

## Buy AUD and GBP: they are oversold

- At present, the G10 FX PIX 2.0 signals that the GBP is oversold. Subsequently, we have entered a long position in GBP/USD with a target (+3%) and a stop-loss of (-1.5%). Furthermore, the G10 FX PIX 2.0 signals that the AUD is oversold. Subsequently, we have entered a long position in AUD/USD with a target (+3%) and a stop-loss of (-1.5%). The model remains up 11.32% with a hit ratio of 53% over the past twelve months.
- The USD remains the biggest G10 FX long although the currency came under some selling interest last week, according to our positioning data. A closer look at our in-house FX flows suggests that corporate and real money investors were buying the currency. Their purchases were less pronounced than in the past, however, resulting in a negative FX-flows Z-score that we use to calculate the positioning index.
- The GBP came under further selling interest last week, according to our positioning index. This is despite the fact that our FX flow data pointed at some buying by corporates and real money investors. Similar to the USD, the FX flows entered the positioning index with a negative Z-score because the latest purchases fell well short of their historic average. As a result of the latest dip in the GBP positioning index below its two-month average, the currency is now trading in oversold territory.
- The AUD remains the biggest G10 FX short at present and experienced fresh selling last week, according to our positioning data despite evidence of net buying from our FX flow data. A closer look at these flows suggests that all client groups have been buying the AUD over the past week. The latest surge in AUD selling has pushed the positioning index for the currency below its two-month average and therefore into oversold territory.
- Elsewhere, the EUR faced fresh selling interest last week, predominantly driven by CA-CIB flows data. Given the latter, the EUR remains broadly balanced. The CAD faced growing selling interest last week, according to our positioning index. The currency remains the second-biggest G10 FX short at present.



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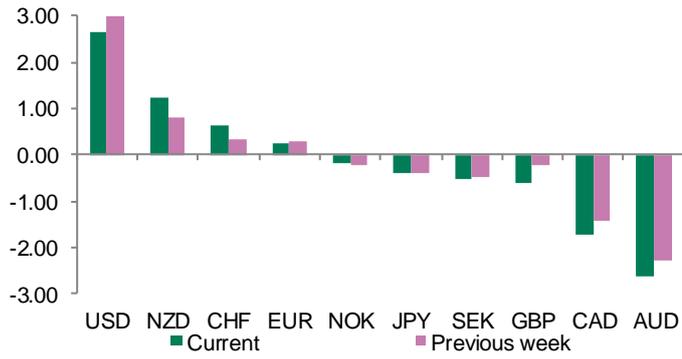
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Fig 1. New G10 FX PIX 2.0 trades this week

Time Stamp	Entry	Trade	Direction	Spot at entry	Take Profit	Stop Loss
09:00 GMT	13/09/2021	GBP/USD	Long	9am London fix	3.00%	-1.50%
09:00 GMT	13/09/2021	AUD/USD	Long	9am London fix	3.00%	-1.50%

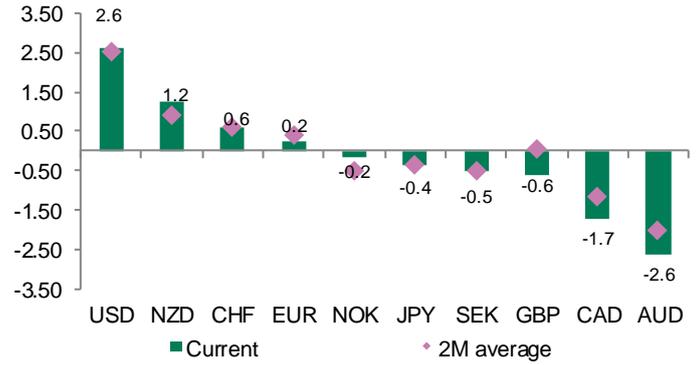
Source: *Crédit Agricole CIB*

**Fig 2. G10 FX positioning at a glance**



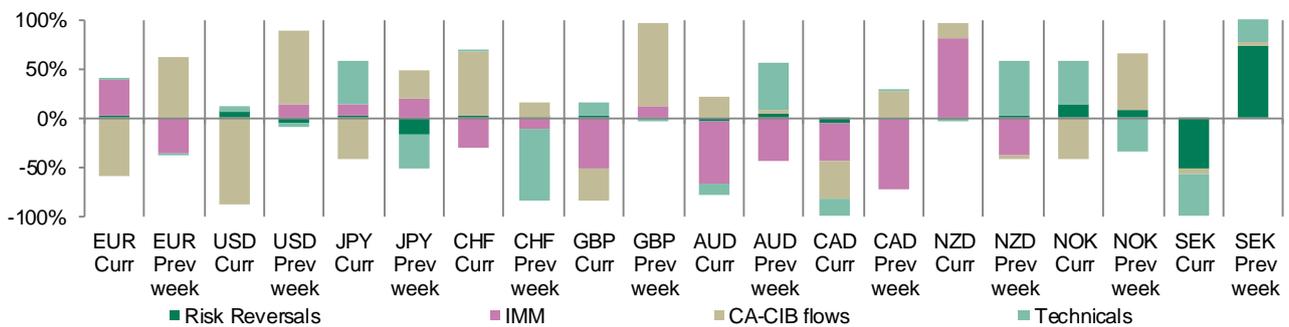
Source: Crédit Agricole CIB

**Fig 3. G10 FX positioning – current vs 2M average**



Source: Crédit Agricole CIB

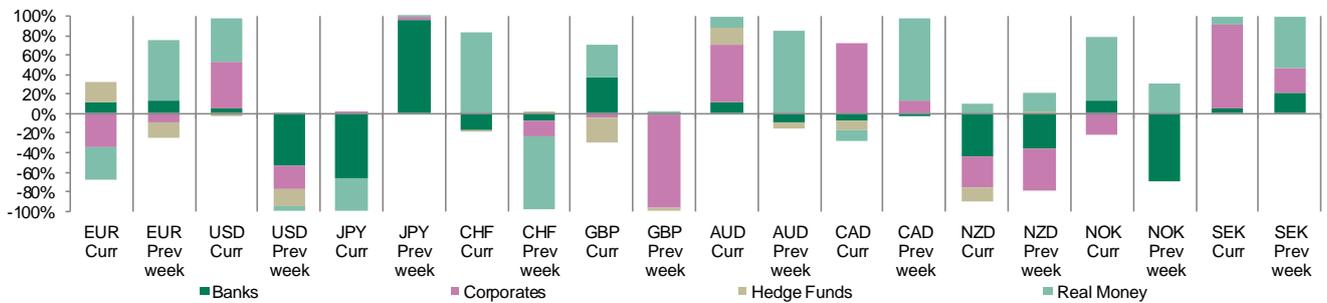
**Fig 4. Current vs previous week weighted contributions of positioning sub-indices**



Note: A negative (positive) z-score could mean that the change in the underlying positioning data is below (above) its long-term average

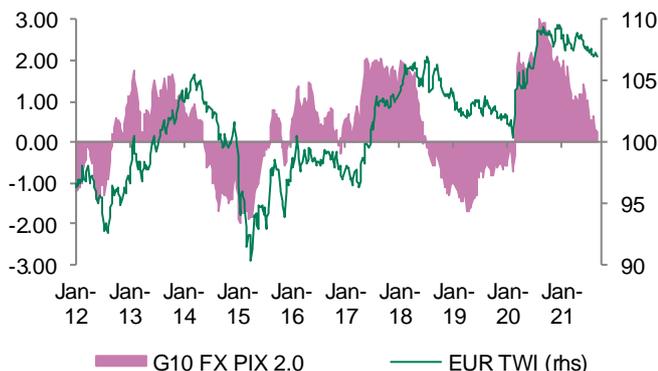
Source: Crédit Agricole CIB

**Fig 5. Current vs previous week FX flows**



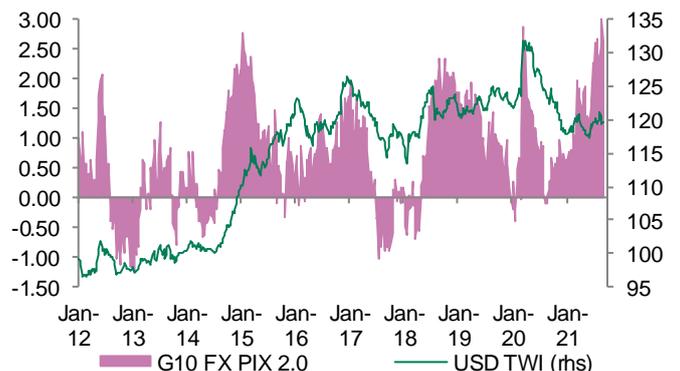
Source: Crédit Agricole CIB

**Fig 6. G10 FX PIX 2.0 for EUR**



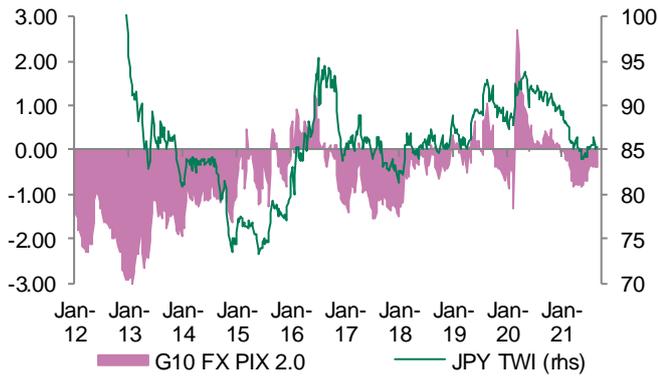
Source: Crédit Agricole CIB, Bloomberg

**Fig 7. G10 FX PIX 2.0 for USD**



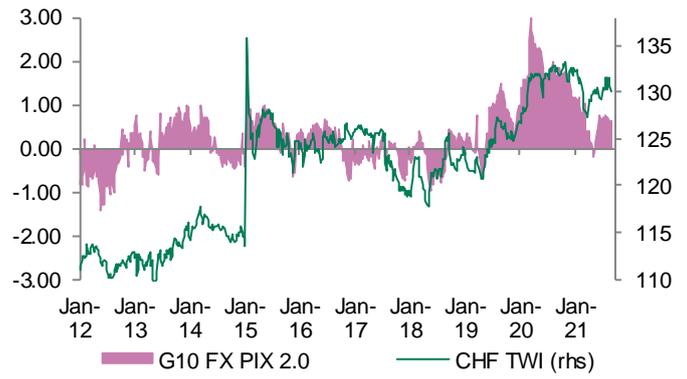
Source: Crédit Agricole CIB, Bloomberg

**Fig 8. G10 FX PIX 2.0 for JPY**



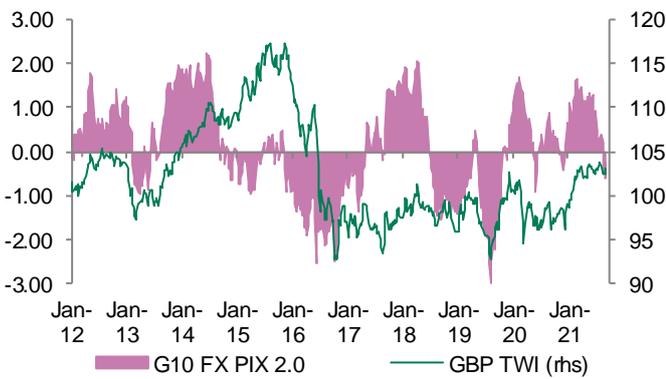
Source: Crédit Agricole CIB, Bloomberg

**Fig 9. G10 FX PIX 2.0 for CHF**



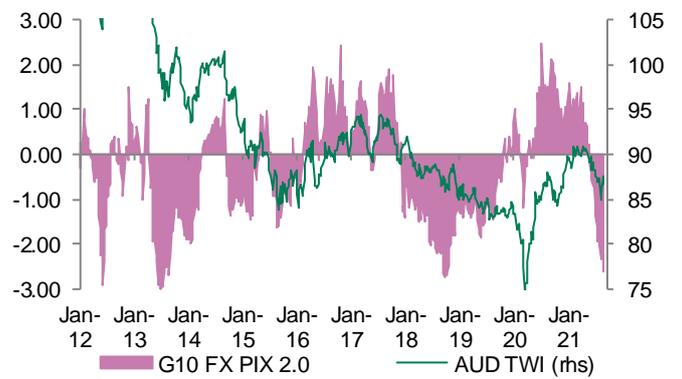
Source: Crédit Agricole CIB, Bloomberg

**Fig 10. G10 FX PIX 2.0 for GBP**



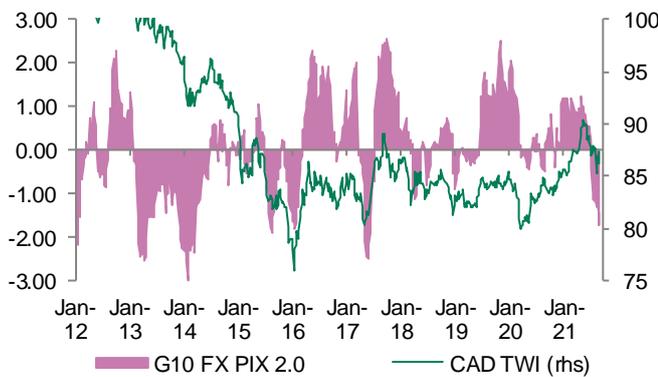
Source: Crédit Agricole CIB, Bloomberg

**Fig 11. G10 FX PIX 2.0 for AUD**



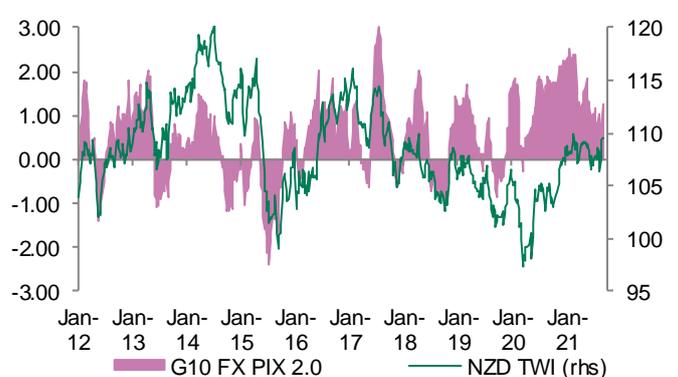
Source: Crédit Agricole CIB, Bloomberg

**Fig 12. G10 FX PIX 2.0 for CAD**



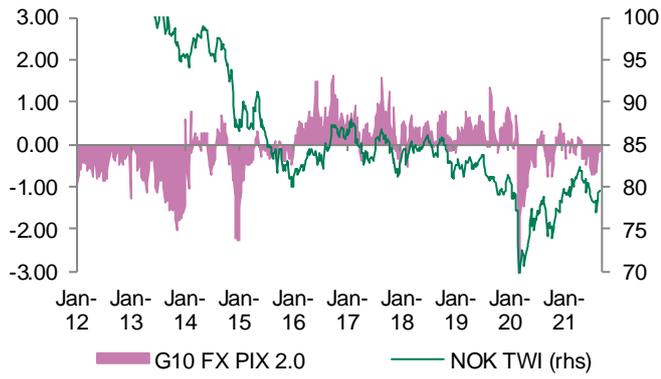
Source: Crédit Agricole CIB, Bloomberg

**Fig 13. G10 FX PIX 2.0 for NZD**



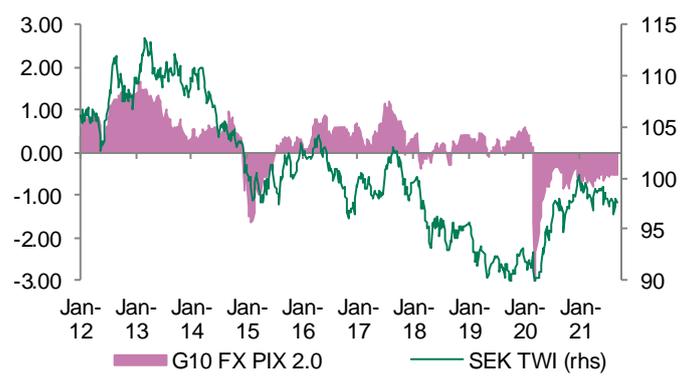
Source: Crédit Agricole CIB, Bloomberg

**Fig 14. G10 FX PIX 2.0 for NOK**



Source: Crédit Agricole CIB, Bloomberg

**Fig 15. G10 FX PIX 2.0 for SEK**



Source: Crédit Agricole CIB, Bloomberg