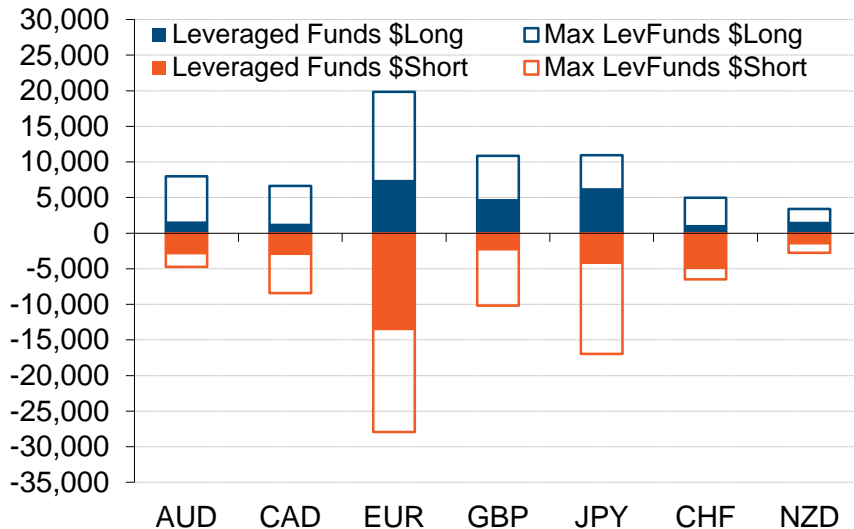


Highlights from the 12-June CoT survey of IMM leveraged funds

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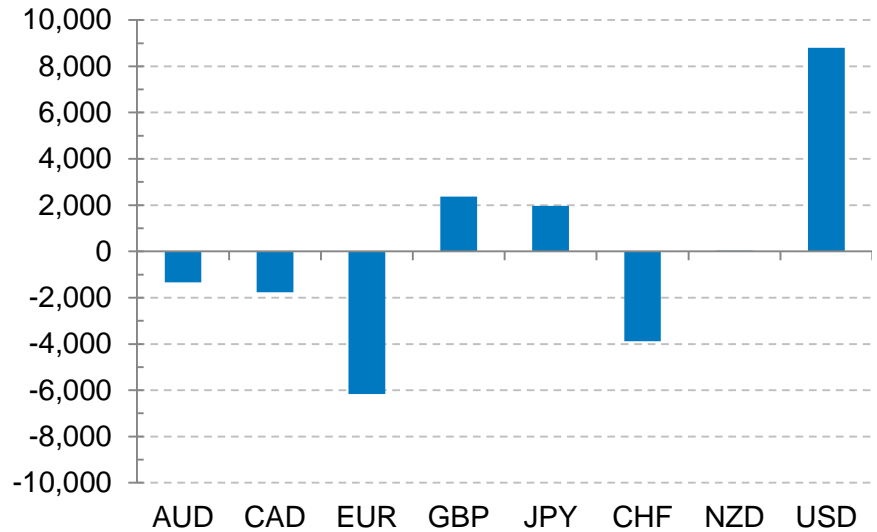
Short-CHF the biggest side and short-EUR the biggest net

IMM leveraged funds' 12-Jun-18 positions by side relative to the 3Y max of that side



CFTC, Bloomberg, BMO FX Strategy

Leveraged funds' net positions by currency (measured in USD notional for each currency and the aggregate)

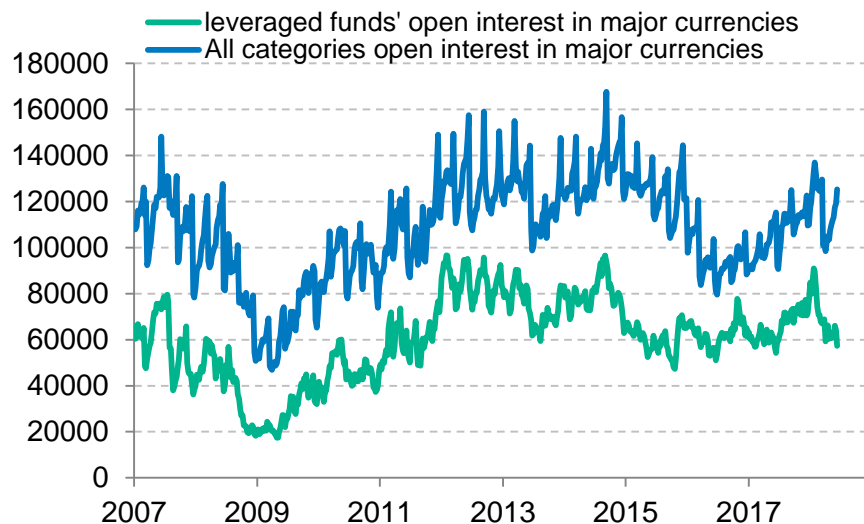


CFTC, Federal Reserve, Bloomberg, BMO FX Strategy

- In USD notional terms, short-EUR was the biggest currency side held by IMM leveraged funds with a notional value equivalent to USD13.6bn. However, that position was only 49% of its 3Y maximum, so it was only a moderate position from that perspective. **Short-CHF**, worth a USD equivalent of 5.0bn, was smaller in notional terms, but was at **78% of its 3Y max**. That was the **largest position by that gauge**.
- IMM leveraged funds were **net long of GBP, JPY and USD**. IMM leveraged funds were **net short of AUD, CAD, CHF and EUR**. Leverage funds were essentially **net flat in NZD**.
- Combining EUR, GBP and CHF, IMM leveraged funds were **short European currencies**. Similarly, IMM leveraged funds are also **slightly short the commodity** currencies (AUD, CAD, NZD) against long-USD and long-JPY.

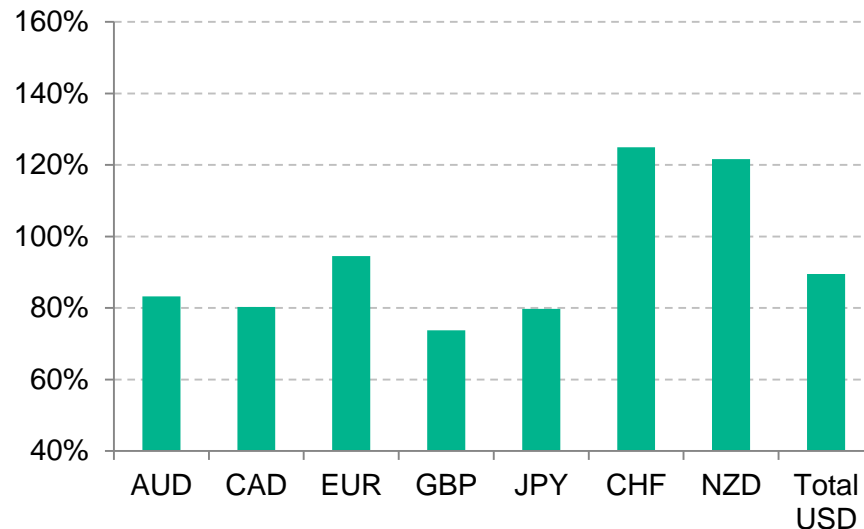
Leveraged funds withdrew from the FX category

Open interest in the primary IMM currencies timeline



CFTC, Bloomberg, BMO FX Strategy

Leveraged funds' open interest relative to 3Y average

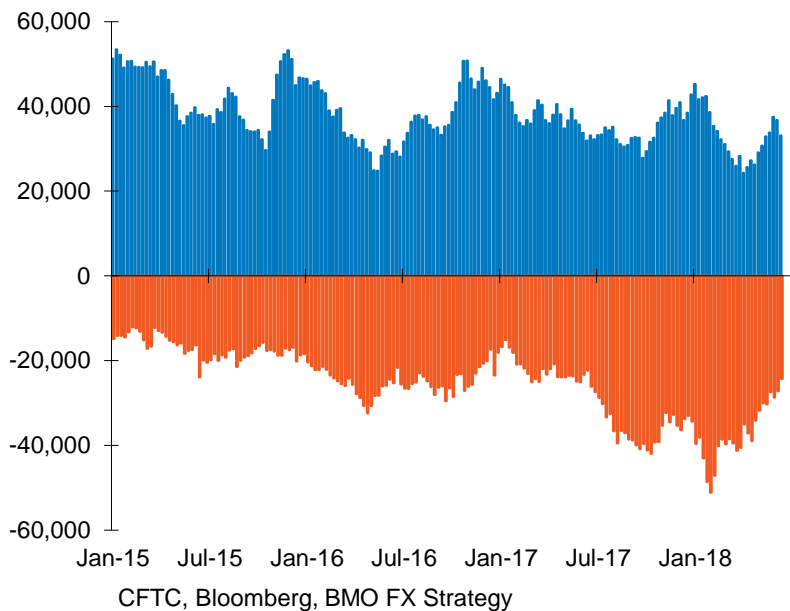


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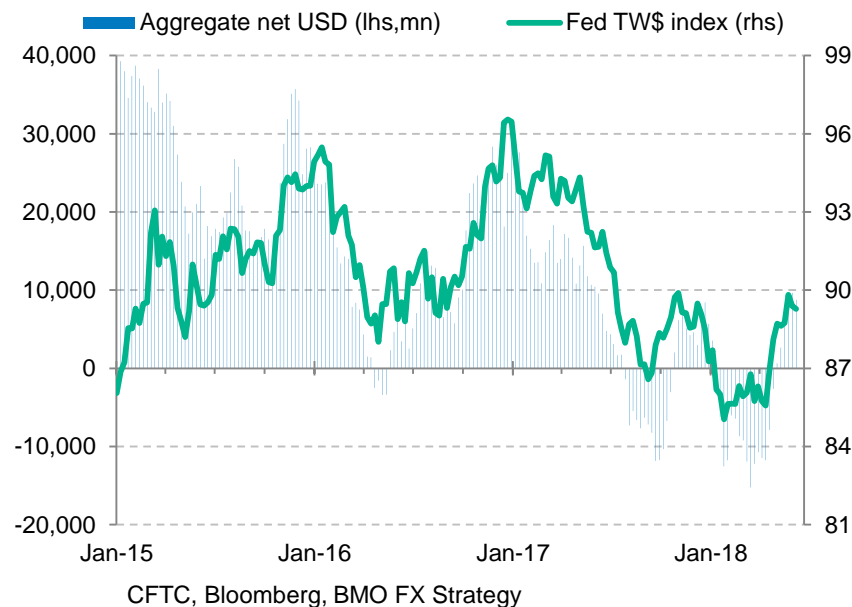
- **Total IMM open interest** (the sum longs and shorts) in all of the reported currency contracts was worth USD125.3bn—**up 5%** from the previous week. **Leveraged funds** were responsible for 57.4bn of that **open interest**, which is **down 10% on the week**.
- Total IMM open interest in FX was 17% above its 3Y average. Leveraged funds' open interest in FX was 10% below its 3Y average. Put another way, **leveraged funds' open interest was only 46% of total open interest in FX—far below the 3Y average of 60%**.
- IMM leveraged funds' open interest was highest in notional terms in EUR at an equivalent of USD21.1bn, but that was only 94% of its 3Y average. Leveraged funds' **open interest relative to its 3Y average was highest in CHF at 125%**. Leveraged funds' open interest was also high in NZD (122%). **Open interest was exceptionally low in GBP at 74% and JPY at 80%**.

Leveraged funds net long-USD position shrank slightly

IMM leveraged funds positions in the USD against the aggregate of primary currencies by side



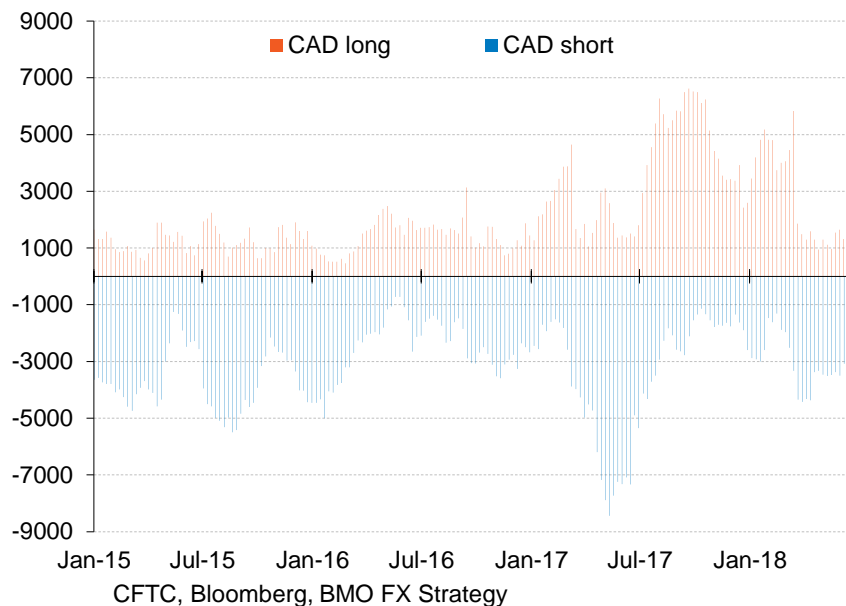
IMM leveraged funds positions in the USD against the aggregate vs the Fed's narrow USD index



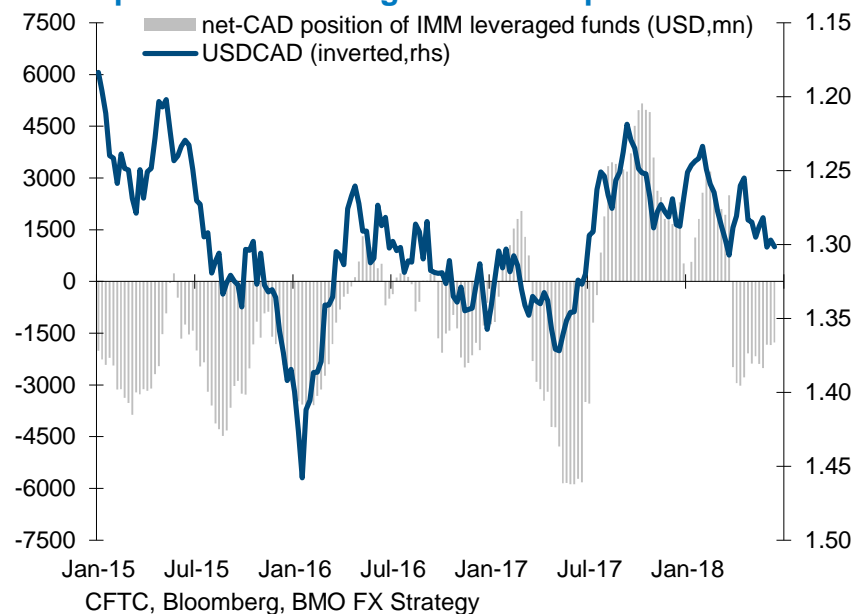
- IMM leveraged funds held the notional equivalent of USD33.0bn worth of **long-USD** contracts against the aggregate of {AUD,CAD,CHF,EUR,GBP,JPY,NZD}. This represents **62% of the 3Y maximum** USD long and 89% of the 3Y average USD long. It was **down 10%** between surveys.
- The survey showed leveraged funds holding USD24.3bn worth of **short-USD** contracts against the basket after a **10% decrease** from 27.1bn the prior week. The short-USD side stood at **48% of its 3Y max** and 90% of its 3Y average.
- Leveraged funds' **net position in the USD** against the aggregate of other currencies was **long-USD by 8.8bn—down slightly** from 9.6bn the previous week. It was the 6th straight net long.

IMM leveraged funds backed away from both sides of CAD

CAD positions of IMM leveraged funds by side



Net position of leverage funds vs spot USDCAD



- For the 12-Jun survey, IMM leveraged funds held 17,078 **long-CAD** contracts worth USD1,312mn (**down 20%**). The side was only **20% of its 3Y max** and 56% of its 3Y average.
- The survey showed leveraged funds holding 40,139 **short-CAD** contracts worth USD3,084mn—**down 11% from the previous week**. The side was **37% of its 3Y max** and 98% of its 3Y average.
- The **net position was short-CAD by 23,061 contracts worth USD1,772mn**.
- IMM leveraged funds' CAD shorts outnumbered CAD longs by a 2.4:1 ratio so the skew is slightly bigger than 2.1:1 ratio from the previous week.
- IMM leveraged funds' **open interest** (sum of longs and shorts) in CAD contracts was worth USD4,396mn, which is **80% of the 3Y average**. With FX open interest at 90% of its average, **CAD is undertraded**.

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