

FX SENTIMENT REPORT

COMMITMENT OF TRADERS—CFTC

Friday, July 18, 2014

CAD & AUD LONGS BUILD AS INVESTORS SHIFT FROM EUR

Data in this report cover up to Tuesday July 15th (post-Yellen testimony, BoJ and UK CPI, ahead of China GDP and BoC) & were released Friday July 18th.

- Expectations for growth stabilization from China and Fed Chair Yellen's improved tone were likely the key drivers providing for this week's supportive sentiment shifts toward AUD and CAD, while also simultaneously driving an adverse shift from EUR, reflecting the dual themes of global growth and relative central bank policy. Investors are long CAD, AUD, NZD, MXN and GBP and maintain short positions against EUR and JPY.

- CAD and AUD continue to benefit from improving sentiment on the back of a supportive growth outlook (top left p2), with net long positioning in both rising to levels not seen since H1 2013. For AUD the improvement reflects a steady rise in gross longs, while for CAD the build in longs remains a recent development, with the net reflecting an ongoing trend of short covering (bottom right p1).

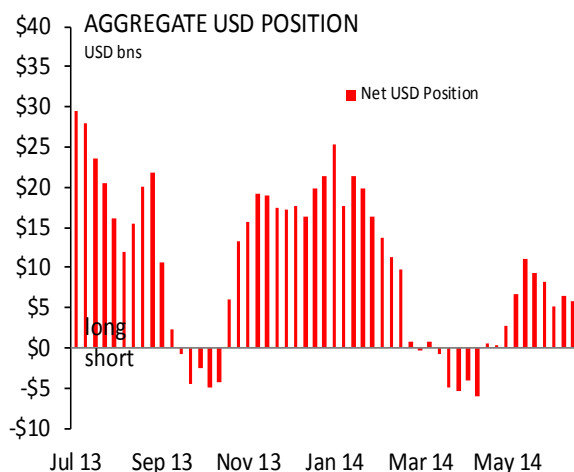
- This week's deterioration in EUR sentiment—to a new 52-week low (bottom right p2)—is reflective of an ongoing trend of building bearish sentiment, where gross shorts have risen steadily since March. For GBP, the largest held net long at \$4.1bn—this week's CPI-driven rally to a new multi-year high likely induced some market participants to position against a currency that we believe to be priced to perfection, while simultaneously providing for profit-taking on the part of longs.

- For JPY, a paring back in risk reflects ongoing global uncertainty and a shifting BoJ calculus with an unbowed post-tax tone.

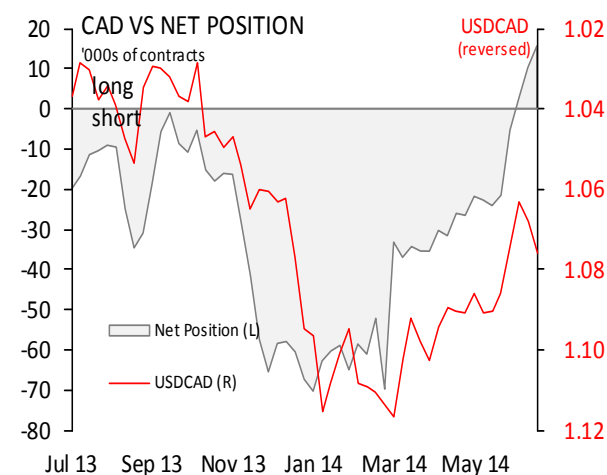
15-Jul	Sentiment		Position	
	Bias	Trend	Position	w/w chg.
CAD	bullish	increasing	1,452	488
AUD	bullish	increasing	3,724	284
NZD	bullish	neutral	1,355	88
MXN	bullish	neutral	2,689	39
EUR	bearish	increasing	-10,659	-575
GBP	bullish	decreasing	4,154	-304
CHF	bearish	neutral	-874	80
JPY	bearish	decreasing	-7,738	430
Gold	bullish	decreasing	18,435	-1,357
Total USD pos'n (excluding gold)			5,897	-529

CAD — NON-COMMERCIAL POSITIONING

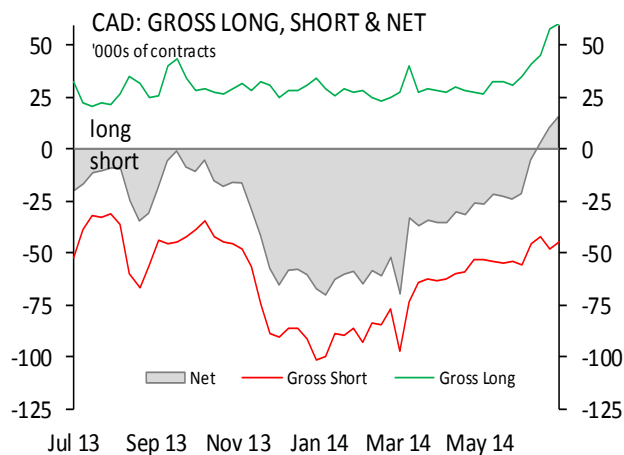
Date	(\$MM) Net	Position - Contracts of 100,000 CAD				Open Int.
		Long	Short	Net	Net w/w	
15-Jul	1,452	60,353	44,732	15,621	5,326	129,787
8-Jul	964	58,245	47,950	10,295	7,600	128,555
1-Jul	253	44,755	42,060	2,695	8,015	111,438
24-Jun	-495	40,595	45,915	-5,320	16,213	103,193



Source: Scotiabank FX Strategy, Bloomberg & CFTC

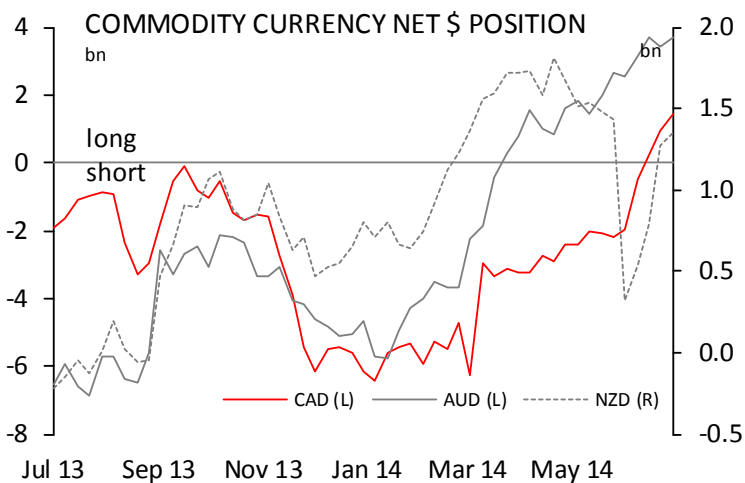


Source: Scotiabank FX Strategy, Bloomberg & CFTC

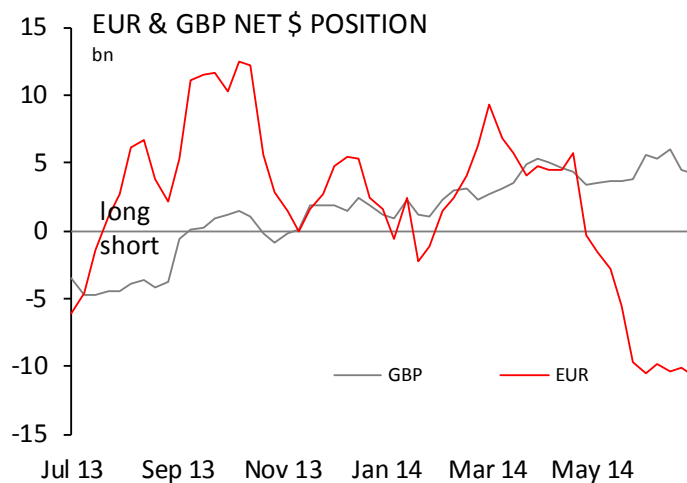


Source: Scotiabank FX Strategy, Bloomberg & CFTC

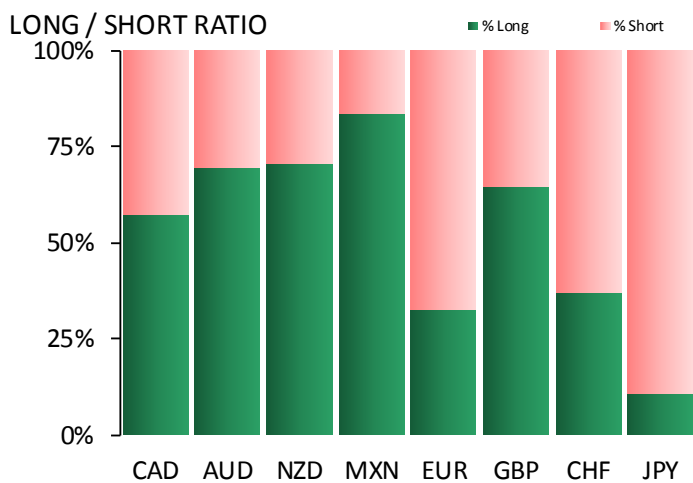
* A trader is classified as "non-commercial" by the Commodity Futures Trading Commission if the trader is not using futures contracts in a particular currency for hedging purposes (as defined by the Commission). This category of futures trader is generally considered to include individual investors,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



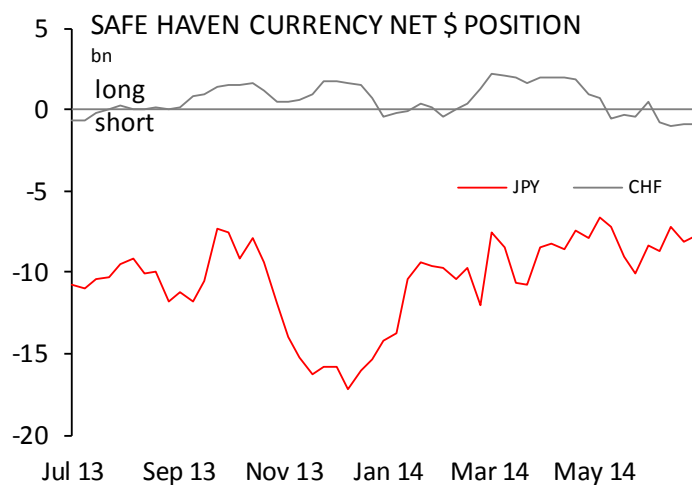
Source: Scotiabank FX Strategy, Bloomberg & CFTC



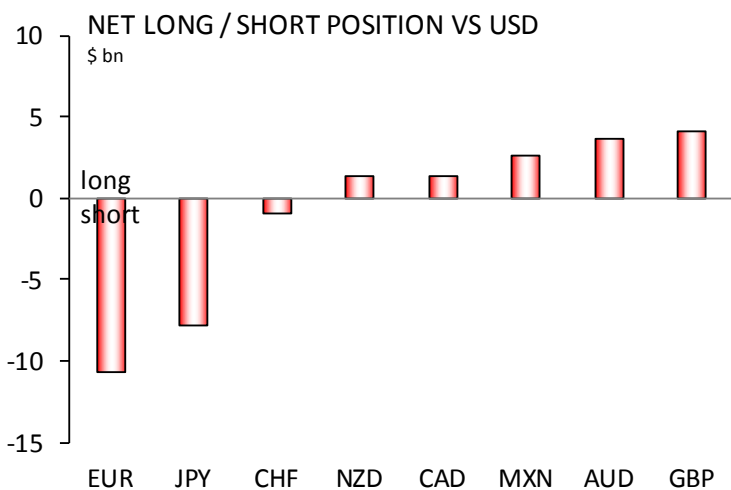
Source: Scotiabank FX Strategy, Bloomberg & CFTC



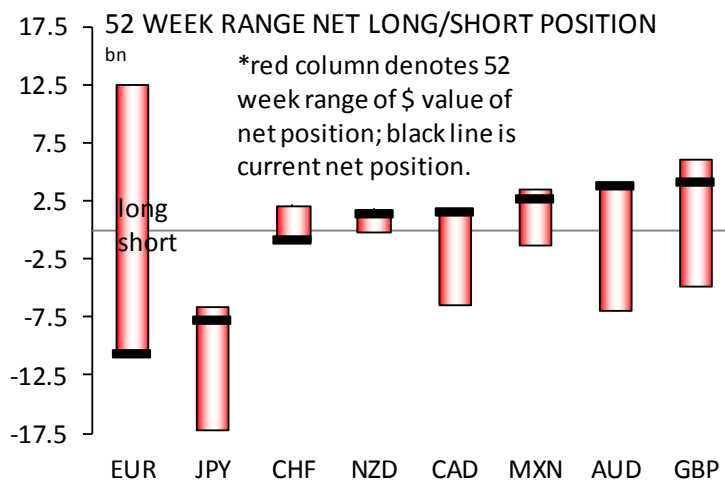
Source: Scotiabank FX Strategy, Bloomberg & CFTC



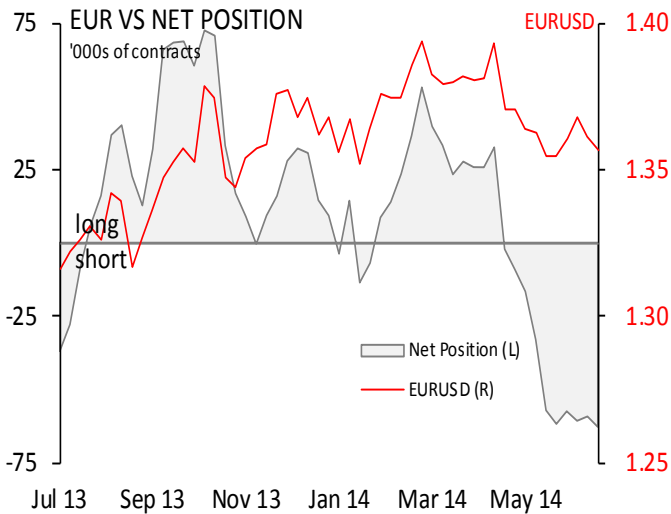
Source: Scotiabank FX Strategy, Bloomberg & CFTC



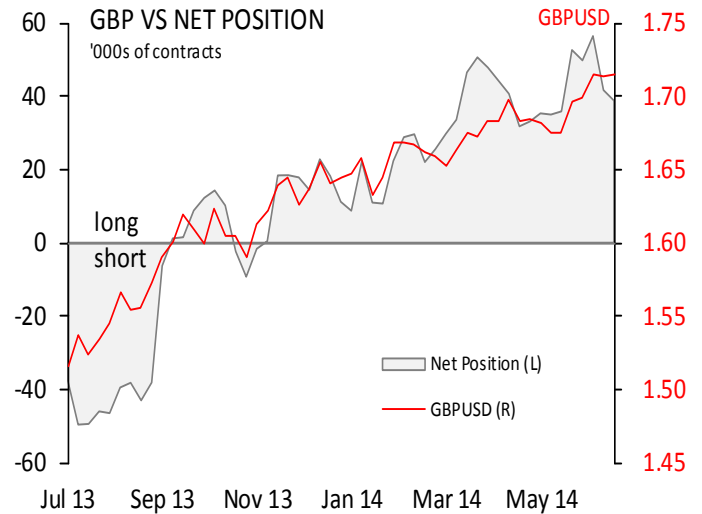
Source: Scotiabank FX Strategy, Bloomberg & CFTC



Source: Scotiabank FX Strategy, Bloomberg & CFTC



Source: Scotiabank FX Strategy, Bloomberg & CFTC



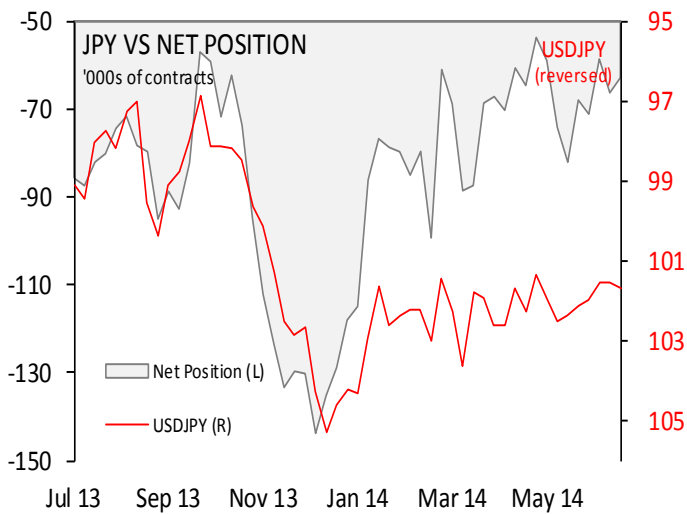
Source: Scotiabank FX Strategy, Bloomberg & CFTC

EUR — NON-COMMERCIAL POSITIONING

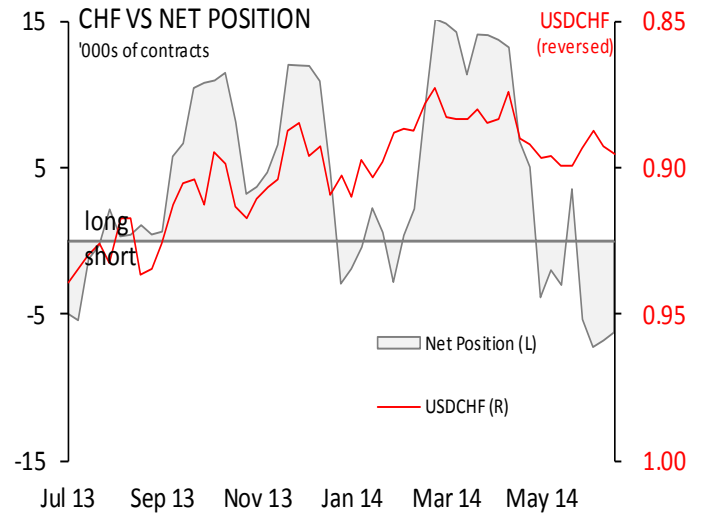
Date	(\$MM)	Position - Contracts of 125,000 EUR				Open Int.
	Net	Long	Short	Net	Net w/w	
15-Jul	-10,659	59,506	122,352	-62,846	-3,581	310,661
8-Jul	-10,084	51,595	110,860	-59,265	1,511	294,381
1-Jul	-10,392	52,665	113,441	-60,776	-3,273	291,488
24-Jun	-9,780	55,062	112,565	-57,503	4,332	291,244

GBP — NON-COMMERCIAL POSITIONING

Date	(\$MM)	Position - Contracts of 62,500 GBP				Open Int.
	Net	Long	Short	Net	Net w/w	
15-Jul	4,154	85,983	47,213	38,770	-2,869	255,115
8-Jul	4,458	86,614	44,975	41,639	-14,773	254,788
1-Jul	6,047	99,929	43,517	56,412	6,661	255,911
24-Jun	5,282	98,098	48,347	49,751	-2,845	254,369



Source: Scotiabank FX Strategy, Bloomberg & CFTC



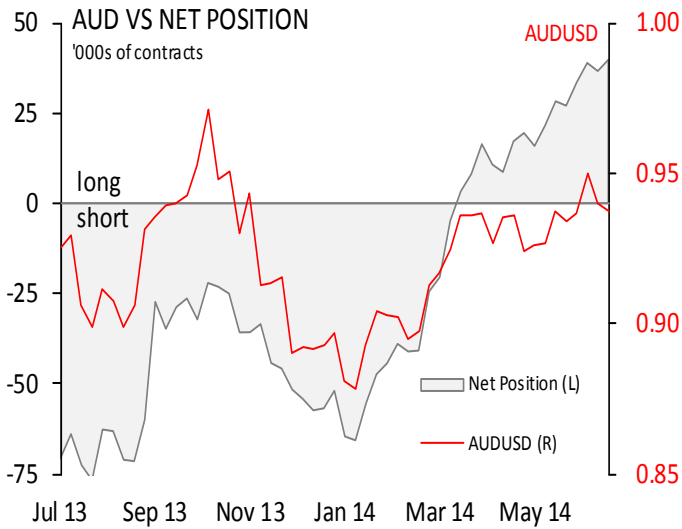
Source: Scotiabank FX Strategy, Bloomberg & CFTC

JPY — NON-COMMERCIAL POSITIONING

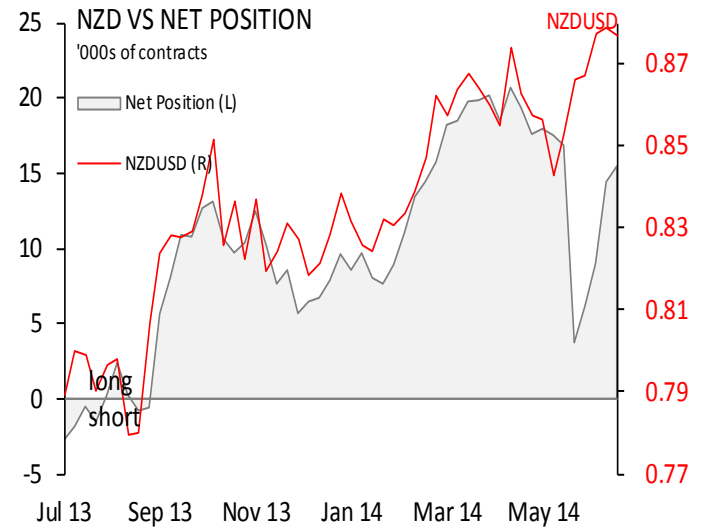
Date	(\$MM)	Position - Contracts of 12.5MM JPY				Open Int.
	Net	Long	Short	Net	Net w/w	
15-Jul	-7,738	8,385	71,333	-62,948	3,427	155,127
8-Jul	-8,169	11,174	77,549	-66,375	-7,689	157,710
1-Jul	-7,225	18,739	77,425	-58,686	12,537	156,480
24-Jun	-8,731	10,325	81,548	-71,223	-3,185	148,257

CHF — NON-COMMERCIAL POSITIONING

Date	(\$MM)	Position - Contracts of 125,000 CHF				Open Int.
	Net	Long	Short	Net	Net w/w	
15-Jul	-874	8,799	15,061	-6,262	551	35,007
8-Jul	-954	9,136	15,949	-6,813	447	35,053
1-Jul	-1,023	9,731	16,991	-7,260	-1,888	35,221
24-Jun	-751	9,069	14,441	-5,372	-8,892	33,599



Source: Scotiabank FX Strategy, Bloomberg & CFTC



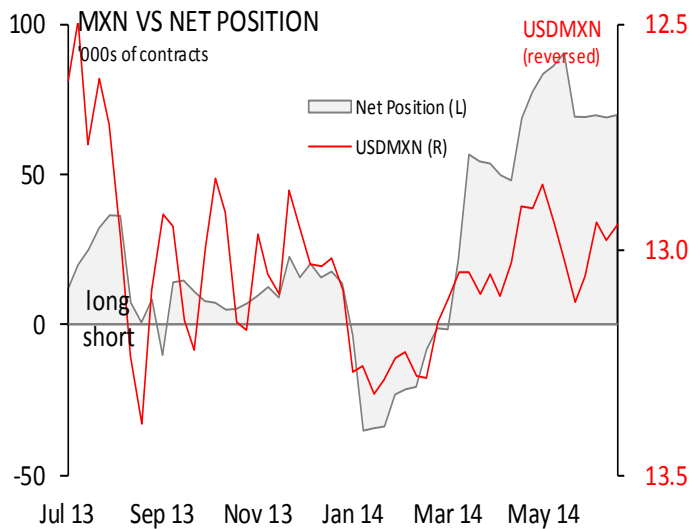
Source: Scotiabank FX Strategy, Bloomberg & CFTC

AUD — NON-COMMERCIAL POSITIONING

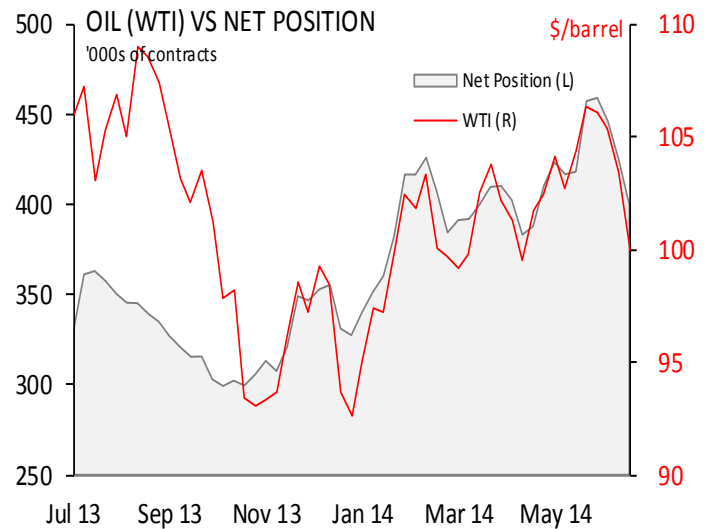
Date	(\$MM)	Position - Contracts of 100,000 AUD				Open Int.
	Net	Long	Short	Net	Net w/w	
15-Jul	3,724	70,881	31,138	39,743	3,140	105,209
8-Jul	3,440	66,705	30,102	36,603	-2,276	101,860
1-Jul	3,692	76,598	37,719	38,879	5,416	114,918
24-Jun	3,135	65,612	32,149	33,463	6,434	101,998

NZD — NON-COMMERCIAL POSITIONING

Date	(\$MM)	Position - Contracts of 100,000 NZD				Open Int.
	Net	Long	Short	Net	Net w/w	
15-Jul	1,355	26,570	11,117	15,453	1,037	32,879
8-Jul	1,267	26,750	12,334	14,416	5,431	36,123
1-Jul	788	26,563	17,578	8,985	2,833	33,455
24-Jun	534	24,855	18,703	6,152	2,419	31,415



Source: Scotiabank FX Strategy, Bloomberg & CFTC



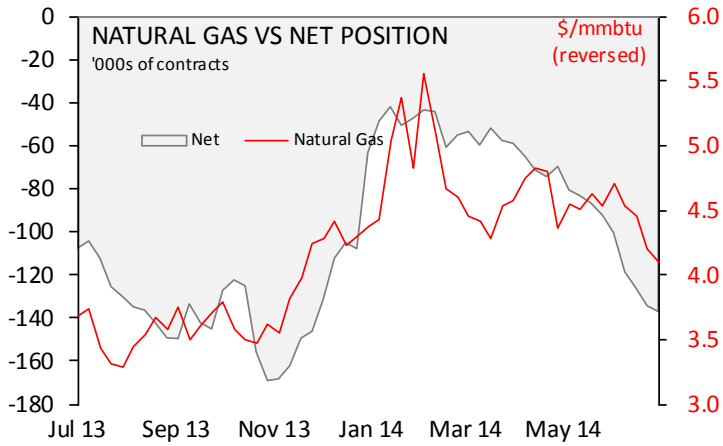
Source: Scotiabank FX Strategy, Bloomberg & CFTC

MXN — NON-COMMERCIAL POSITIONING

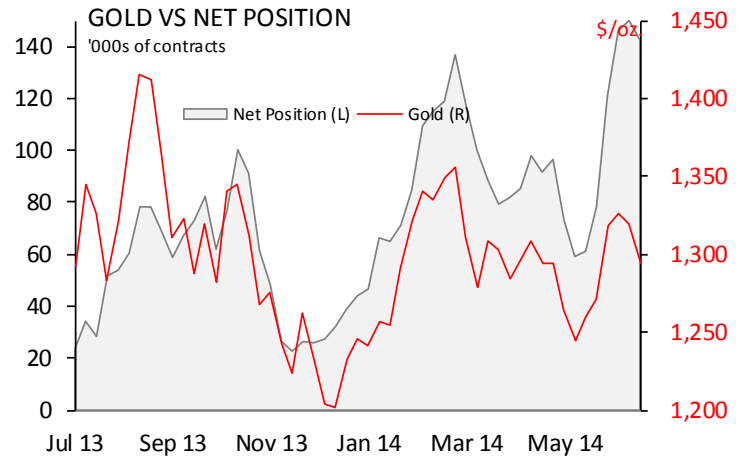
Date	(\$MM)	Position - Contracts of 100,000 AUD				Open Int.
	Net	Long	Short	Net	Net w/w	
15-Jul	2,689	86,707	17,070	69,637	826	131,108
8-Jul	2,650	82,777	13,966	68,811	-751	126,231
1-Jul	2,687	85,387	15,825	69,562	593	129,425
24-Jun	2,640	84,943	15,974	68,969	-106	128,333

NYMEX Crude — NON-COMMERCIAL POSITIONING

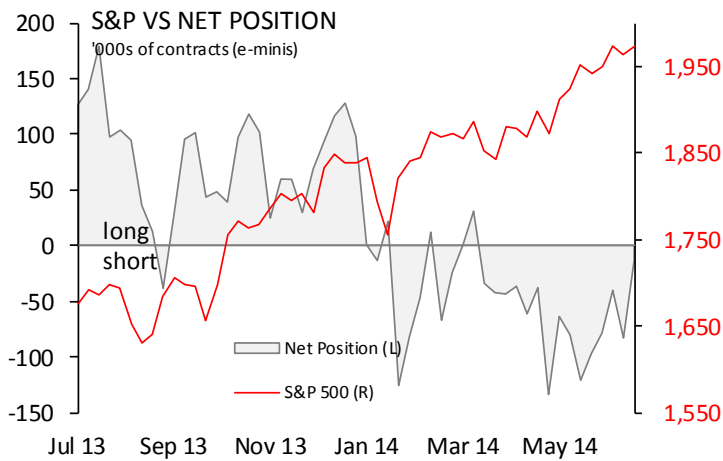
Date	(\$MM)	Position - Contracts of 1000 barrels				Open Int.
	Net	Long	Short	Net	Net w/w	
15-Jul	39,944	489,729	90,126	399,603	-25,284	1,721,704
8-Jul	43,933	514,431	89,544	424,887	-20,953	1,742,131
1-Jul	46,965	535,712	89,872	445,840	-13,129	1,759,554
24-Jun	48,664	548,016	89,047	458,969	1,813	1,720,856



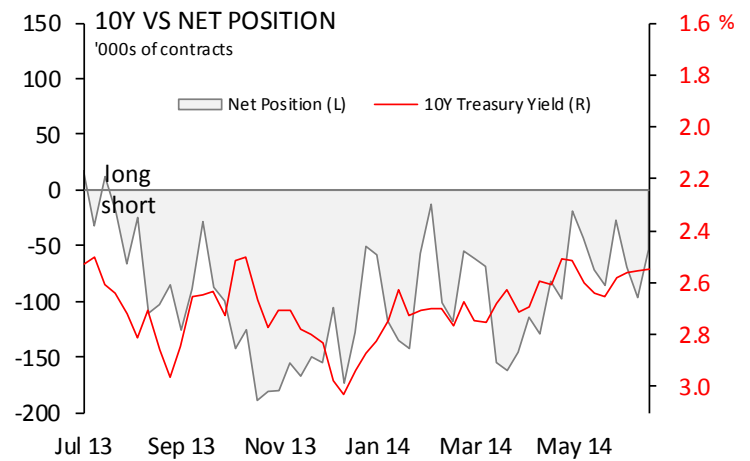
Source: Scotiabank FX Strategy, Bloomberg & CFTC



Source: Scotiabank FX Strategy, Bloomberg & CFTC



Source: Scotiabank FX Strategy, Bloomberg & CFTC



Source: Scotiabank FX Strategy, Bloomberg & CFTC