

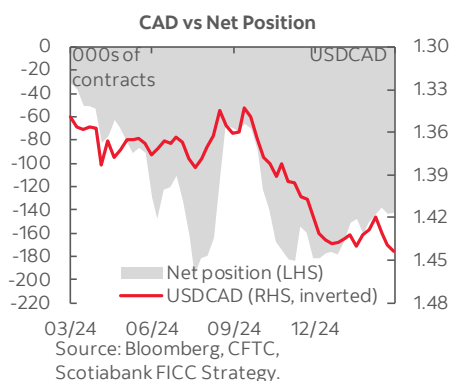
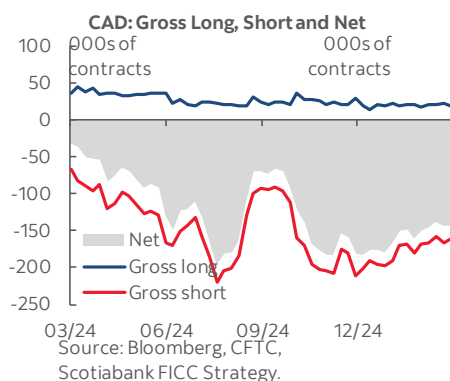
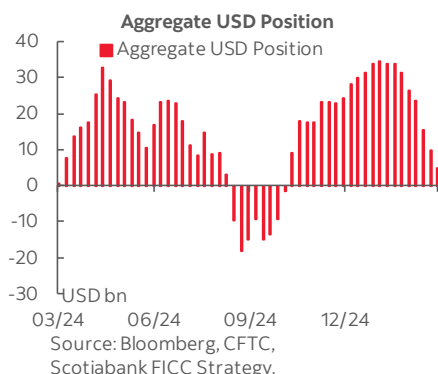
Analyst

Shaun Osborne

Chief FX Strategist

416.945.4538

shaun.osborne@scotiabank.com



Speculative EUR Sentiment Turns Bullish

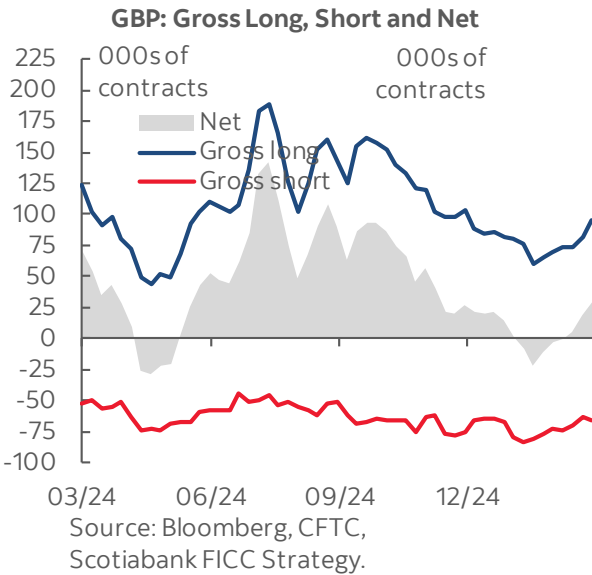
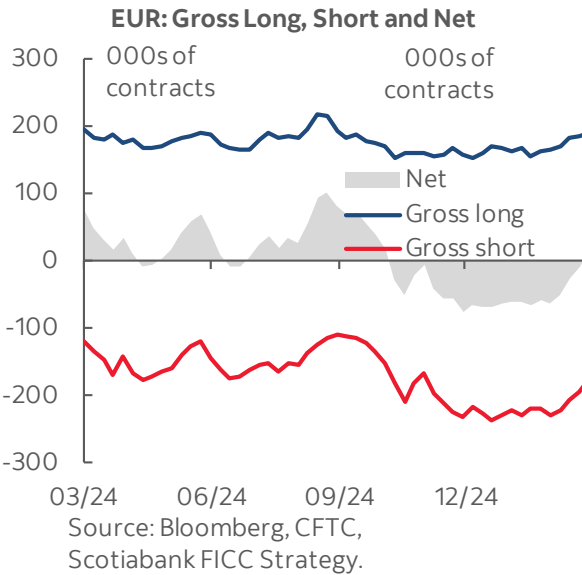
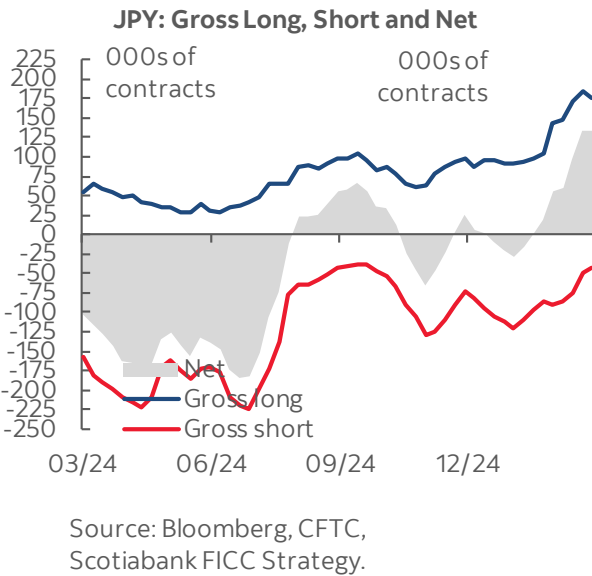
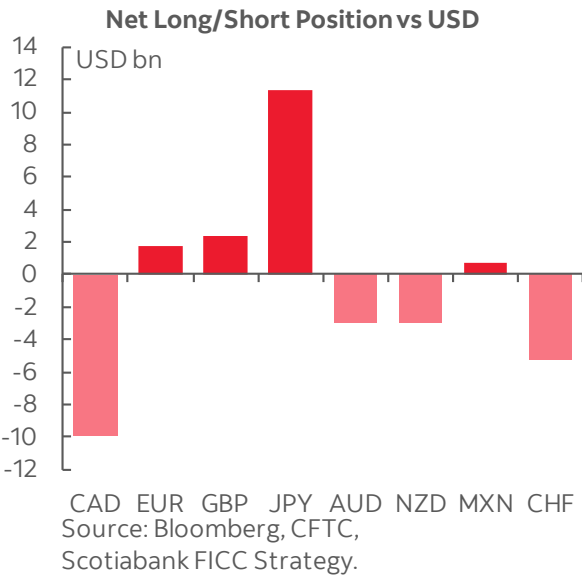
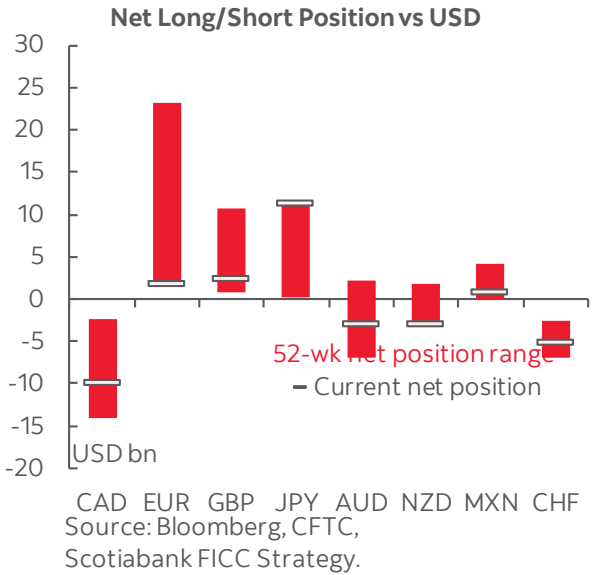
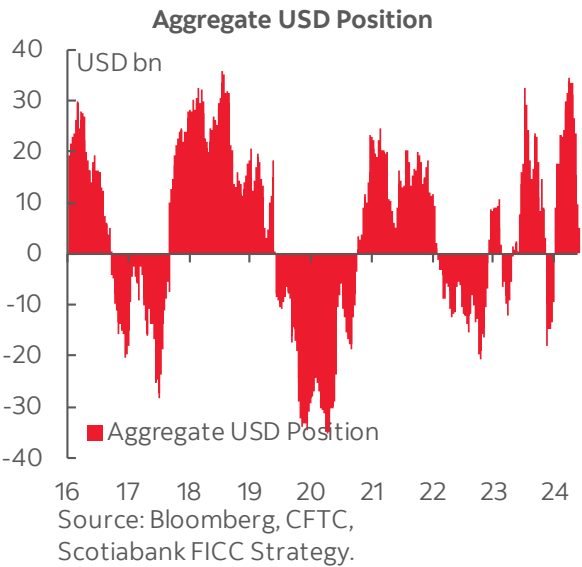
Data in this report cover up to Tuesday March 11 and were released on Friday March 14

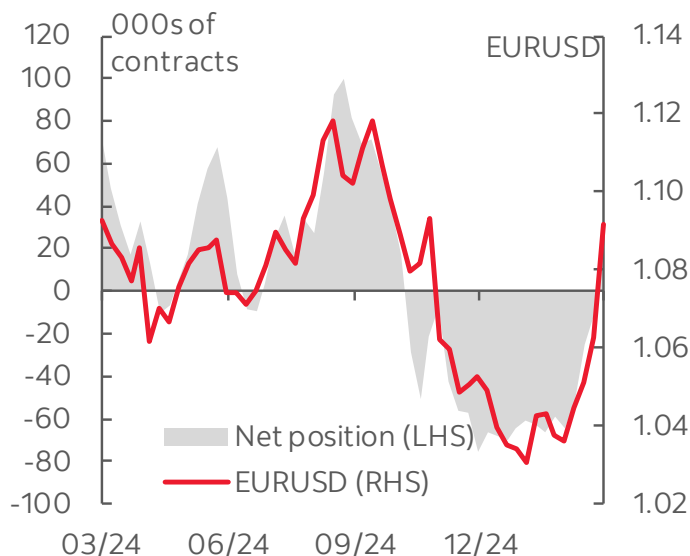
- CFTC data covering the March 11th week reflect the recent trend of fading USD bull sentiment. Aggregate Non-Commercial (speculative) USD-bullish positioning dropped for the eighth week on the bounce, with these accounts halving net USD longs to USD4.9bn. Recall that peak speculative USD bullishness was reached in mid-January when net USD longs reached USD35bn. Meanwhile, Leveraged (hedge fund) traders lifted net USD longs slightly to USD8.8bn while Real Money (institutional) accounts extended net short USD positioning quite aggressively from USD9.8bn to USD16.7bn.
- Speculative accounts' positioning effectively reflected two distinct trends this week. Firstly, these traders went from modest net short EUR to net long (for the first time since October) via a USD3.1bn increase in net long positioning and lifted net GBP longs (USD878mn). They also added to small net long MXN positioning (USD270mn) and boosted net JPY longs very slightly (USD173mn). Institutional traders lifted net EUR longs by a little less than USD5bn to USD32.5bn in total. Hedge funds retained a small (USD800mn) net EUR short. Broader positioning in the GBP remains mixed; hedge funds cut net GBP longs around USD500mn in the week to USD2.3bn. Real money pared net GBP shorts USD1.6bn to USD2.0bn.
- Secondly, Non-Commercial accounts pared still significant net CAD shorts slightly (USD122mn), cut net NZD shorts a slightly larger USD134mn and trimmed just USD76mn from their net CHF shorts. Broader positioning in the CAD was little changed on the week, with hedge funds and real money traders maintaining net CAD shorts at more or less unchanged levels. Overall net CAD shorting activity remains elevated at USD24.7bn in total across these three trading groups.
- Net speculative AUD shorts were little changed (seeing a very minor USD12mn increase) while hedge funds and institutional accounts trimmed their net shorts fractionally.

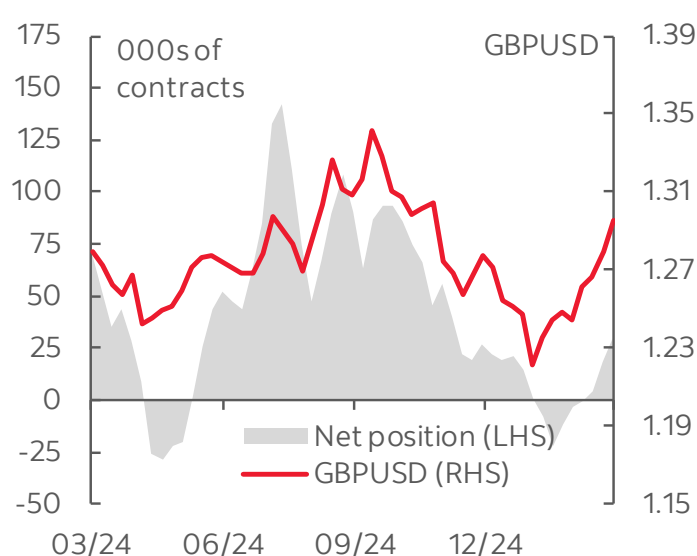
11-Mar	Sentiment		USD mns	
	Bias	Trend	Position	w/w chg.
CAD	bearish	neutral	-9,866	122
EUR	bullish	increasing	1,787	3,129
GBP	bullish	increasing	2,363	878
AUD	bearish	neutral	-3,037	-12
NZD	bearish	neutral	-3,026	134
MXN	bullish	increasing	742	270
CHF	bearish	neutral	-5,234	76
JPY	bullish	neutral	11,326	173
Gold	bullish	decreasing	68,844	-2,136
Total USD position ex. Gold			4,944	-4,769

CAD — NON-COMMERCIAL POSITIONING

Date	(USD mn)	Position - Contracts of 100,000 CAD				Open Int.
	Net	Long	Short	Net	Net w/w	
11-Mar	-9,866	19,197	-161,607	-142,410	-1,360	339,922
4-Mar	-9,987	22,175	-165,945	-143,770	5,864	340,218
25-Feb	-9,635	20,523	-158,429	-137,906	-6,737	319,493
18-Feb	-10,189	21,276	-165,919	-144,643	-6,191	323,195



EUR vs Net Position

 Source: Bloomberg, CFTC,
Scotiabank FICC Strategy.

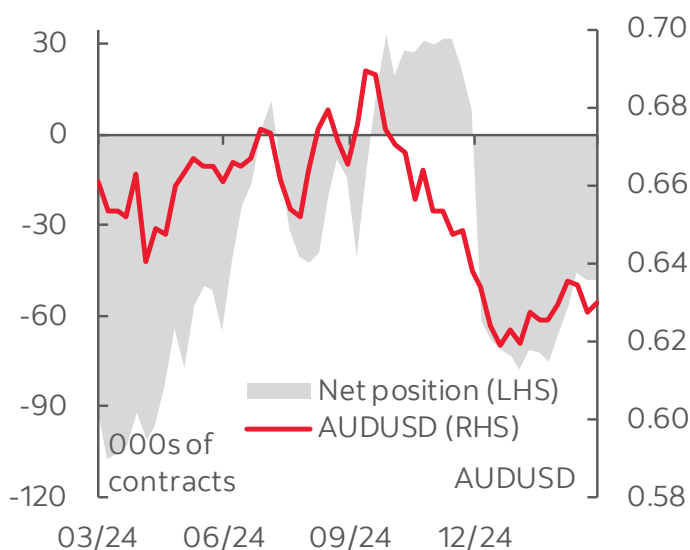
GBP vs Net Position

 Source: Bloomberg, CFTC,
Scotiabank FICC Strategy.

EUR — NON-COMMERCIAL POSITIONING

Date	(USD mn) Net	Position - Contracts of 125,000 EUR				Open Int.
		Long	Short	Net	Net w/w	
11-Mar	1,787	188,647	-175,557	13,090	-23,196	729,760
4-Mar	-1,342	185,223	-195,329	-10,106	-15,319	683,819
25-Feb	-3,341	182,699	-208,124	-25,425	-25,995	658,684
18-Feb	-6,714	170,320	-221,740	-51,420	-13,005	638,024

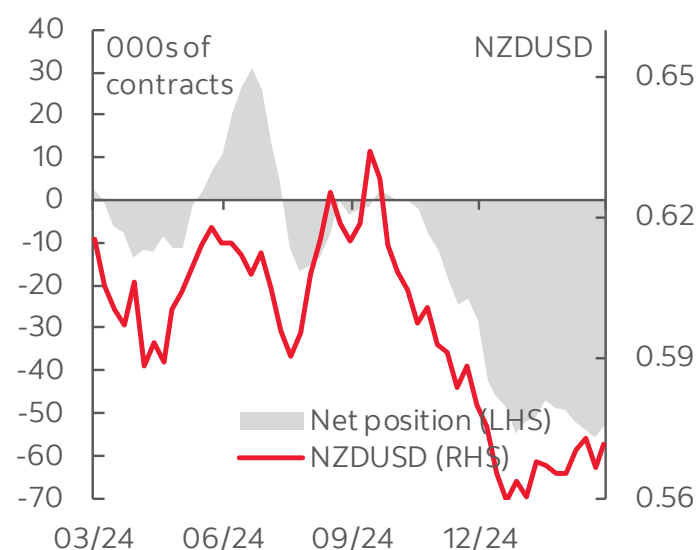
GBP — NON-COMMERCIAL POSITIONING

Date	(USD mn) Net	Position - Contracts of 62,500 GBP				Open Int.
		Long	Short	Net	Net w/w	
11-Mar	2,363	94,786	-65,593	29,193	-10,619	248,457
4-Mar	1,485	81,866	-63,292	18,574	-14,111	200,634
25-Feb	353	74,089	-69,626	4,463	-5,042	200,468
18-Feb	-46	73,564	-74,143	-579	-2,589	203,370

AUD vs Net Position

 Source: Bloomberg, CFTC,
Scotiabank FICC Strategy.

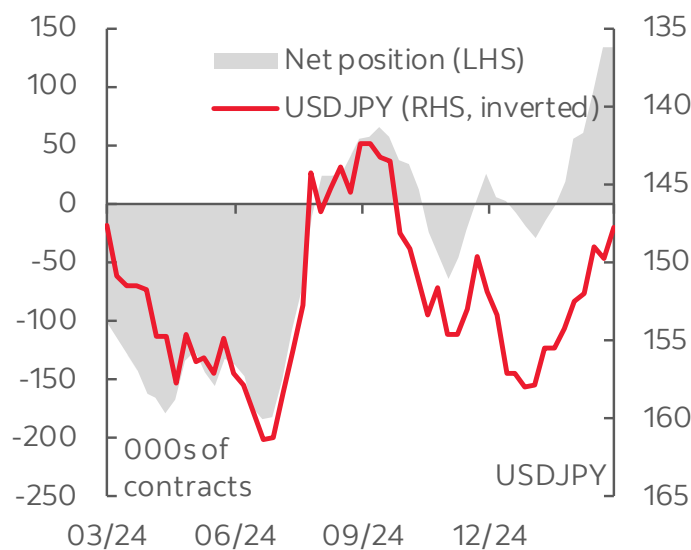
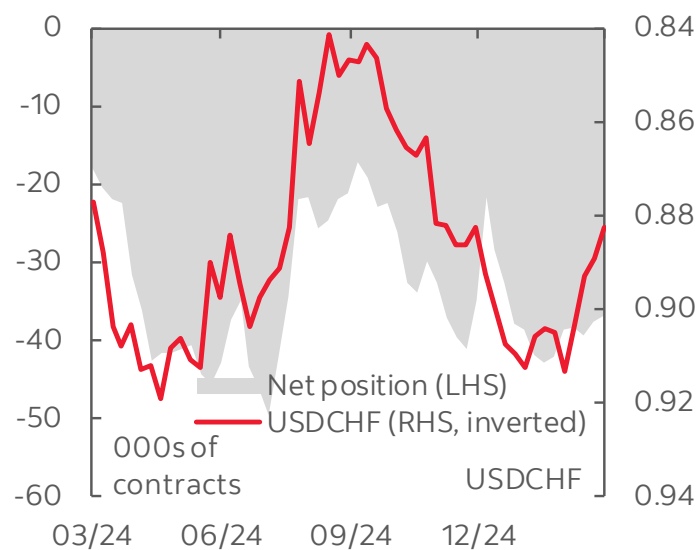
AUD — NON-COMMERCIAL POSITIONING

Date	(USD mn) Net	Position - Contracts of 100,000 AUD				Open Int.
		Long	Short	Net	Net w/w	
11-Mar	-3,037	52,171	-100,397	-48,226	-7	258,738
4-Mar	-3,025	55,151	-103,384	-48,233	2,653	202,272
25-Feb	-2,892	50,873	-96,453	-45,580	-11,143	185,971
18-Feb	-3,604	46,918	-103,641	-56,723	-8,862	189,686

NZD vs Net Position

 Source: Bloomberg, CFTC,
Scotiabank FICC Strategy.

NZD — NON-COMMERCIAL POSITIONING

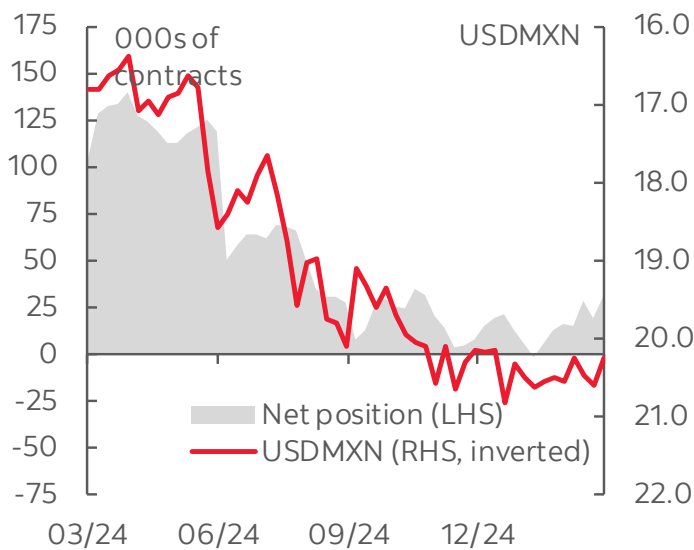
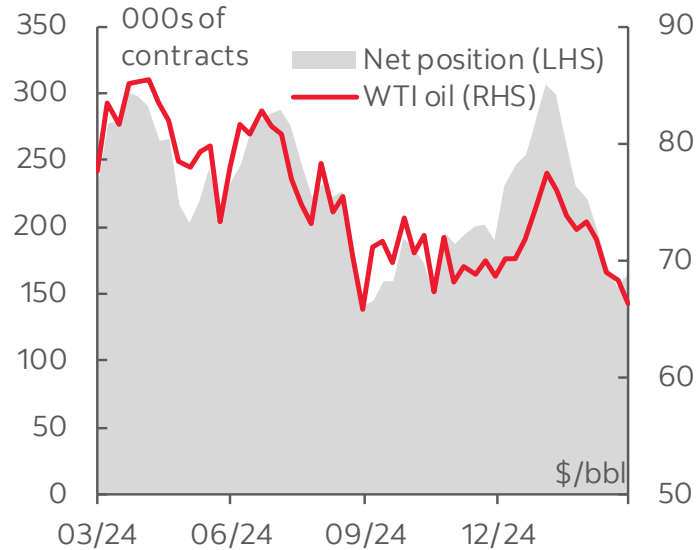
Date	(USD mn) Net	Position - Contracts of 100,000 NZD				Open Int.
		Long	Short	Net	Net w/w	
11-Mar	-3,026	16,282	-69,213	-52,931	-2,834	117,627
4-Mar	-3,160	17,843	-73,608	-55,765	2,056	99,433
25-Feb	-3,075	13,628	-67,337	-53,709	1,546	90,322
18-Feb	-2,975	13,048	-65,211	-52,163	2,827	89,366

JPY vs Net Position

CHF vs Net Position

JPY — NON-COMMERCIAL POSITIONING

Date	(USD mn) Net	Position - Contracts of 12.5mn JPY				Open Int.
		Long	Short	Net	Net w/w	
11-Mar	11,326	176,790	-42,888	133,902	-251	446,178
4-Mar	11,153	183,955	-50,304	133,651	-37,671	354,415
25-Feb	8,050	171,751	-75,771	95,980	-35,411	329,186
18-Feb	4,979	147,566	-86,997	60,569	-5,954	281,163

CHF — NON-COMMERCIAL POSITIONING

Date	(USD mn) Net	Position - Contracts of 125,000 CHF				Open Int.
		Long	Short	Net	Net w/w	
11-Mar	-5,234	5,129	-42,086	-36,957	-818	100,493
4-Mar	-5,309	5,572	-43,347	-37,775	-1,685	97,021
25-Feb	-5,524	5,019	-44,479	-39,460	1,101	97,178
18-Feb	-5,308	7,047	-45,406	-38,359	-386	97,878

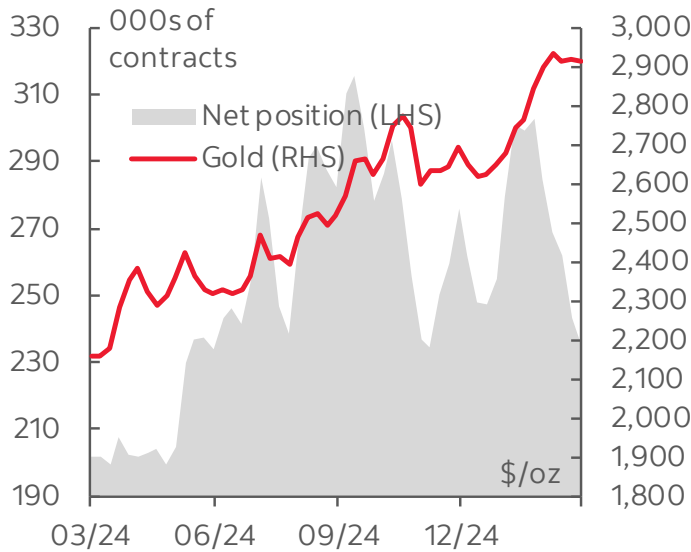
MXN vs Net Position

WTI Oil vs Net Position

MXN — NON-COMMERCIAL POSITIONING

Date	(USD mn) Net	Position - Contracts of 500,000 MXN				Open Int.
		Long	Short	Net	Net w/w	
11-Mar	742	75,519	-45,433	30,086	-10,630	166,564
4-Mar	472	65,679	-46,223	19,456	9,274	145,035
25-Feb	702	70,337	-41,607	28,730	-14,057	150,579
18-Feb	362	63,852	-49,179	14,673	1,177	149,733

OIL — NON-COMMERCIAL POSITIONING

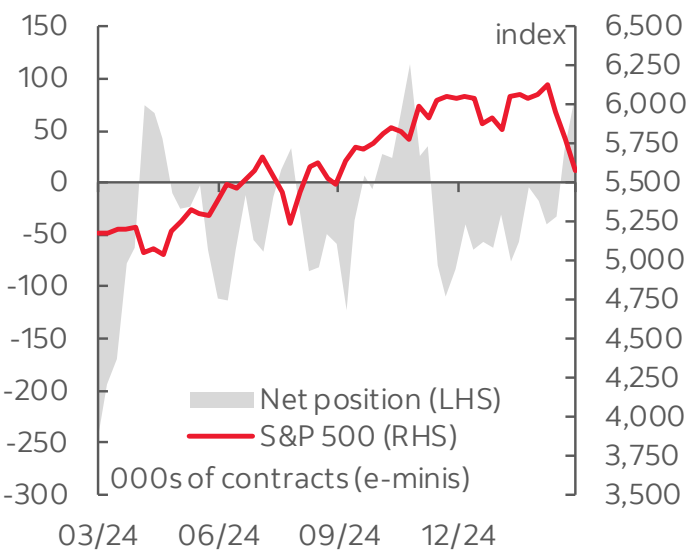
Date	(USD mn) Net	Position - Contracts of 1,000 barrels				Open Int.
		Long	Short	Net	Net w/w	
11-Mar	10,873	302,868	-138,742	164,126	-9,285	1,793,310
4-Mar	10,569	305,908	-151,067	154,841	16,357	1,816,244
25-Feb	11,801	330,987	-159,789	171,198	26,396	1,768,799
18-Feb	14,197	331,841	-134,247	197,594	22,410	1,752,594

Gold vs Net Position



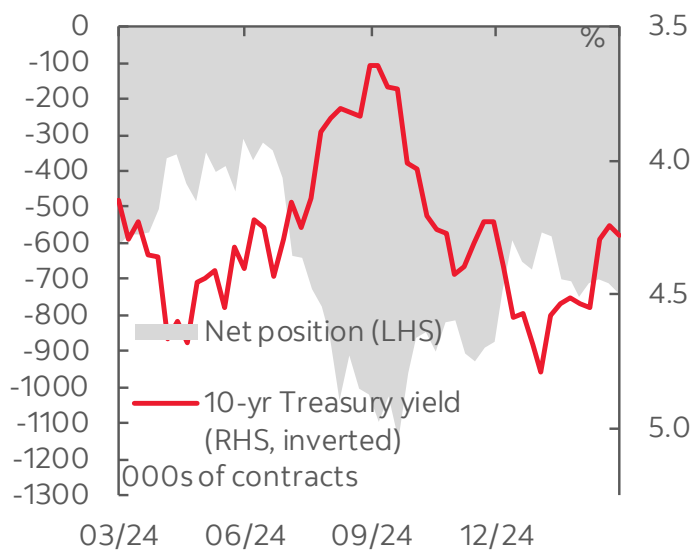
Source: Bloomberg, CFTC,
Scotiabank FICC Strategy.

S&P 500 vs Net Position



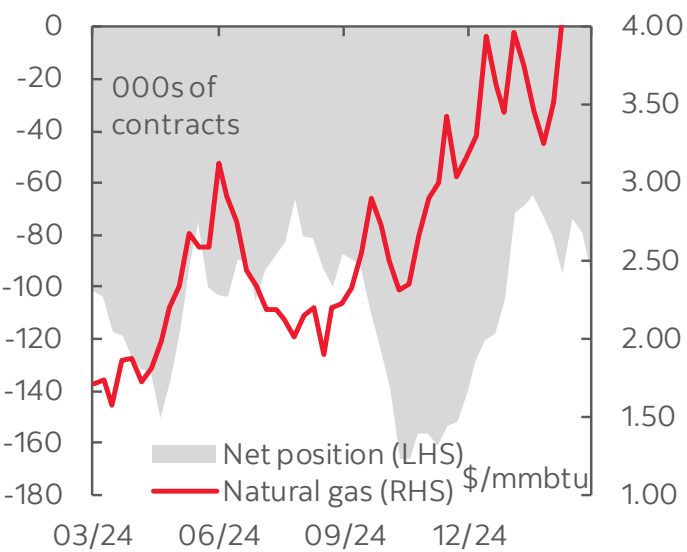
Source: Bloomberg, CFTC,
Scotiabank FICC Strategy.

10-yr UST vs Net Position



Source: Bloomberg, CFTC,
Scotiabank FICC Strategy.

Natural Gas vs Net Position



Source: Bloomberg, CFTC,
Scotiabank FICC Strategy.

TM Trademark of The Bank of Nova Scotia. Used under license, where applicable. Scotiabank, together with "Global Banking and Markets", is a marketing name for the global corporate and investment banking and capital markets businesses of The Bank of Nova Scotia and certain of its affiliates in the countries where they operate, including Scotia Capital Inc., Scotia Capital (USA) Inc., Scotiabanc Inc.; Citadel Hill Advisors L.L.C.; The Bank of Nova Scotia Trust Company of New York; Scotiabank Europe plc; Scotiabank (Ireland) Designated Activity Company; Scotiabank Inverlat S.A., Institución de Banca Múltiple, Scotia Inverlat Casa de Bolsa S.A. de C.V., Scotia Inverlat Derivados S.A. de C.V. – all members of the Scotiabank Group and authorized users of the mark. The Bank of Nova Scotia is incorporated in Canada with limited liability. Scotia Capital Inc. is a member of CIPF. Scotia Capital (USA) Inc. is a registered broker-dealer with the SEC and is a member of the NASD and SIPC. The Bank of Nova Scotia is authorised and regulated by the Office of the Superintendent of Financial Institutions of Canada. Scotia Capital Inc. is authorised and regulated by the Investment Industry Regulatory Organization of Canada. The Bank of Nova Scotia (London) and Scotiabank Europe plc. are authorised by the UK Prudential Regulation Authority. The Bank of Nova Scotia is subject to regulation by the UK Financial Conduct Authority and limited regulation by the UK Prudential Regulation Authority. Scotiabank Europe plc is regulated by the UK Financial Conduct Authority and the UK Prudential Regulation Authority. Details about the extent of The Bank of Nova Scotia's regulation by the UK Prudential Regulation Authority are available upon request. Scotiabank (Ireland) Designated Activity Company is authorised and regulated by the CBI Scotiabank Inverlat, S.A., Scotia Inverlat Casa de Bolsa, S.A. de C.V., and Scotia Derivados, S.A. de C.V., are each authorized and regulated by the Mexican financial authorities.

This publication is not a research report and is considered a marketing communication only. Consequently this commentary is not governed by rules applicable to the publication and distribution of research reports, including relevant restrictions or disclosures required to be included in research reports and has not been prepared in accordance with EU legal requirements designed to promote the independence of investment research. This publication is not meant to provide information sufficient upon to base an investment decision, or to replace any due diligence or analytical work required by you in making investment decisions. The information contained in this publication is not subject to any prohibition in the EU on dealing ahead of the dissemination of investment research. This communication has been prepared and distributed by staff of Scotia Capital Inc.'s Institutional Equity Sales and Trading Desk (a Canadian Investment Dealer, member of IIROC) solely for the use of sophisticated institutional investors. Past performance or simulated past performance is not a reliable indicator of future results. Forecasts are not a reliable indicator of future performance. The opinions and statements contained herein are intended for information purposes only and are subject to change without notice. In addition, the opinions and statements contained herein are based on information taken from sources believed to be reliable, but no representation or warranty, express or implied, is made as to their accuracy, completeness, or timeliness. Furthermore, the opinions expressed herein represent the personal views of the writer and may not be shared by other members of the Institutional Equity Desk or other areas, units, divisions or affiliates of Scotia Capital Inc. Additionally, either the Institutional Equity Desk or other areas or divisions could trade in accordance with the views expressed or trade against these views. Any transactions by US Institutional Investors in any security mentioned or referenced in this publication cannot be effected through Scotia Capital Inc. and must be executed with a U.S. broker-dealer, including Scotia Capital (USA) Inc., an affiliate of Scotia Capital Inc. Scotia Capital (USA) Inc. is a registered broker-dealer with the SEC and is a member of FINRA, the NYSE and SIPC.

Scotia Capital Inc., its directors, officers, employees, affiliates or clients may currently or from time to time own or hold interests in long or short positions in the securities referred to herein, and may at any time make purchases or sales of these securities as principal or agent. Scotia Capital Inc. or its affiliates may have provided or may provide investment banking, capital markets advice or other services to the companies referred to in this communication. This email should not be construed as investment advice or as an offer to sell or a solicitation of an offer to buy any securities or other financial instruments. Neither Scotia Capital Inc. nor any of its officers, directors, partners, employees or affiliates accepts any liability for any direct or consequential loss arising from this publication or its contents. Scotia Capital Inc. recommends that investors independently evaluate each issuer and security discussed in this publication, and consult with any advisors they deem necessary prior to making any investment.

If you are subject to the prohibition on third-party benefits in relation to portfolio management and independent investment advice under MiFID II (Directive 2014/65/EU and the accompanying Regulation (EU) No 600/2014) or the UK Markets in Financial Instruments (Amendment)(EU Exit) Regulations 2018, each as amended from time to time, and should not have received this communication, please advise us in writing at trade.supervision@scotiabank.com.

Redistribution or onward forwarding of this email is strictly prohibited. If you believe that this email was sent to you in error, please forward a message to that effect as soon as practicable to trade.supervision@scotiabank.com

To unsubscribe from receiving further Commercial Electronic Messages click this link: <https://www.unsubscribe.gbm.scotiabank.com/>.

