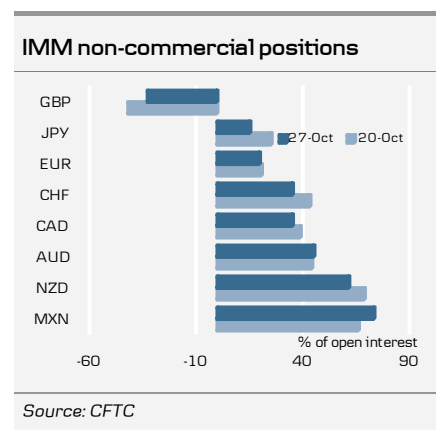


# IMM positioning

## Soft equity markets see a reduction in USD shorts

- The latest IMM data covers the week from 20 to 27 October.
- Speculative investors pulled back some of their dollar shorts from the high level seen in the week prior, as risk sentiment deteriorated and financial markets became nervous about the sustainability of the Q3 earnings driven rally. Risky assets continued to sell off last week and given the price action in the dollar it is likely that dollar shorts have been reduced further.
- The past week's price action illustrates that the stretched speculative positions that have been built up in recent months are leaving the market with a high risk of abrupt price movements on risk pull-backs. The drop in AUD, NZD, CAD – and to some extent EUR/USD – last week is indicative of such a position squeeze.
- While risk exposure is likely to have been reduced further following the collection of IMM data, NZD, AUD and CAD still look most at risk from a position squeeze – while GBP could benefit from a less dovish than expected Bank of England on Thursday.
- Despite the pull-back in risk USD/JPY has remained somewhat rigid and it is worth noting that long JPY positions are now well below 20% of open interest.



### IMM non-commercial positioning

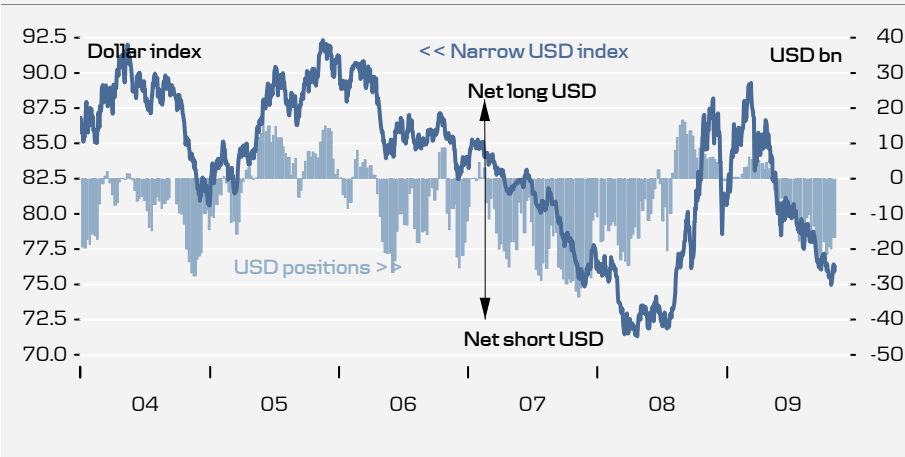
	1000 contracts			% of open interest			USD bn		
	27-Oct	20-Oct	Change	27-Oct	20-Oct	Change	27-Oct	20-Oct	Change
USD*							-16.7	-20.0	3.2
EUR	32.9	36.0	-3.2	19.9	21.2	-1.2	6.1	6.7	-0.6
JPY	17.5	31.2	-13.7	15.2	25.9	-10.6	2.4	4.3	-1.9
GBP	-31.4	-43.3	11.9	-32.8	-42.0	9.2	-3.2	-4.4	1.2
CHF	17.8	23.9	-6.0	35.2	43.6	-8.4	2.2	2.9	-0.8
CAD	35.5	43.5	-8.1	35.6	39.1	-3.6	3.3	4.1	-0.8
AUD	52.9	54.0	-1.1	45.9	44.8	1.1	4.8	5.0	-0.1
NZD	15.0	17.2	-2.1	62.0	69.0	-7.0	1.1	1.3	-0.2
MXN	66.8	55.2	11.6	73.5	66.1	7.4	2.5	2.1	0.4
OIL	109.6	74.4	35.2	9.0	6.1	2.9			
GOLD	241.8	250.1	-8.3	48.6	49.1	-0.5			
COPPER	9.1	1.7	7.4	6.5	1.3	5.3			
2-YEAR	165.0	179.9	-14.9	16.6	18.0	-1.4			
10-YEAR	-71.2	-40.8	-30.4	-5.7	-3.2	-2.5			
S&P500	-8.8	-6.6	-2.1	-2.2	-1.7	-0.5			

Source: CFTC

#### Analyst

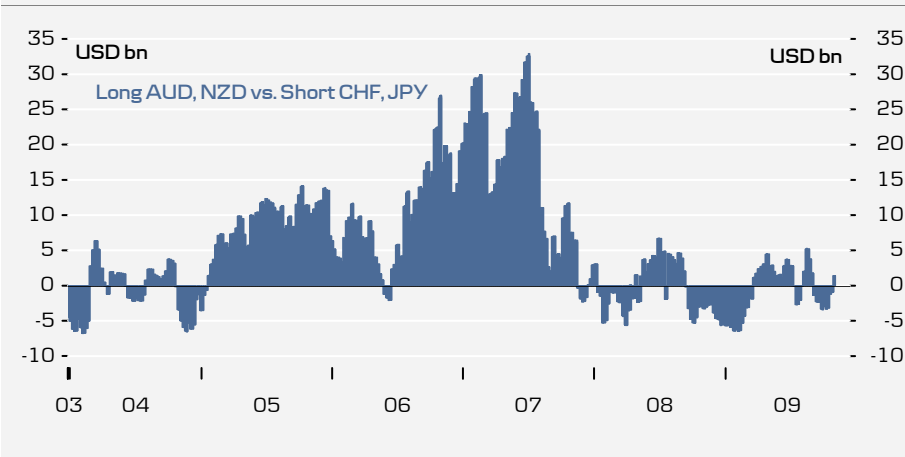
Kasper Kirkegaard  
+45 45 137 018  
kaki@danskebank.dk

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



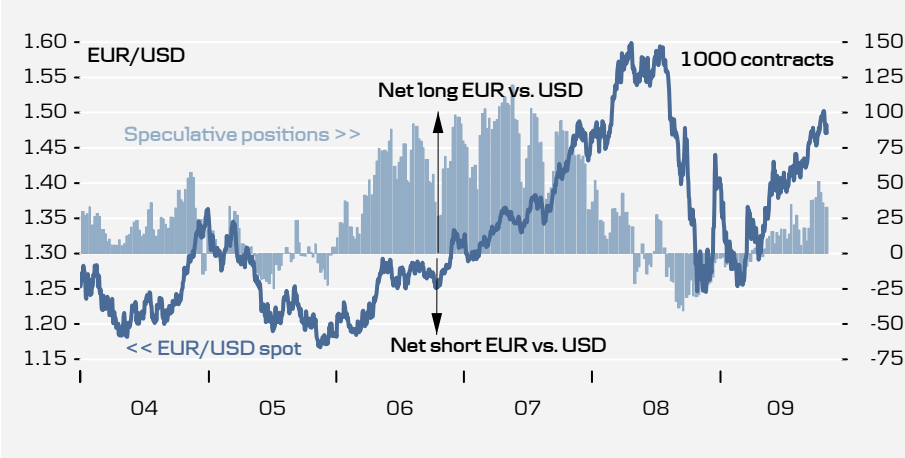
Source: CFTC, Danske Markets

Chart 2. Non-commercial 'carry' positioning



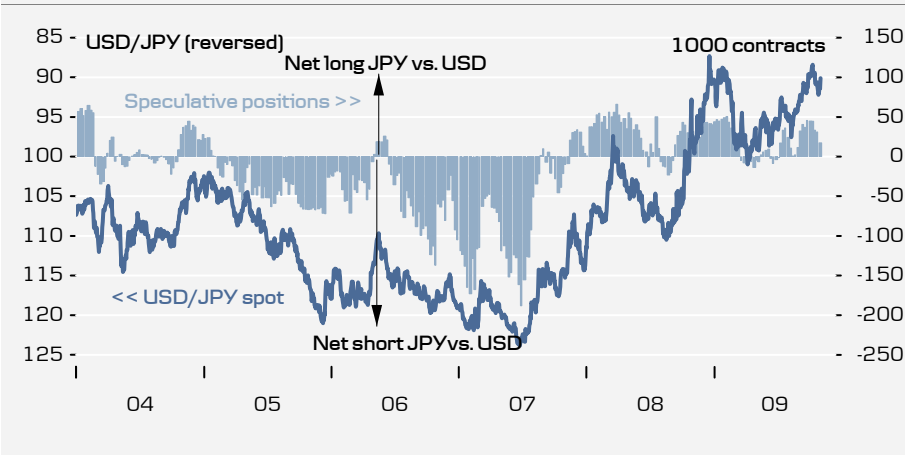
Source: CFTC

Chart 3. EUR/USD and non-commercial positioning



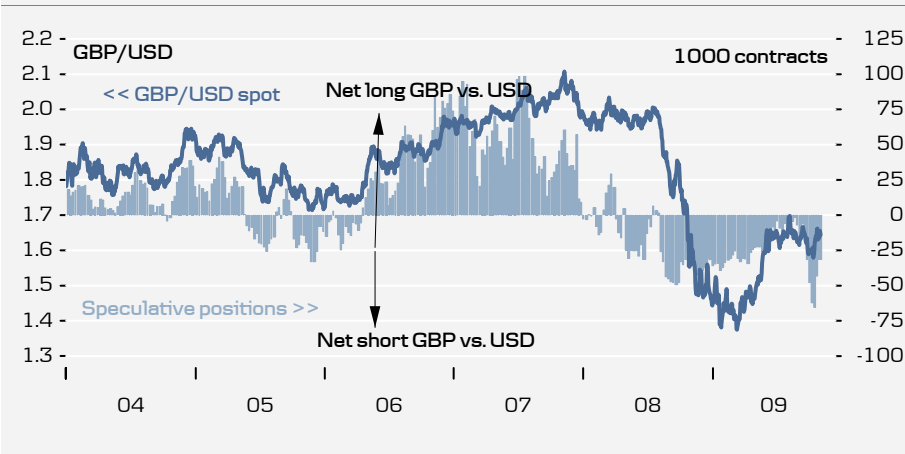
Source: CFTC

Chart 4. USD/JPY and non-commercial positioning



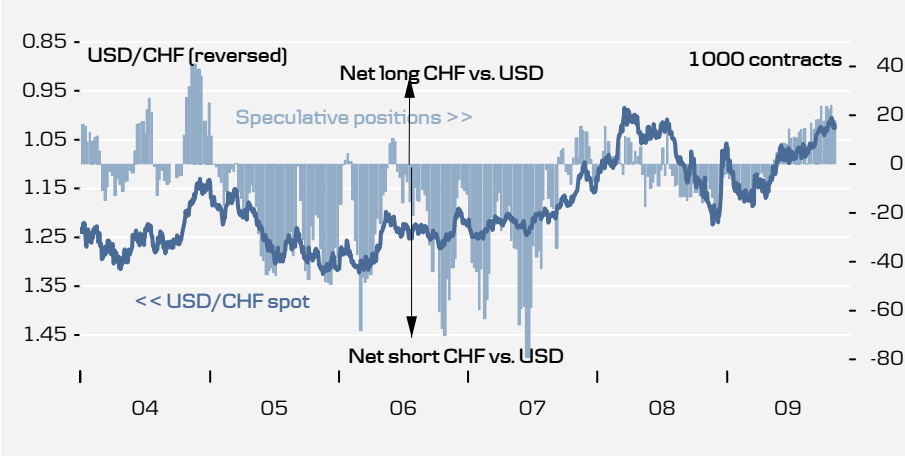
Source: CFTC

Chart 5. GBP/USD and non-commercial positioning



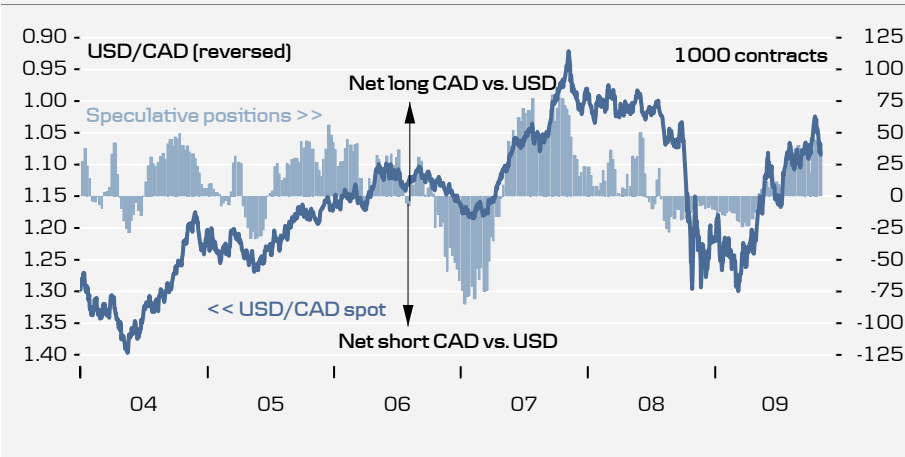
Source: CFTC

Chart 6. USD/CHF and non-commercial positioning



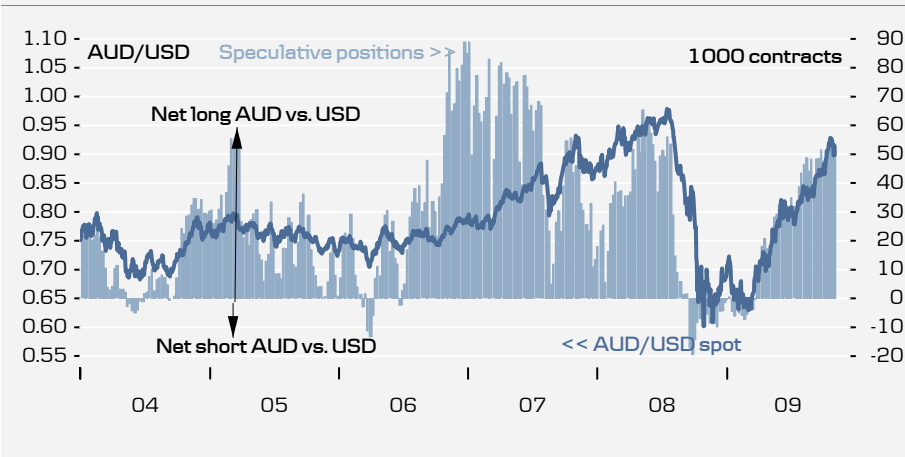
Source: CFTC

Chart 7. USD/CAD and non-commercial positioning



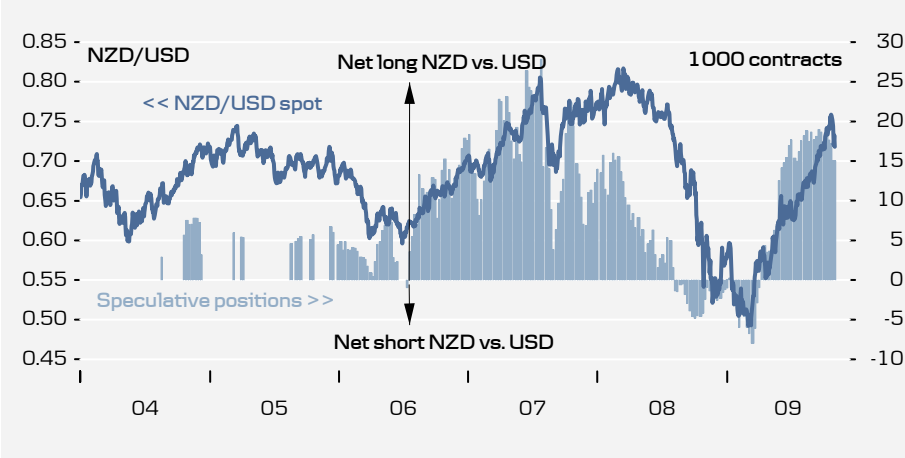
Source: CFTC

Chart 8. AUD/USD and non-commercial positioning



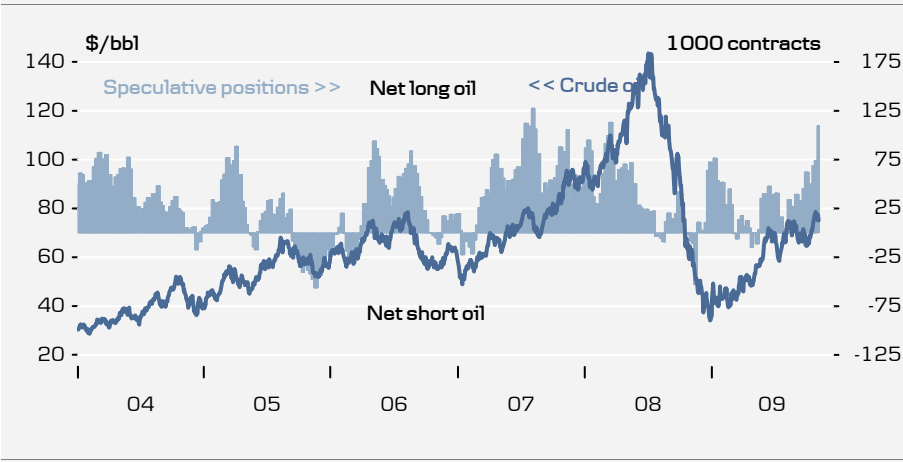
Source: CFTC

Chart 9. NZD/USD and non-commercial positioning



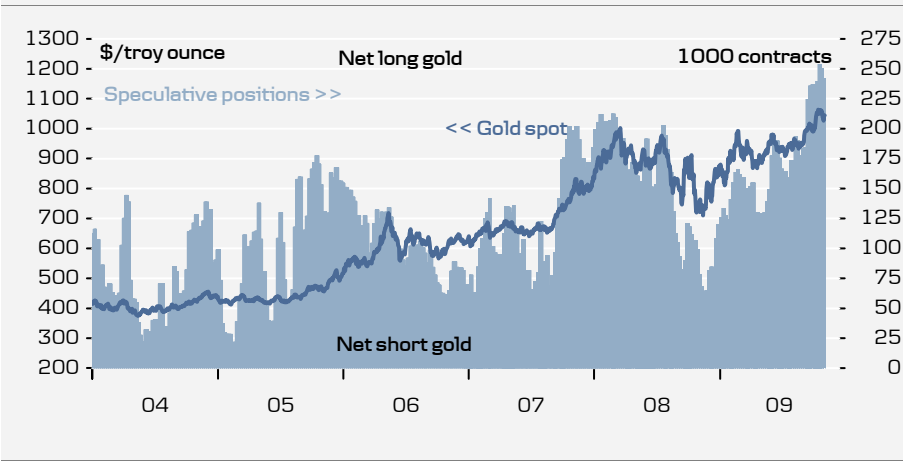
Source: CFTC

Chart 10. Oil and non-commercial positioning



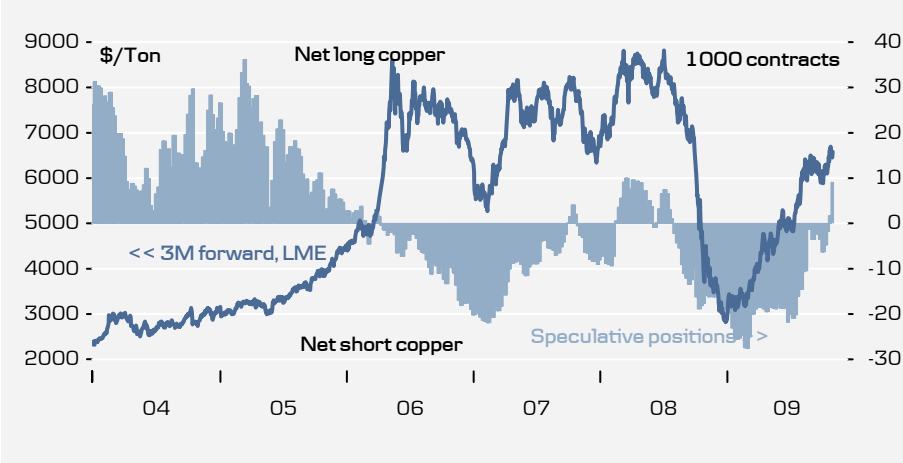
Source: CFTC

Chart 11. Gold and non-commercial positioning



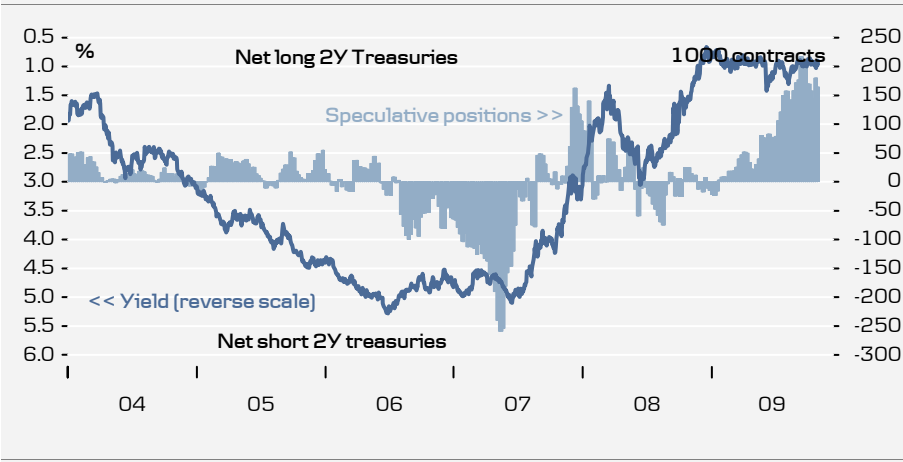
Source: CFTC

Chart 12. Copper and non-commercial positioning



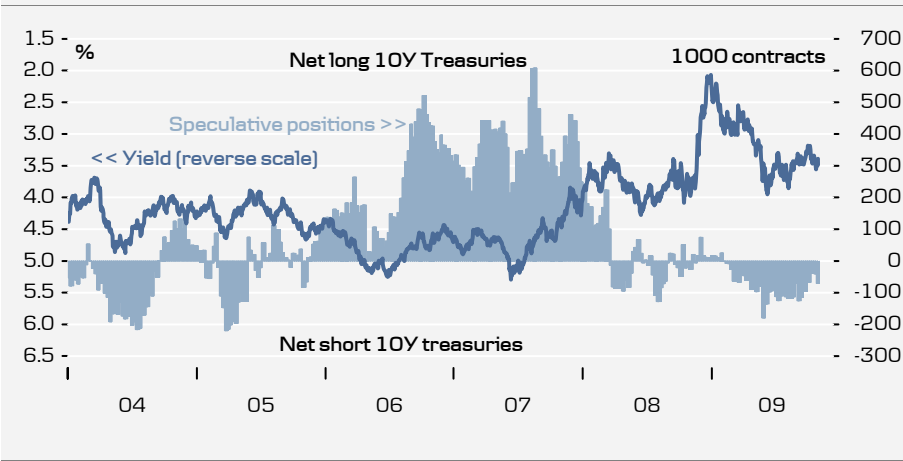
Source: CFTC

Chart 13. 2-year Treasuries and non-commercial positioning



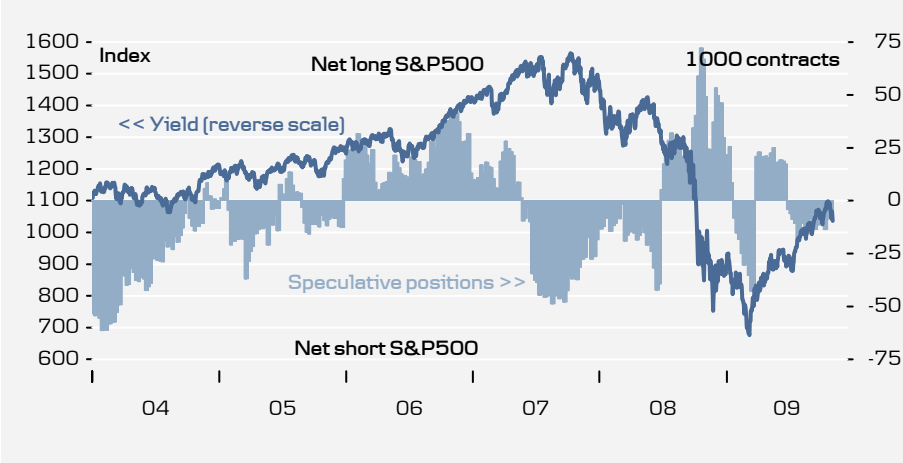
Source: CFTC

Chart 14. 10-year Treasuries and non-commercial positioning



Source: CFTC

Chart 15. S&P500 and non-commercial positioning



Source: CFTC

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**The IMM data**

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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.

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### First date of publication

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