

# FX SENTIMENT REPORT

COMMITMENT OF TRADERS—CFTC

Friday, June 13, 2014

## BEARISH EUR SENTIMENT SURGES

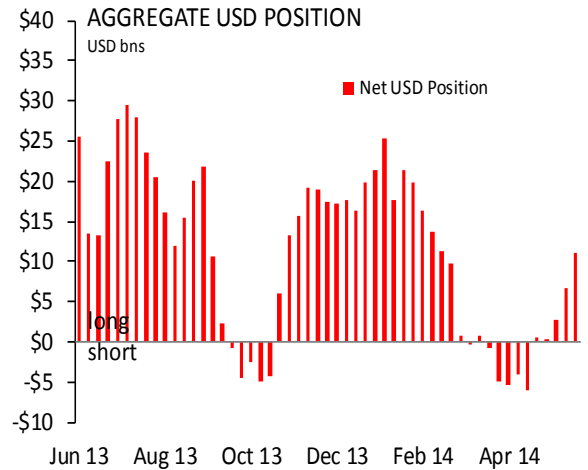
Data in this report cover up to Tuesday June 10 & were released Friday June 13.

- This week there was a surge in bearish EUR sentiment while most other position changes paled in comparison. The net long USD position has widened to \$11bn; however it is not a broad USD shift as the market sits with long GBP, AUD, NZD and MXN positions but short CAD, EUR and JPY positions.
- CAD sentiment is stubbornly bearish with an unwavering net short position of \$2bn. The divergence with the building net long AUD position is striking (see the top left chart on page 2) and is unlikely to hold in the long-term.
- Bearish sentiment toward EUR has accelerated, with a \$10bn net short position reaching levels last seen in June 2013. The EUR position is now nearly matched with the net short JPY (p2 bottom left), following five consecutive weeks of deterioration. Most of the recent shift has occurred on the back of declining longs, as shorts remain relatively reluctant to commit.
- JPY sentiment has deteriorated for the third consecutive week, raising the risk of a reversal amid rising geopolitical tensions. The net short position stands at \$10.0bn, at the upper end of its 52 week range.

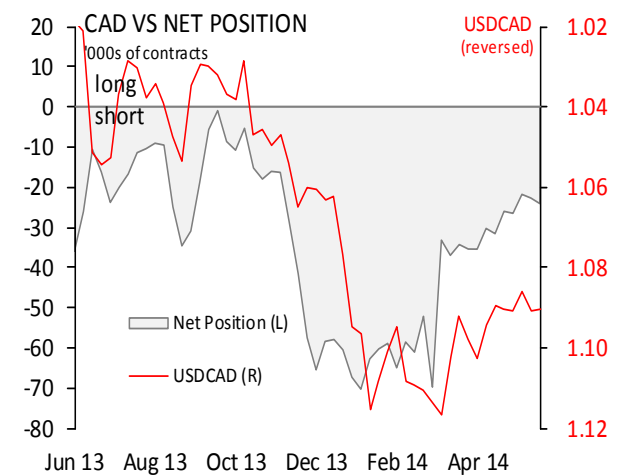
| 10-Jun                           | Sentiment |            | \$mns    |          |
|----------------------------------|-----------|------------|----------|----------|
|                                  | Bias      | Trend      | Position | w/w chg. |
| CAD                              | bearish   | neutral    | -2,211   | -127     |
| AUD                              | bullish   | increasing | 2,648    | 653      |
| NZD                              | bullish   | neutral    | 1,437    | -41      |
| MXN                              | bullish   | neutral    | 3,464    | 140      |
| EUR                              | bearish   | increasing | -9,684   | -4,058   |
| GBP                              | bullish   | neutral    | 3,754    | 92       |
| CHF                              | neutral   | neutral    | -421     | -141     |
| JPY                              | bearish   | increasing | -10,034  | -984     |
| Gold                             | bullish   | increasing | 7,701    | 337      |
| Total USD pos'n (excluding gold) |           |            | 11,048   | 4,465    |

### CAD — NON-COMMERCIAL POSITIONING

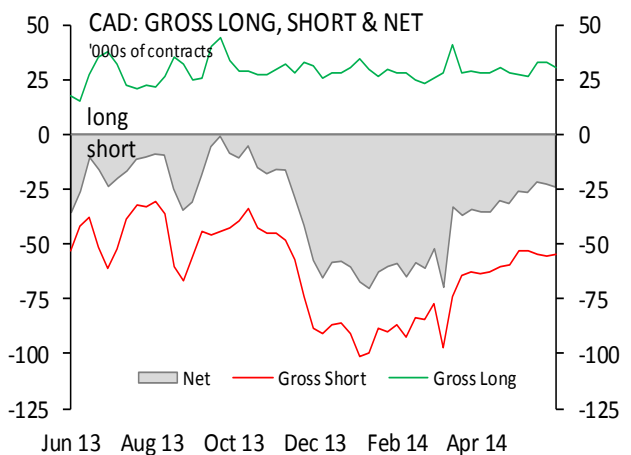
| Date   | (\$MM) | Position - Contracts of 100,000 CAD |        |         |         | Open Int. |
|--------|--------|-------------------------------------|--------|---------|---------|-----------|
|        | Net    | Long                                | Short  | Net     | Net w/w |           |
| 10-Jun | -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   |
| 27-May | -2,009 | 32,581                              | 54,391 | -21,810 | 4,724   | 129,989   |
| 20-May | -2,433 | 26,500                              | 53,034 | -26,534 | -497    | 121,268   |



Source: Scotiabank FX Strategy, Bloomberg & CFTC

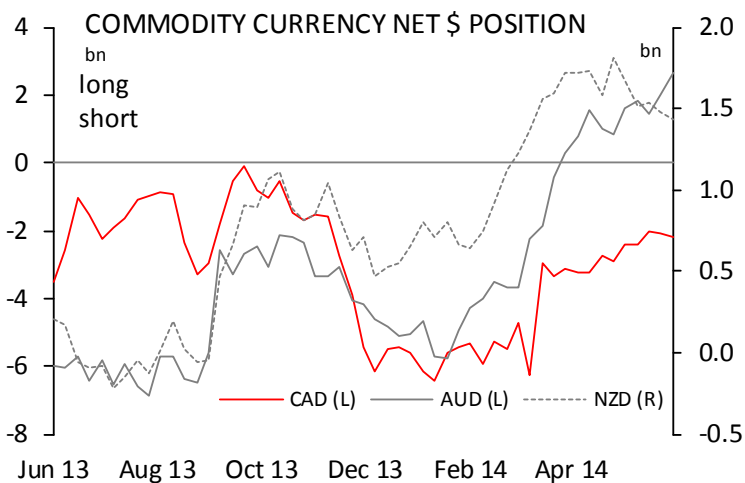


Source: Scotiabank FX Strategy, Bloomberg & CFTC

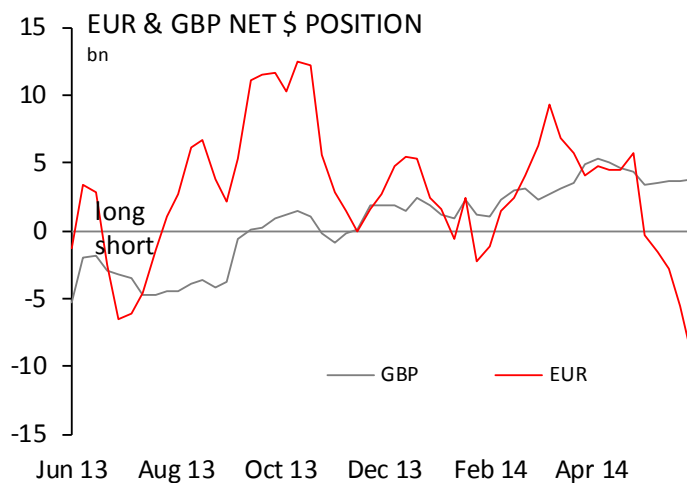


Source: Scotiabank FX Strategy, Bloomberg & CFTC

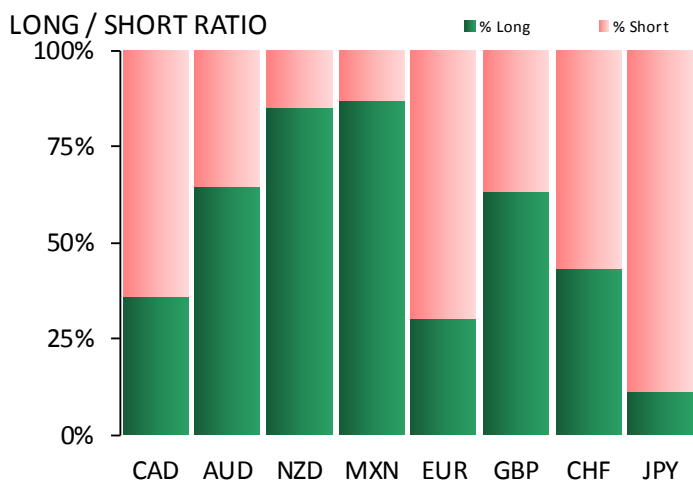
\* A trader is classified as "non-commercial" by the Commodity Futures Trading Commission if the trader is not using futures contracts in a particular currency for hedging purposes (as defined by the Commission). This category of futures trader is generally considered to include individual investors,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



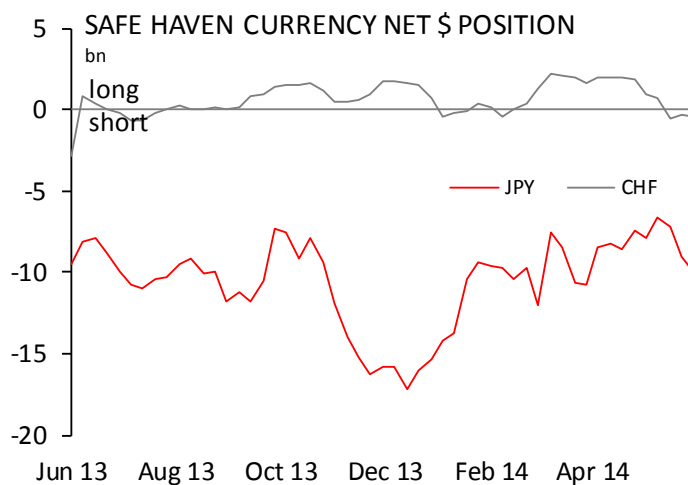
Source: Scotiabank FX Strategy, Bloomberg & CFTC



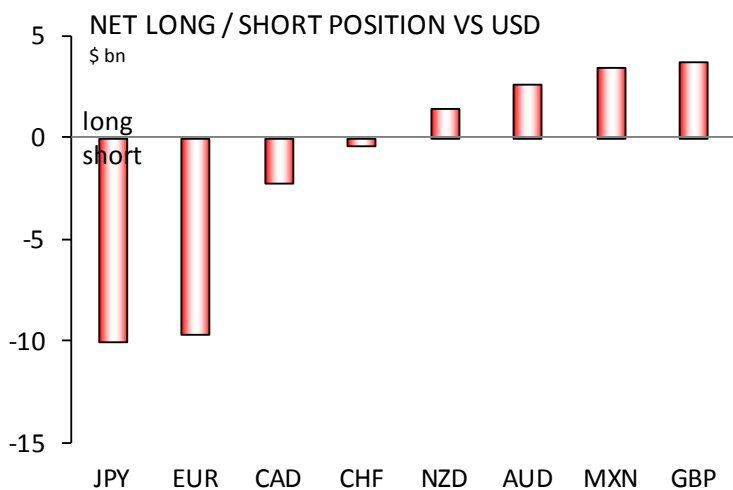
Source: Scotiabank FX Strategy, Bloomberg & CFTC



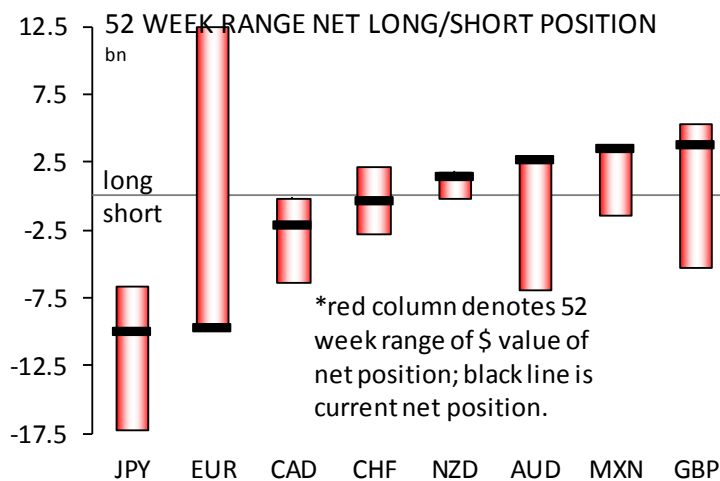
Source: Scotiabank FX Strategy, Bloomberg & CFTC



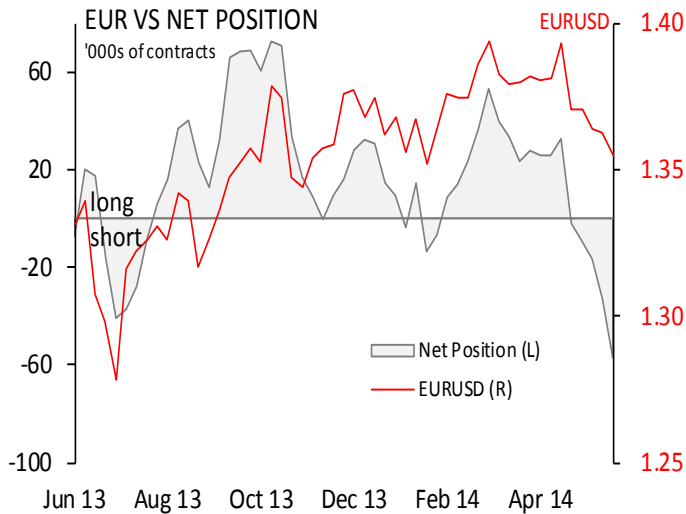
Source: Scotiabank FX Strategy, Bloomberg & CFTC



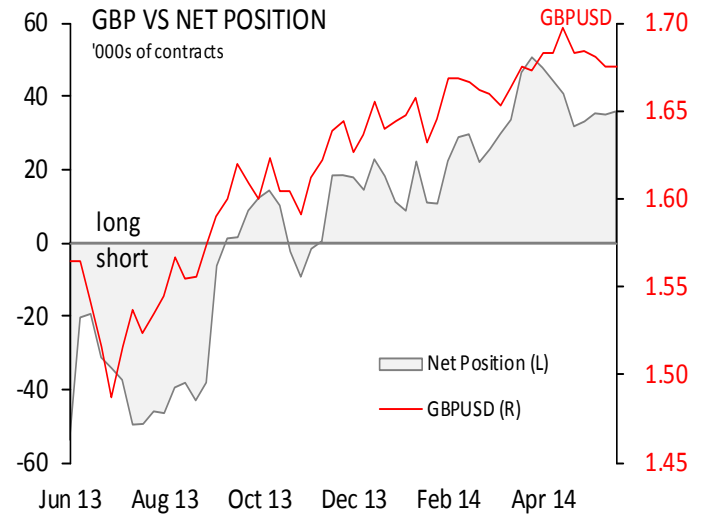
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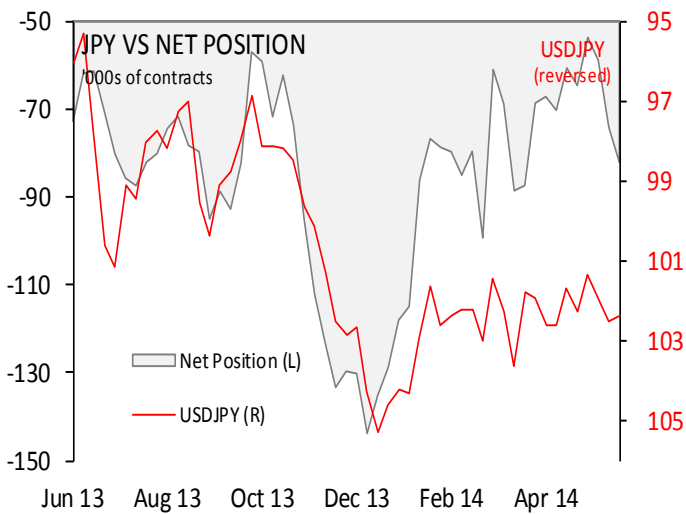
Source: Scotiabank FX Strategy, Bloomberg & CFTC

EUR — NON-COMMERCIAL POSITIONING

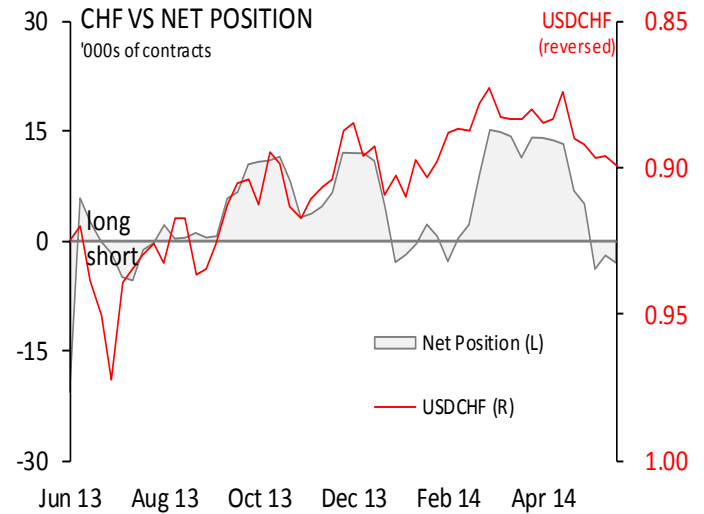
| Date   | (\$MM) | Position - Contracts of 125,000 EUR |         |         |         | Open Int. |
|--------|--------|-------------------------------------|---------|---------|---------|-----------|
|        | Net    | Long                                | Short   | Net     | Net w/w |           |
| 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   |
| 27-May | -2,835 | 70,753                              | 87,386  | -16,633 | -7,413  | 274,051   |
| 20-May | -1,579 | 75,013                              | 84,233  | -9,220  | -7,045  | 268,199   |

GBP — NON-COMMERCIAL POSITIONING

| Date   | (\$MM) | Position - Contracts of 62,500 GBP |        |        |         | Open Int. |
|--------|--------|------------------------------------|--------|--------|---------|-----------|
|        | Net    | Long                               | Short  | Net    | Net w/w |           |
| 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   |
| 27-May | 3,709  | 78,438                             | 43,134 | 35,304 | 2,214   | 238,440   |
| 20-May | 3,482  | 80,009                             | 46,919 | 33,090 | 1,335   | 237,637   |



Source: Scotiabank FX Strategy, Bloomberg & CFTC



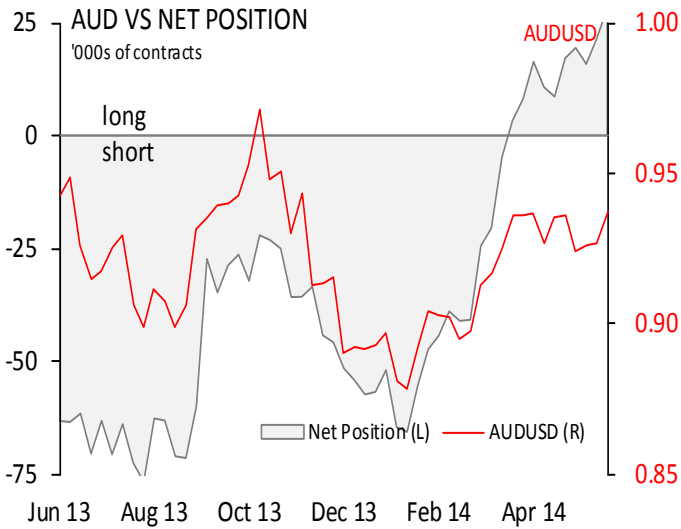
Source: Scotiabank FX Strategy, Bloomberg & CFTC

JPY — NON-COMMERCIAL POSITIONING

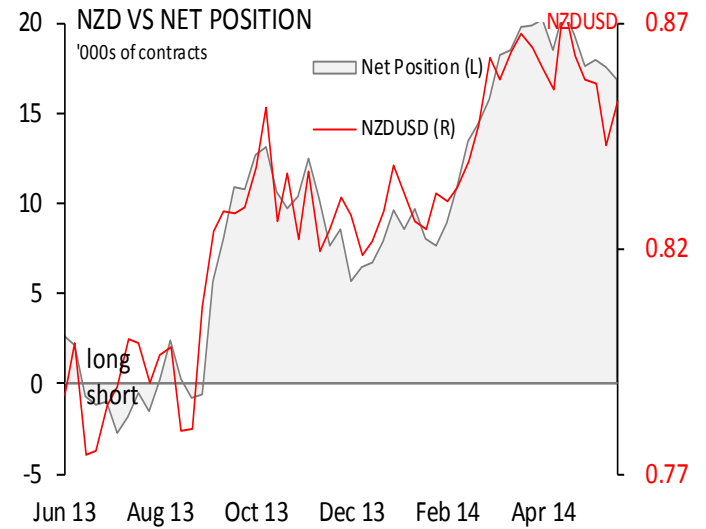
| Date   | (\$MM)  | Position - Contracts of 12.5MM JPY |        |         |         | Open Int. |
|--------|---------|------------------------------------|--------|---------|---------|-----------|
|        | Net     | Long                               | Short  | Net     | Net w/w |           |
| 10-Jun | -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   |
| 27-May | -7,236  | 16,999                             | 76,035 | -59,036 | -5,249  | 162,820   |
| 20-May | -6,635  | 18,681                             | 72,468 | -53,787 | 10,920  | 164,819   |

CHF — NON-COMMERCIAL POSITIONING

| Date   | (\$MM) | Position - Contracts of 125,000 CHF |        |        |         | Open Int. |
|--------|--------|-------------------------------------|--------|--------|---------|-----------|
|        | Net    | Long                                | Short  | Net    | Net w/w |           |
| 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    |
| 27-May | -540   | 11,559                              | 15,431 | -3,872 | -8,891  | 48,284    |
| 20-May | 703    | 17,387                              | 12,368 | 5,019  | -1,787  | 48,803    |



Source: Scotiabank FX Strategy, Bloomberg & CFTC



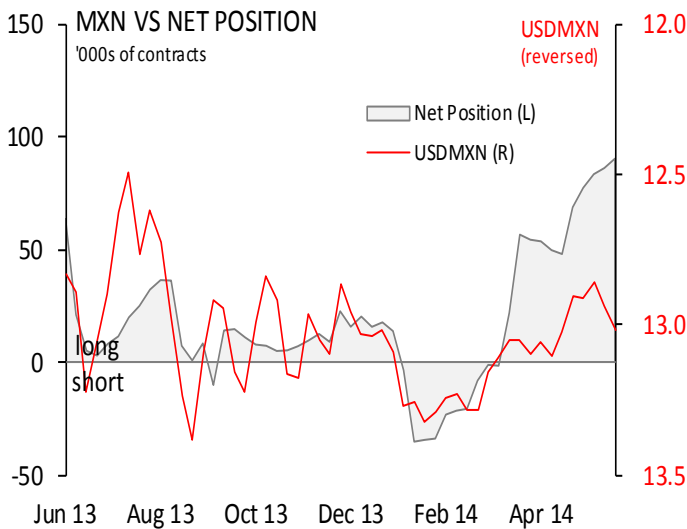
Source: Scotiabank FX Strategy, Bloomberg & CFTC

**AUD — NON-COMMERCIAL POSITIONING**

| Date   | (\$MM) | Position - Contracts of 100,000 AUD |        |        |         | Open Int. |
|--------|--------|-------------------------------------|--------|--------|---------|-----------|
|        | Net    | Long                                | Short  | Net    | Net w/w |           |
| 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   |
| 27-May | 1,467  | 52,071                              | 36,223 | 15,848 | -3,614  | 109,139   |
| 20-May | 1,799  | 50,130                              | 30,668 | 19,462 | 2,335   | 107,613   |

**NZD — NON-COMMERCIAL POSITIONING**

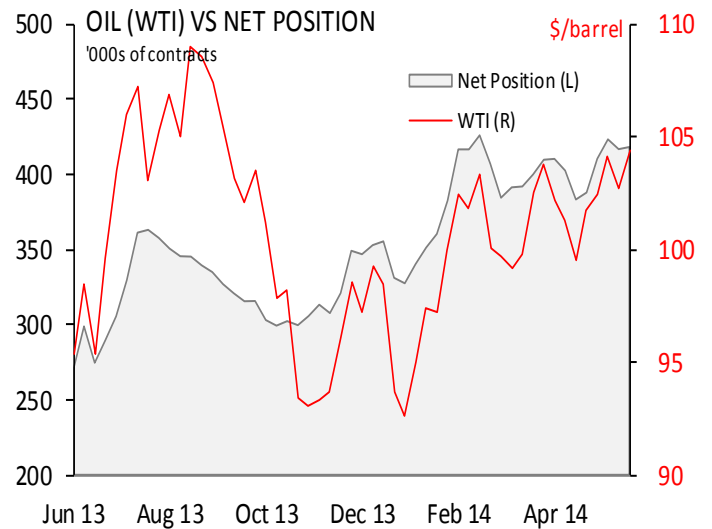
| Date   | (\$MM) | Position - Contracts of 100,000 NZD |       |        |         | Open Int. |
|--------|--------|-------------------------------------|-------|--------|---------|-----------|
|        | Net    | Long                                | Short | Net    | Net w/w |           |
| 10-Jun | 1,437  | 20,401                              | 3,546 | 16,855 | -676    | 32,946    |
| 3-Jun  | 1,478  | 22,400                              | 4,869 | 17,531 | -413    | 30,066    |
| 27-May | 1,537  | 22,034                              | 4,090 | 17,944 | 350     | 30,649    |
| 20-May | 1,509  | 22,486                              | 4,892 | 17,594 | -1,746  | 30,556    |



Source: Scotiabank FX Strategy, Bloomberg & CFTC

**MXN — NON-COMMERCIAL POSITIONING**

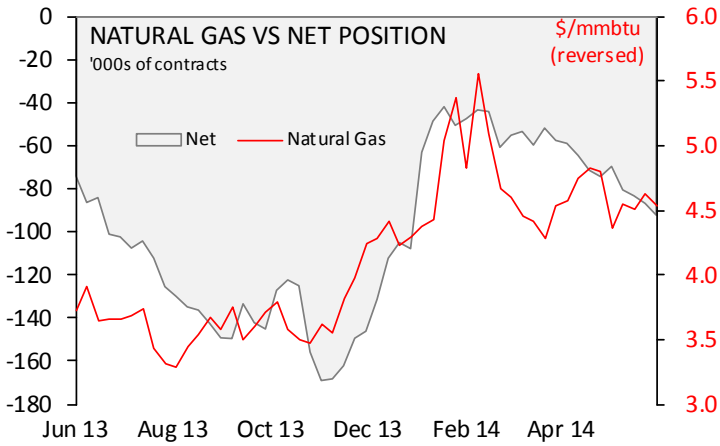
| Date   | (\$MM) | Position - Contracts of 100,000 AUD |        |        |         | Open Int. |
|--------|--------|-------------------------------------|--------|--------|---------|-----------|
|        | Net    | Long                                | Short  | Net    | Net w/w |           |
| 10-Jun | 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   |
| 27-May | 3,240  | 101,808                             | 18,507 | 83,301 | 6,035   | 157,626   |
| 20-May | 2,993  | 92,730                              | 15,464 | 77,266 | 8,644   | 154,795   |



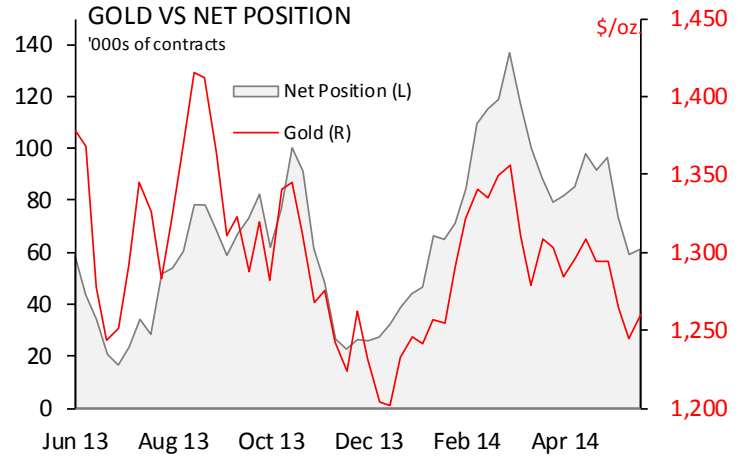
Source: Scotiabank FX Strategy, Bloomberg & CFTC

**NYMEX Crude — NON-COMMERCIAL POSITIONING**

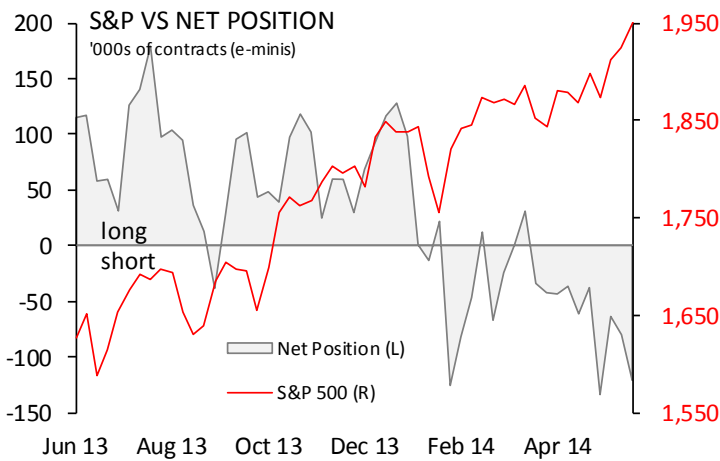
| Date   | (\$MM) | Position - Contracts of 1000 barrels |         |         |         | Open Int. |
|--------|--------|--------------------------------------|---------|---------|---------|-----------|
|        | Net    | Long                                 | Short   | Net     | Net w/w |           |
| 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 |
| 27-May | 44,053 | 526,135                              | 102,999 | 423,136 | 12,928  | 1,635,600 |
| 20-May | 42,022 | 507,592                              | 97,384  | 410,208 | 22,469  | 1,607,523 |



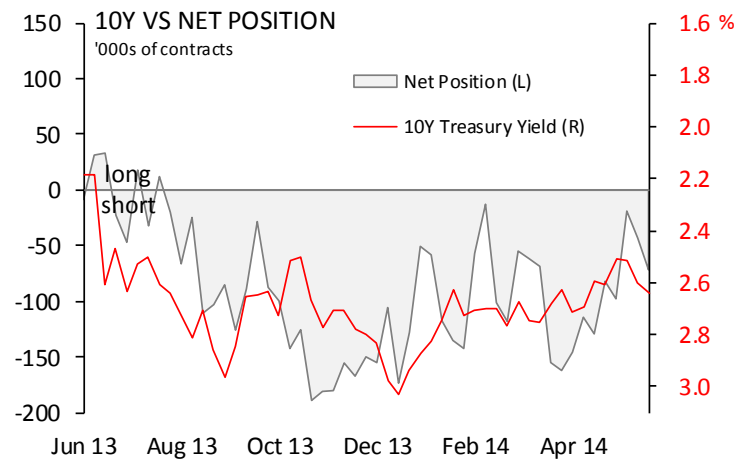
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