerging Markets is defined as the sum of LatAm, Asia and EMEA.

Public/Official: Central Banks, Government – including federal, state and local municipality clients – and Sovereign Wealth Funds.

Real Money: Pension Funds, REITs, Small Institutions/Trusts, Insurance, Asset Management and Finance Companies. RM clients will often trade FX to facilitate transactions in Fixed Income or Equities rather than to take a view on FX itself.

Hedge Funds: Usually limited-partnership funds with diverse, often leveraged strategies designed to maximize returns. HF flow is speculative in nature, and many HF trade FX as an asset class

Corporates: Businesses across all industries whose investment efforts focus mostly on operative activities, such as hedging and M&A. Corporate FX flow is not speculative in nature but arises as a 'by-product' of normal business operations.

EPFR GLOBAL data on country flows combine the respective fund flow and country weightings data to track the flow of money into world stock and bond markets. Fund flow reports track the amount of cash flowing into and out of the investment funds monitored world-wide. Country weightings reports track fund manager allocations at month-end across the various markets they invest in. By combining these two data sets we are able to estimate the flow of cash into and out of various stock and bond markets.

Note on Aggregate Positioning

We calculate aggregate positioning using a number of different inputs:

- Proprietary BofA Securities FX flows data for hedge funds and real money
- Futures data, using the TFF (Traders in Financial Futures) data for leveraged funds and asset managers separately.
- BofA Global Research [FXRS: FX and Rates Sentiment Survey](#) data

The signals are all considered relative to the start of 2012 (i.e. an expanding window) and each signal is scaled to be between +50 and -50. The aggregate signal is the simple average of all the inputs.

+50 (-50) represents a max long (short) positioning *relative to history*.

For more detail on the construction and use of this report, please see our [LCBF Primer](#)



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Research Analysts

Athanasios Vamvakidis

FX Strategist

MLI (UK)

athanasios.vamvakidis@bofa.com

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