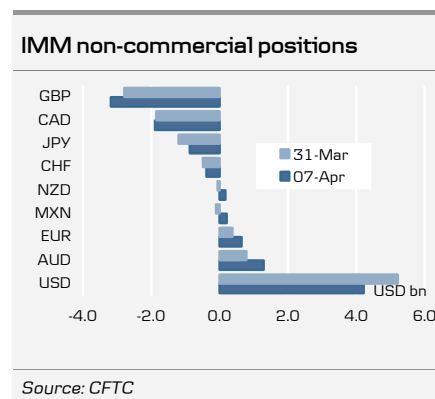


IMM positioning

Speculative investors add to long EUR positions

- The latest IMM data covers the week from 31 March to 7 April
- After having turned net long in EUR, by late March, speculative investors added to net long EUR positions last week. Bets that EUR/USD will appreciate was build further, despite EUR/USD failing to break above its March high and despite the pair falling back towards 1.32 by the time the IMM data was collected. Net long EUR positions are still fairly modest by historical standards though.
- Speculative investors continue to reduce net long USD positions, which nevertheless remain significant. The effective USD index is currently trading 5 percent below its 9 March multi-year high.
- The Australian dollar remains in favour by speculative investors. Net long AUD positions were extended in the week to 7 April and are now back at levels not seen since August last year. The AUD has been one of the best performing G10 currencies this year and has gained a stunning 16 percent against USD during the past month. While the AUD continues to see strong support from the pick up in risk sentiment, rising commodity prices and a widening interest rate spread, the build up in long AUD positions does increase the risk of a correction as the trade has become more crowded.
- Despite GBP/USD continuing to climb higher, breaking back above 1.45, speculative investors have added to net short GBP positions. Hence, investors are not yet convinced that the pressure is off Sterling. This view is also reflected in pricing on the option market, where GBP/USD risk reversals remain negative.
- Speculative investors are net long in AUD, EUR, and now also NZD against USD, while net short in GBP, CAD, JPY and CHF against USD.



The IMM data

The IMM data is part of the Commitments of Traders (COT) reports published by the U.S. Commodity Futures Trading Commission (CFTC). The IMM data provides a breakdown of each Tuesday's open futures positions on the International Money Market (IMM) a division of the Chicago Mercantile Exchange. All of a trader's reported futures positions in a commodity are classified as commercial if the trader uses futures contracts in that particular commodity for hedging as defined in CFTC Regulation 1.3(z), 17 CFR 1.3(z). A trader may be classified as a commercial trader in some commodities and as a non-commercial trader in other commodities.

Table 1. IMM positioning

	1000 contracts			USD bn		
	07-Apr	31-Mar	Change	07-Apr	31-Mar	Change
USD*				4.2	5.2	-1.0
EUR	3.9	2.3	1.6	0.6	0.4	0.3
JPY	-7.0	-9.5	2.5	-0.9	-1.2	0.3
GBP	-34.5	-31.1	-3.3	-3.2	-2.8	-0.4
CHF	-3.5	-4.4	0.9	-0.4	-0.5	0.1
CAD	-23.3	-23.3	0.0	-1.9	-1.9	0.0
AUD	18.1	11.3	6.8	1.3	0.8	0.5
NZD	3.0	-0.9	3.9	0.2	-0.1	0.2
MXN	5.6	-3.0	8.5	0.2	-0.1	0.3
OIL	12.5	6.5	5.9			
GOLD	127.8	154.9	-27.0			
SILVER	17.6	20.6	-2.9			
COPPER	-17.4	-18.5	1.1			
2-YEAR	49.9	51.4	-1.5			
10-YEAR	-60.3	-46.7	-13.6			

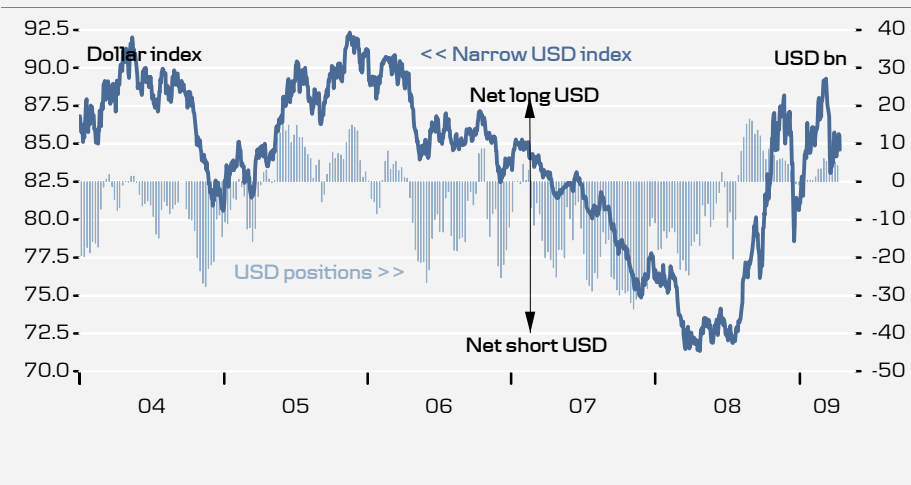
*Sum of EUR, JPY, GBP, CHF, CAD, AUD and NZD (with a minus sign)

Source: CFTC

Analyst

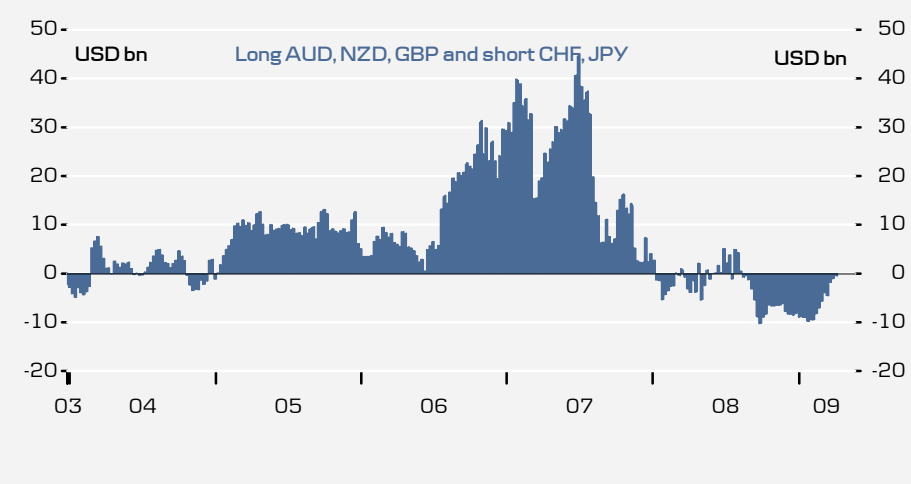
Kasper Kirkegaard
+45 45 13 70 18
kaki@danskebank.com

Chart 1. Sum of EUR, JPY, GBP, CHF, CAD, AUD and NZD



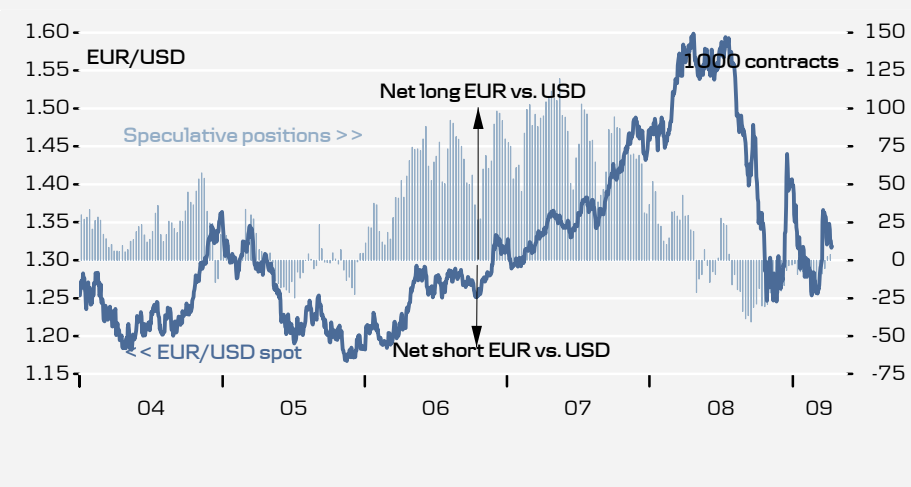
Source: CFTC, Danske Markets

Chart 2. Non-commercial 'carry' positioning



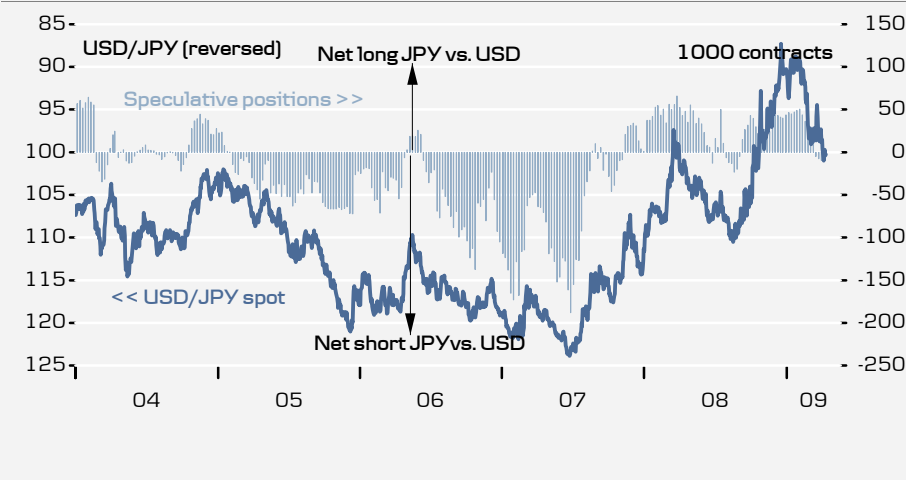
Source: CFTC

Chart 3. EUR/USD and non-commercial positioning



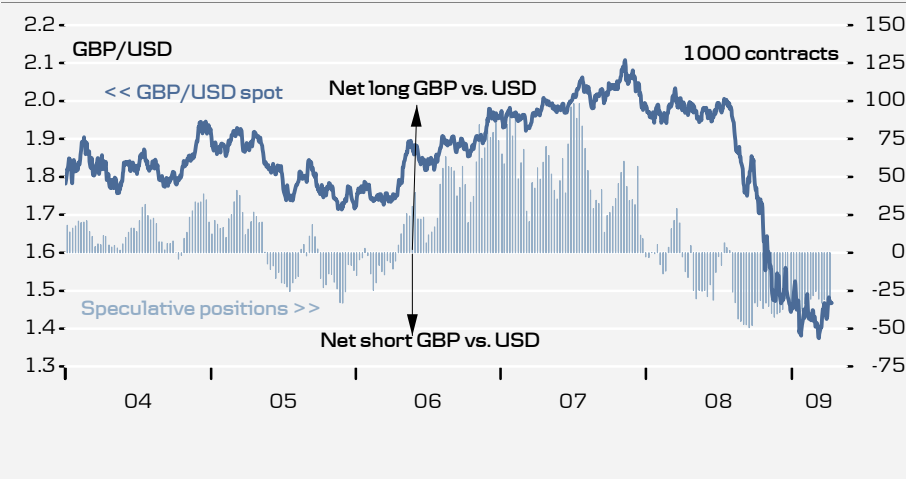
Source: CFTC

Chart 4. USD/JPY and non-commercial positioning



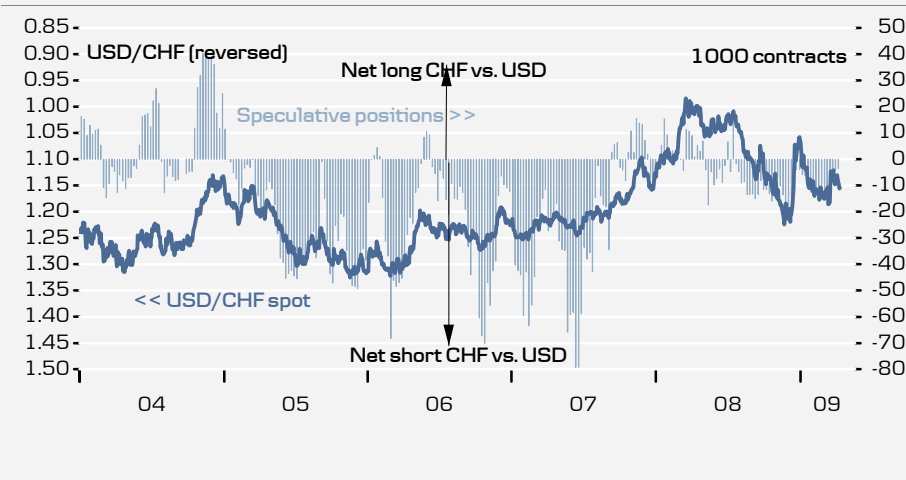
Source: CFTC

Chart 5. GBP/USD and non-commercial positioning



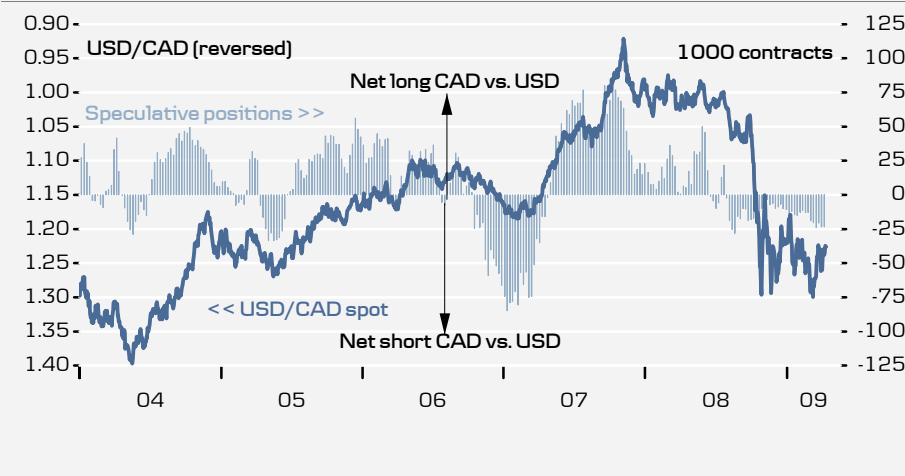
Source: CFTC

Chart 6. USD/CHF and non-commercial positioning



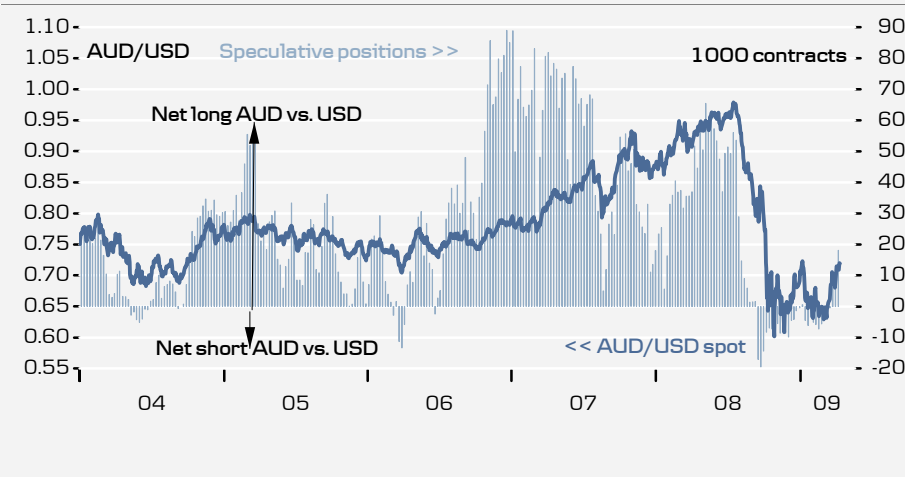
Source: CFTC

Chart 7. USD/CAD and non-commercial positioning



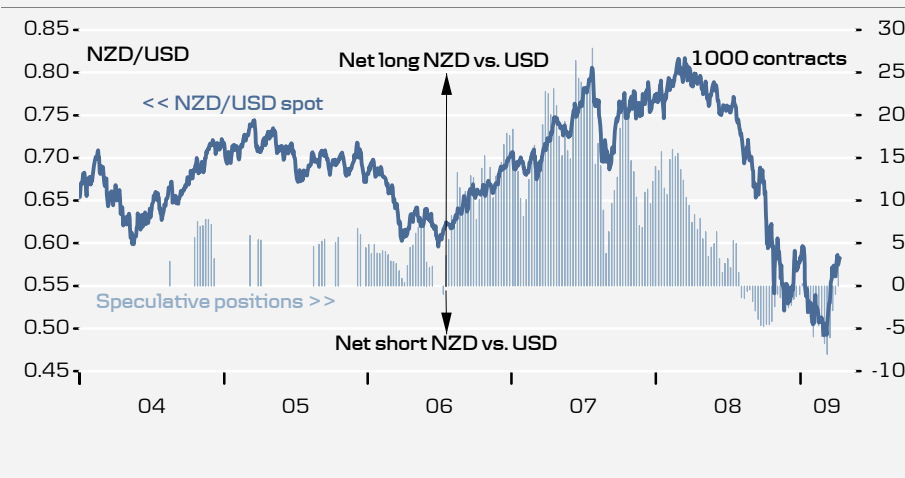
Source: CFTC

Chart 8. AUD/USD and non-commercial positioning



Source: CFTC

Chart 9. NZD/USD and non-commercial positioning



Source: CFTC

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