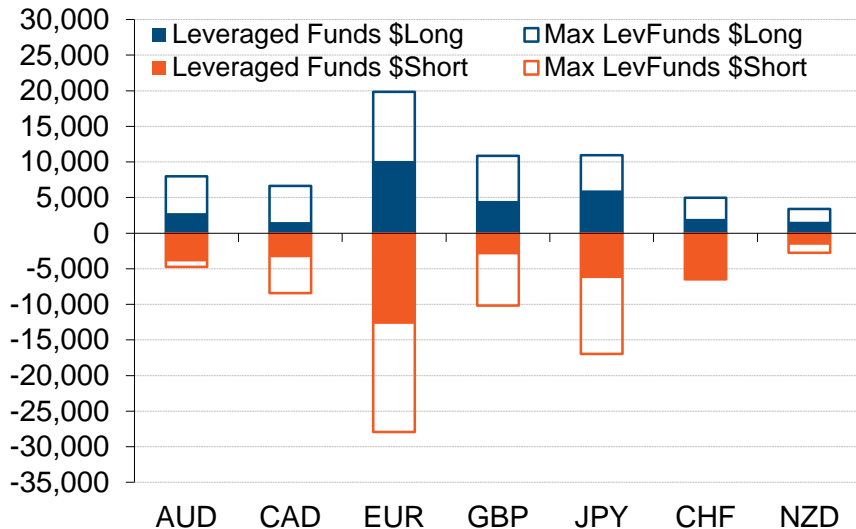


Highlights from the 29-May CoT survey of IMM leveraged funds

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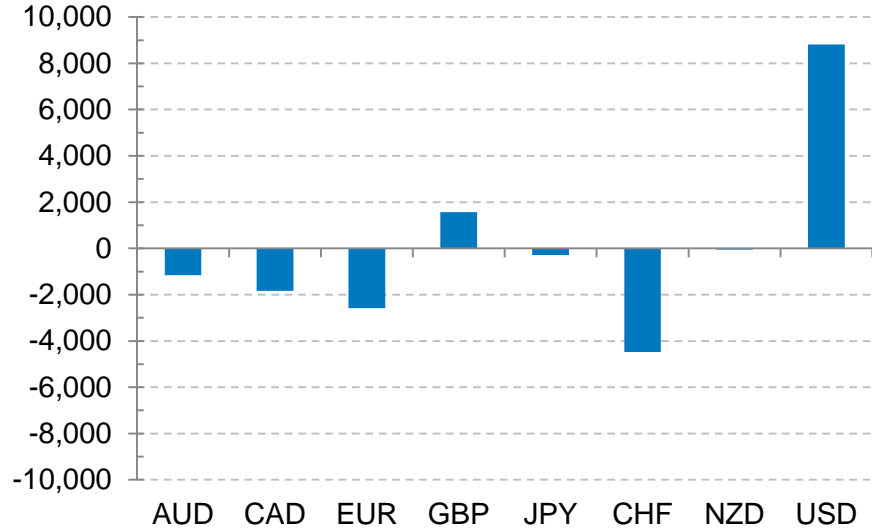
Short-CHF is at a 3Y max with GBP and USD the only longs

IMM leveraged funds' 29-May-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)

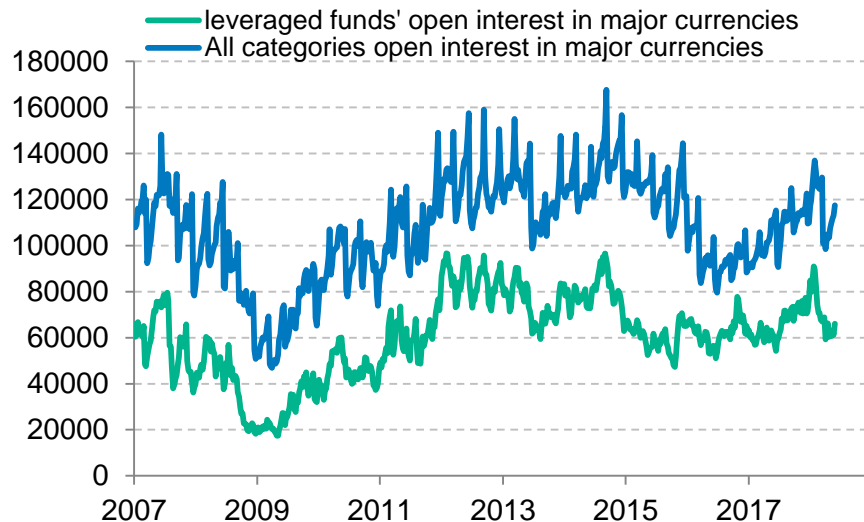


CFTC, Federal Reserve, Bloomberg, BMO FX Strategy

- In USD notional terms, short-EUR was the biggest currency side held by IMM leveraged funds with a notional value equivalent to USD12.7bn. However, that position was only 46% of its 3Y maximum, so it was only a moderate position from that perspective. By contrast, **short-CHF, worth a USD equivalent of 6.5bn**, was smaller in notional terms, but that was **a new 3Y max** for it.
- IMM leveraged funds' only other side that was exceptional was short-AUD at 83% of its 3Y max.
- IMM leveraged funds were **net long of GBP and USD**. IMM leveraged funds were **net short of AUD, CAD, CHF, EUR, JPY and NZD**.
- Combining EUR, GBP and CHF, IMM leveraged funds are **slightly short European currencies**. Similarly, IMM leveraged funds are also **slightly short the commodity currencies** (AUD, CAD, NZD).

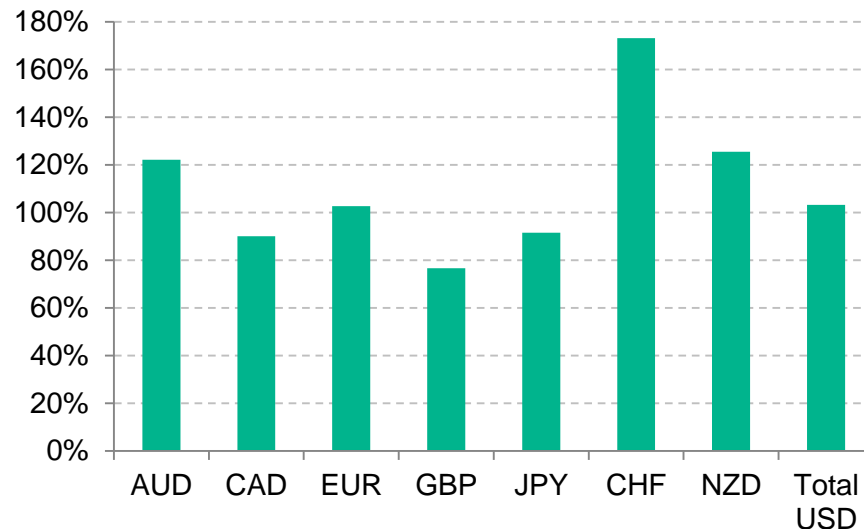
FX open interest increased and was quite high in CHF

Open interest in the primary IMM currencies timeline



CFTC, Bloomberg, BMO FX Strategy

Leveraged funds' open interest relative to 3Y average

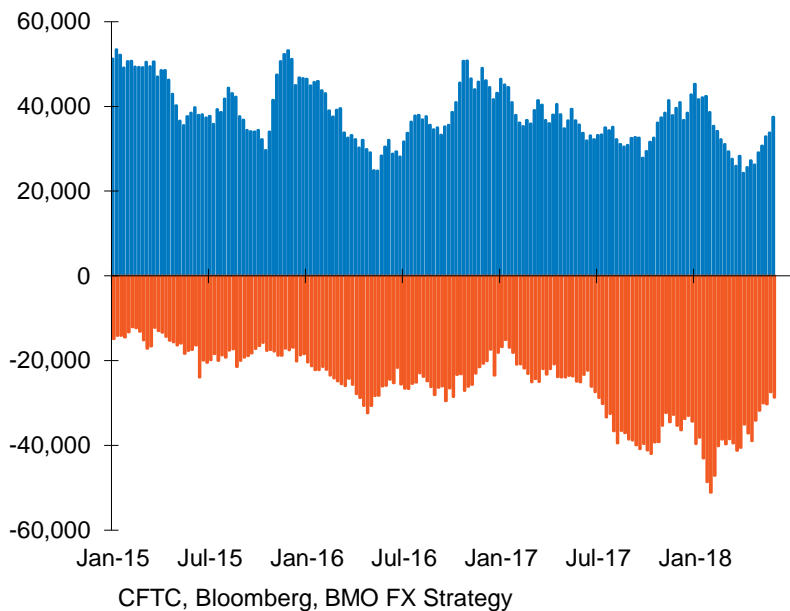


CFTC, Federal Reserve, Bloomberg, BMO FX Strategy

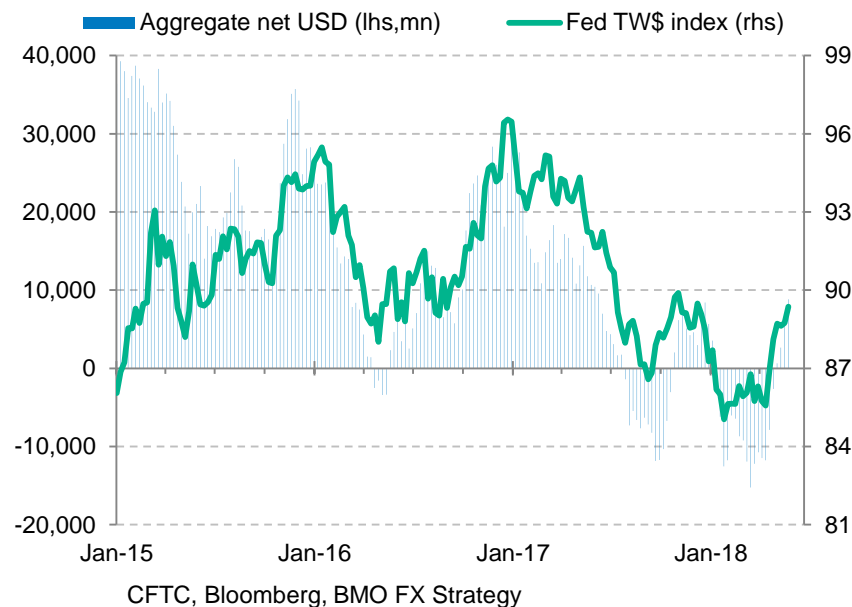
- **Total IMM open interest** (the sum longs and shorts) in all of the reported currency contracts was worth USD117.4bn—**up 4%** from the previous week. **Leveraged funds** were responsible for 66.11bn of that **open interest**, which is **up 8% on the week**.
- **Total IMM open interest** in FX was **10% above its 3Y average**. **Leveraged funds' open interest** in FX was **3% above its 3Y average**. Both figures were much higher early in the year.
- **Leveraged funds' open interest** was **56% of total open interest in FX**—below the 3Y average of 60%.
- IMM leveraged funds' open interest was highest in notional terms in EUR at USD22.9bn, which was 103% of its 3Y average. **Leveraged funds' open interest relative to its 3Y average was highest in CHF at 173%**. **Leveraged funds' open interest was also high in NZD (126%) and AUD**. Open interest was low in GBP (77%).

Leveraged funds with the biggest net USD long in a year

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



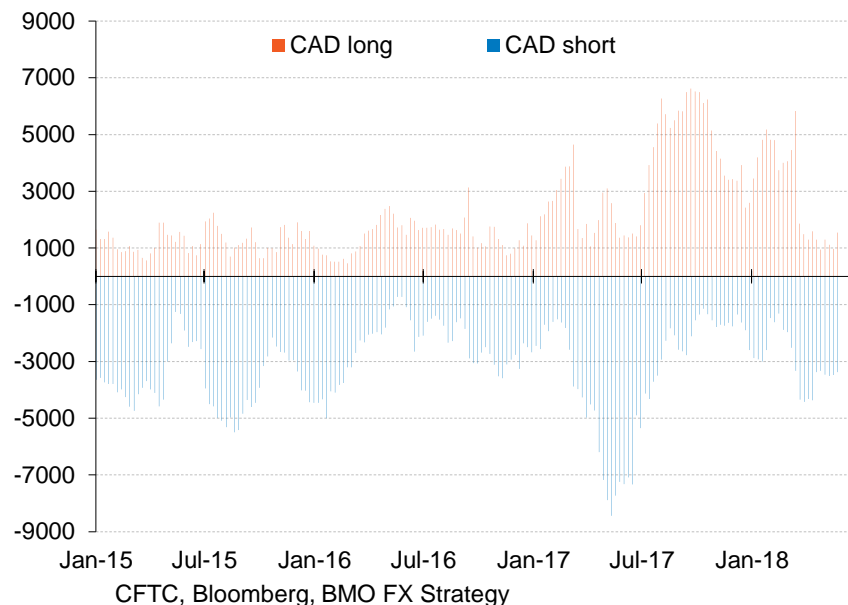
IMM leveraged funds positions in the USD against the aggregate vs the Fed's narrow USD index



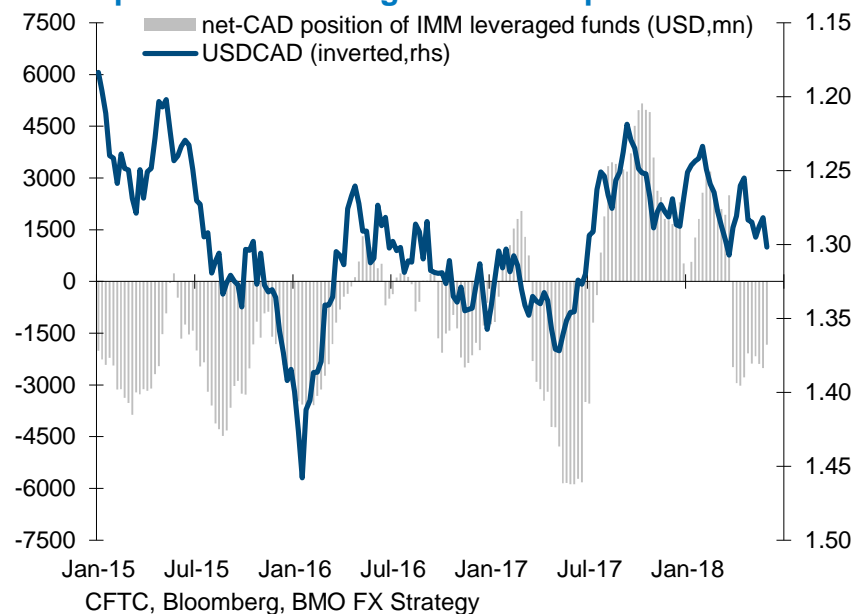
- IMM leveraged funds held the notional equivalent of USD37.4bn worth of **long-USD** contracts against the aggregate of {AUD,CAD,CHF,EUR,GBP,JPY,NZD}. This represents **70% of the 3Y maximum** USD long and 101% of the 3Y average USD long. It was **up 11%** between surveys.
- The survey showed leveraged funds holding USD28.7bn worth of **short-USD** contracts against the basket after a **5% increase** from 27.4bn the prior week. The short-USD side stood at **56% of its 3Y max** and 106% of its 3Y average.
- **Leveraged funds' net position in the USD** against the aggregate of other currencies was **long-USD** by 8.8bn. This is the **4th consecutive net USD long** and the biggest since 13-Jun-2017.

IMM leveraged funds showed renewed interest in long-CAD

CAD positions of IMM leveraged funds by side



Net position of leverage funds vs spot USDCAD



- For the 29-May survey, IMM leveraged funds held 20,058 **long-CAD** contracts worth USD1,541mn (**up 62%**). The side was only **23% of its 3Y max** and 66% of its 3Y average.
- The survey showed leveraged funds holding 43,937 **short-CAD** contracts worth USD3,375mn—down 1% **from the previous week**. The side was **40% of its 3Y max** and 108% of its 3Y average.
- The **net position was short-CAD by 23,879 contracts worth USD1,834mn**.
- IMM leveraged funds' CAD shorts outnumbered CAD longs by a 2.2:1 ratio. That's much less skewed than the 3.6:1 ratio from the previous week.
- IMM leveraged funds' **open interest** (sum of longs and shorts) in CAD contracts was worth USD4,916, which is **90% of the 3Y average**. With FX open interest at 103% of its average, **CAD is undertraded**.

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