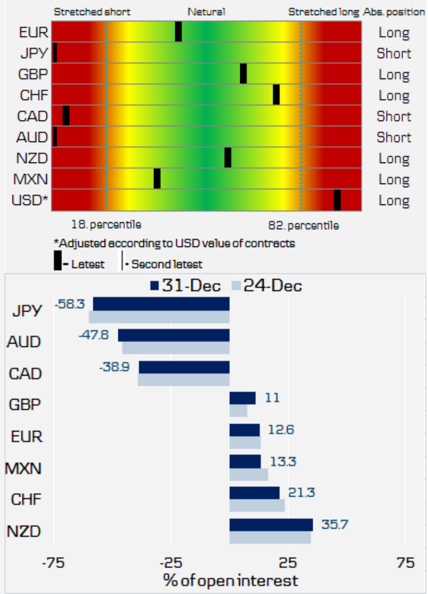
07 January 2014

# IMM positioning

## Speculators stayed put over the holiday period

- *The latest IMM data cover the week from 25 to 31 December 2013.*
- **Little has changed on EUR positioning over the Christmas period**: a few EUR longs were unwound but there is still room for speculators to drive the single currency lower if deflationary pressure continues. Easing of liquidity concerns in the euro area ahead of New Year could also pave the way for EUR longs to be liquidated.
- **For JPY, AUD and CAD positioning remains extreme**. More AUD shorts were taken on in the final week of 2013 as growth worries over Australia's key trading partner China intensified. Some JPY shorts were unwound but remain at elevated levels. Indeed, positioning remains a key risk to our call for these three currencies to weaken further this year as expressed in e.g. *FX Top Trades 2014*.
- **Oil longs were also unwound ahead of the drop in oil prices seen during the first few trading days of this year** when the outlook for Libya's oil production cleared somewhat. We continue to see downside in oil prices from a fundamental point of view with elevated long positioning clearly also a risk in this respect.

IMM non-commercial positions




Source: CFTC. Note that percentiles are not based on any distribution assumptions.

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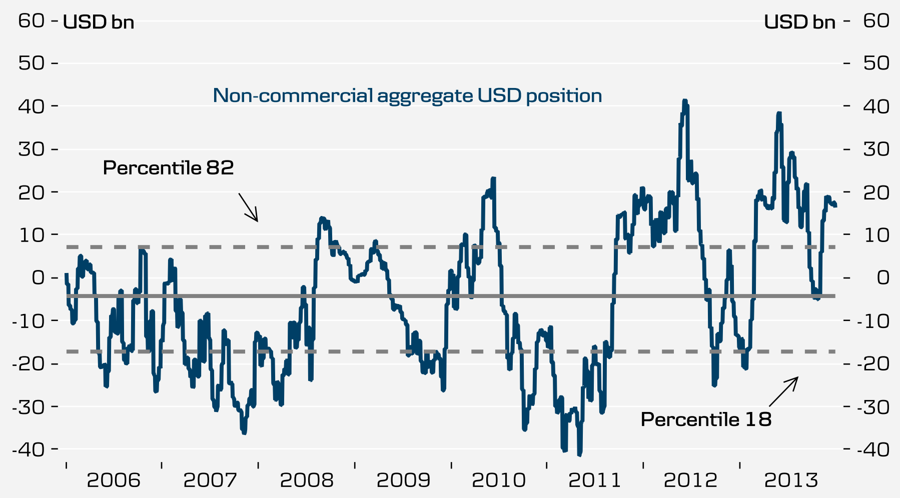
IMM table

| | 1000 contracts | | | % of open interest | | | USD bn | | |
|---|---|---|---|---|---|---|---|---|---|
| | **31-Dec** | 24-Dec | Change | **31-Dec** | 24-Dec | Change | **31-Dec** | 24-Dec | Change |
| USD* | | | | | | | 16.4 | 17.6 | -1.3 |
| EUR | **30.6** | 32.2 | -1.6 | **12.6** | 13.4 | -0.8 | **5.3** | 5.5 | -0.2 |
| JPY | **-135.2** | -143.8 | 8.6 | **-58.3** | -60.1 | 1.8 | **-16.1** | -17.2 | 1.2 |
| GBP | **22.8** | 14.4 | 8.4 | **11** | 7.3 | 3.7 | **2.4** | 1.5 | 0.9 |
| CHF | **10.9** | 11.9 | -1.0 | **21.3** | 23.3 | -2 | **1.5** | 1.7 | -0.1 |
| CAD | **-58.0** | -58.4 | 0.5 | **-38.9** | -39.1 | 0.2 | **-5.5** | -5.5 | 0.0 |
| AUD | **-57.4** | -54.2 | -3.2 | **-47.8** | -46 | -1.8 | **-5.1** | -4.8 | -0.3 |
| NZD | **6.7** | 6.5 | 0.3 | **35.7** | 34.6 | 1.1 | **0.55** | 0.5 | 0.0 |
| MXN | **15.6** | 20.2 | -4.6 | **13.3** | 16.4 | -3.1 | **0.60** | 0.78 | -0.2 |
| Oil | **355.3** | 352.8 | 2.5 | **-9.1** | -9.9 | 0.8 | | | |
| Gold | **32.2** | 27.3 | 4.9 | **8.4** | 7.1 | 1.3 | | | |
| Copper | **10.4** | 4.7 | 5.6 | **6.2** | 2.9 | 3.3 | | | |
| 2-YEAR | **4.2** | 34.6 | -30.4 | **0.5** | 4.3 | -3.8 | | | |
| 10-YEAR | **-173.7** | -105.8 | -67.9 | **-7.8** | -4.9 | -2.9 | | | |
| S&P500 | **1.4** | 6.6 | -5.3 | **0.9** | 4.9 | -4 | | | |

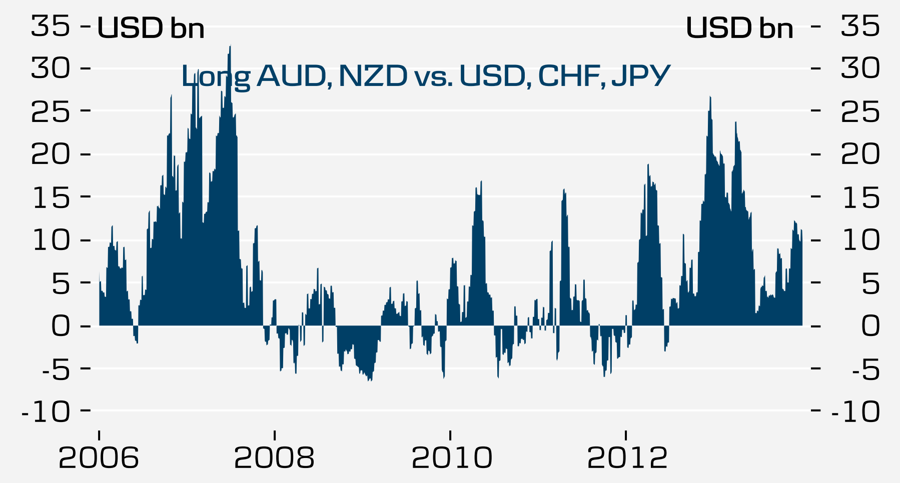
*Source: CFTC, Macrobond, Danske Bank Markets*

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



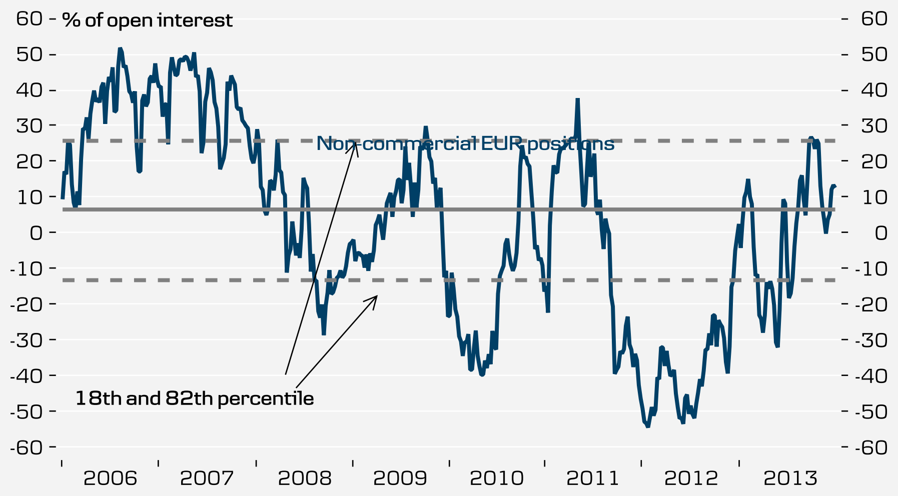

*Source: CFTC, Danske Bank Markets*

Chart 2. Non-commercial 'carry' positioning



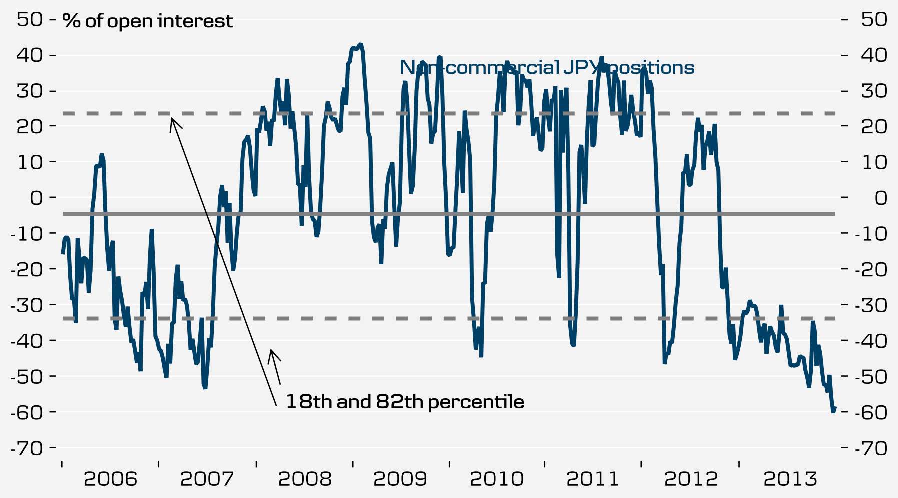

*Source: CFTC*

**Chart 3. Net-long EUR positioning**



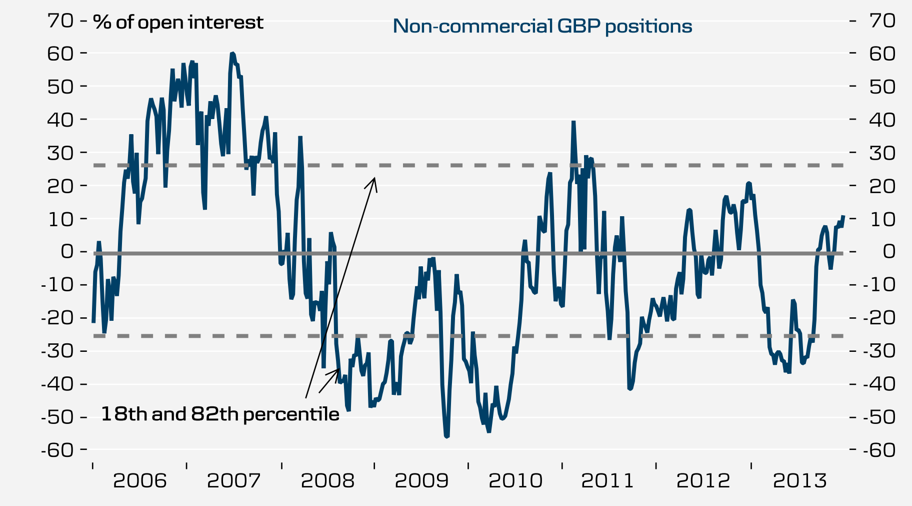

*Source: CFTC*

**Chart 4. Net-long JPY positioning**



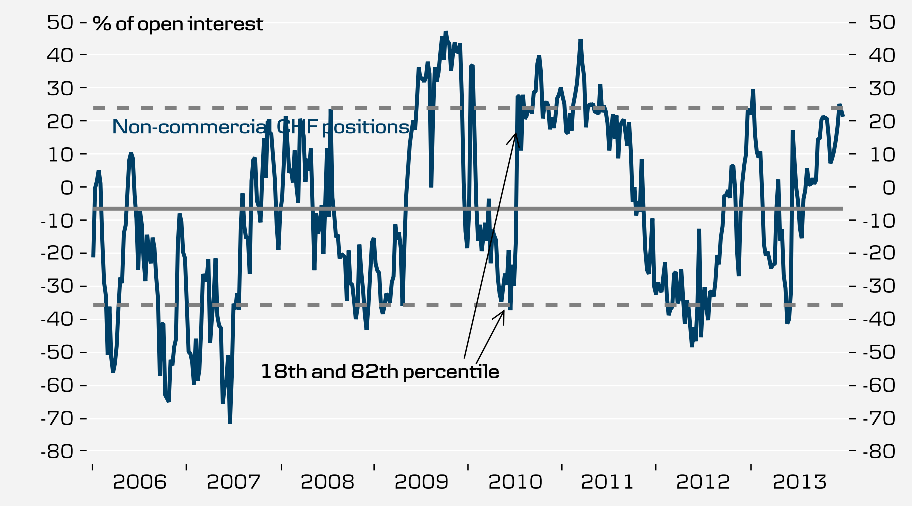

*Source: CFTC*

### Chart 5. Net-long GBP positioning



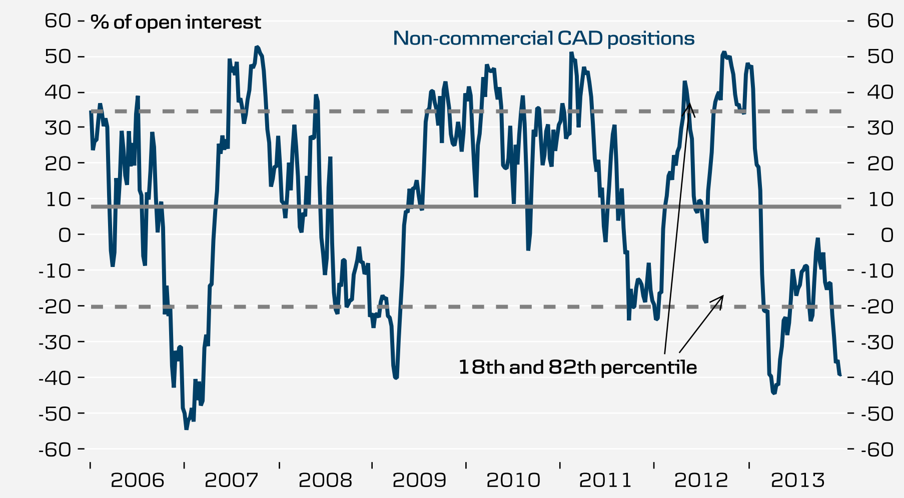

*Source: CFTC*

### Chart 6. Net-long CHF positioning



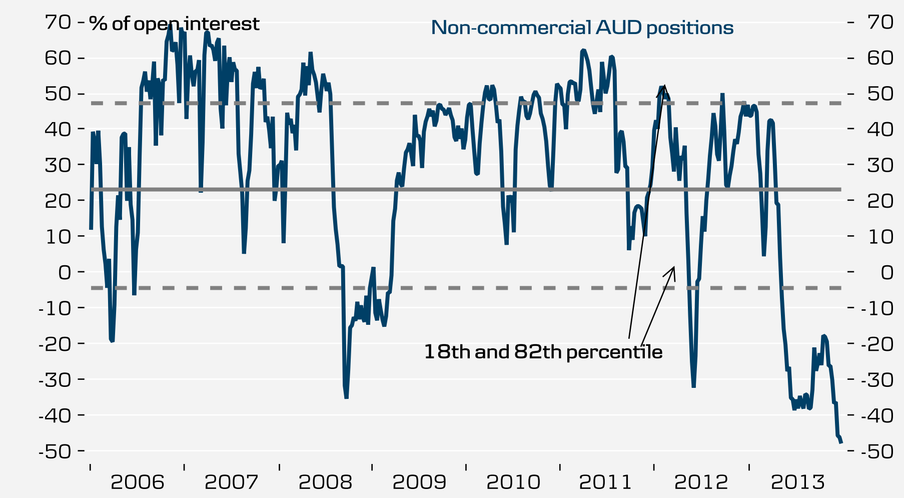

*Source: CFTC*

### Chart 7. Net-long CAD positioning



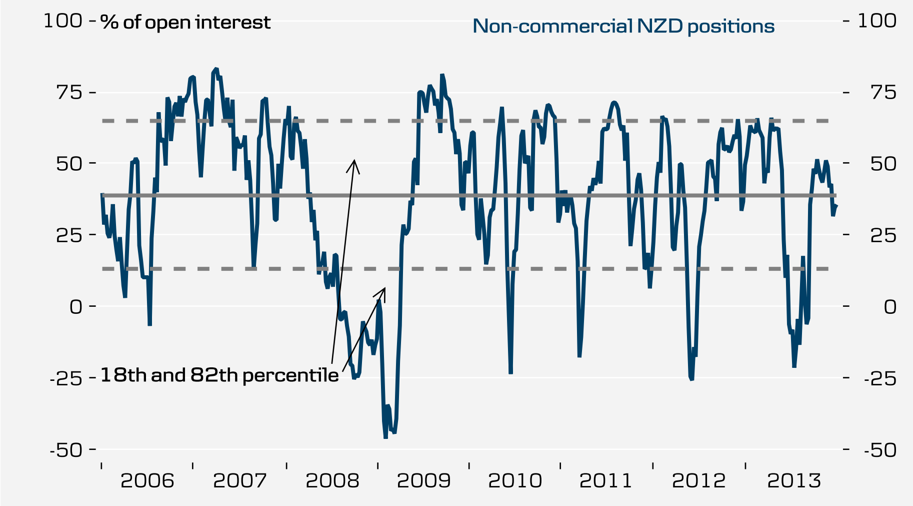

*Source: CFTC*

### Chart 8. Net-long AUD positioning



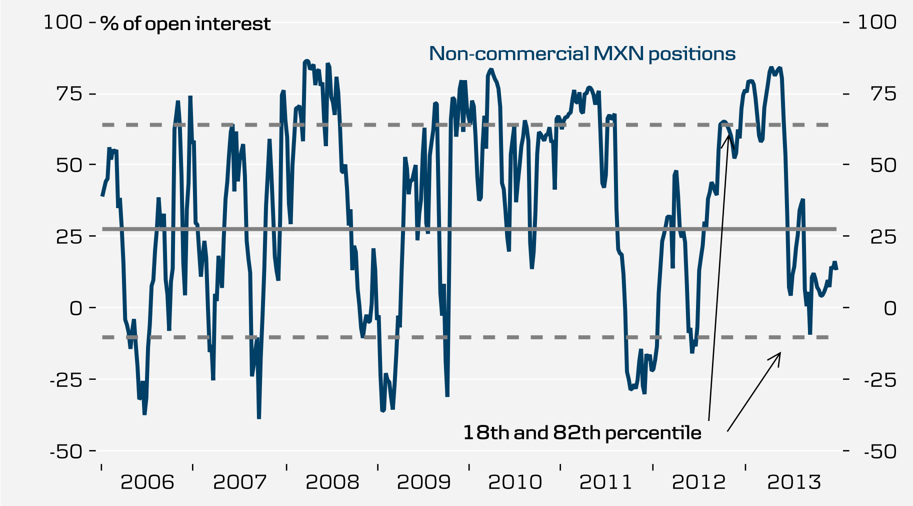

*Source: CFTC*

### Chart 9. Net-long NZD positioning



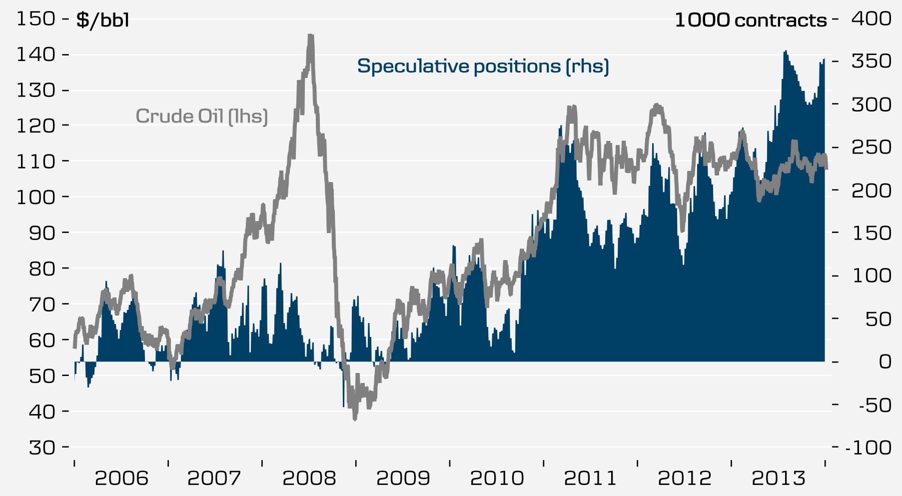

*Source: CFTC*

### Chart 10. Net-long MXN positioning



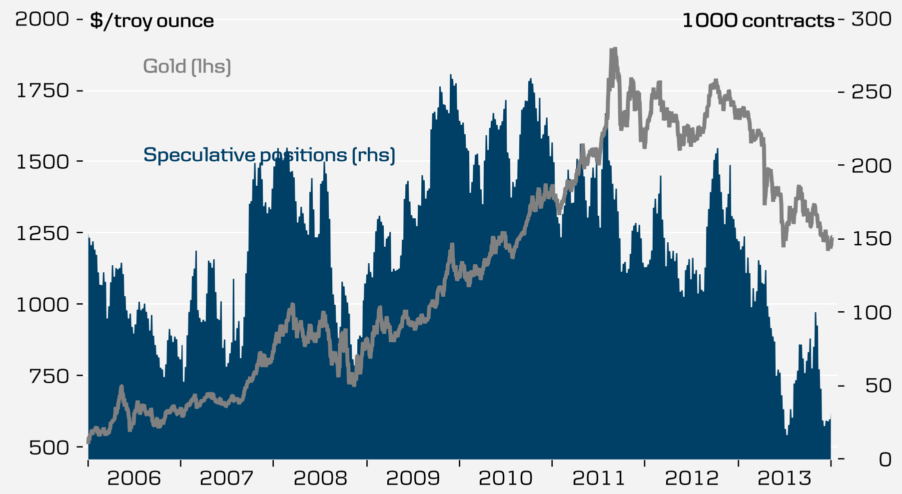

*Source: CFTC*

### Chart 10. Oil and non-commercial positioning



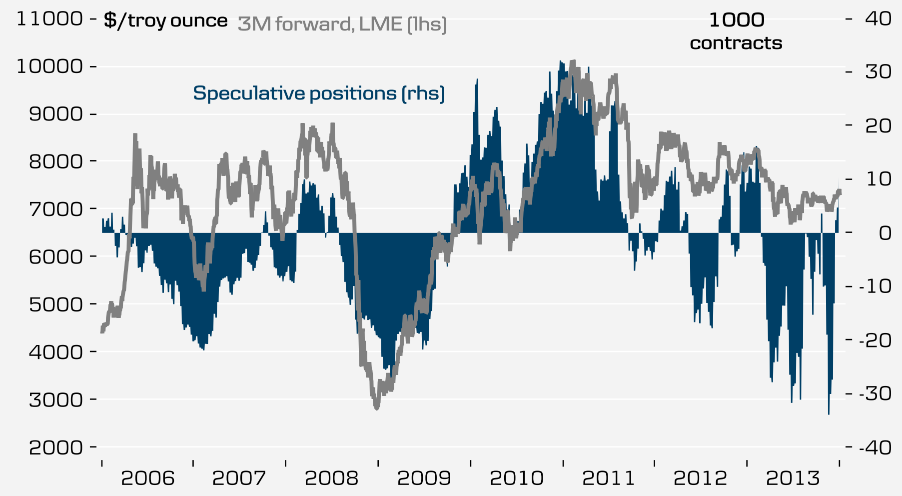

*Source: CFTC*

### Chart 11. Gold and non-commercial positioning




*Source: CFTC*

**Chart 12. Copper and non-commercial positioning**

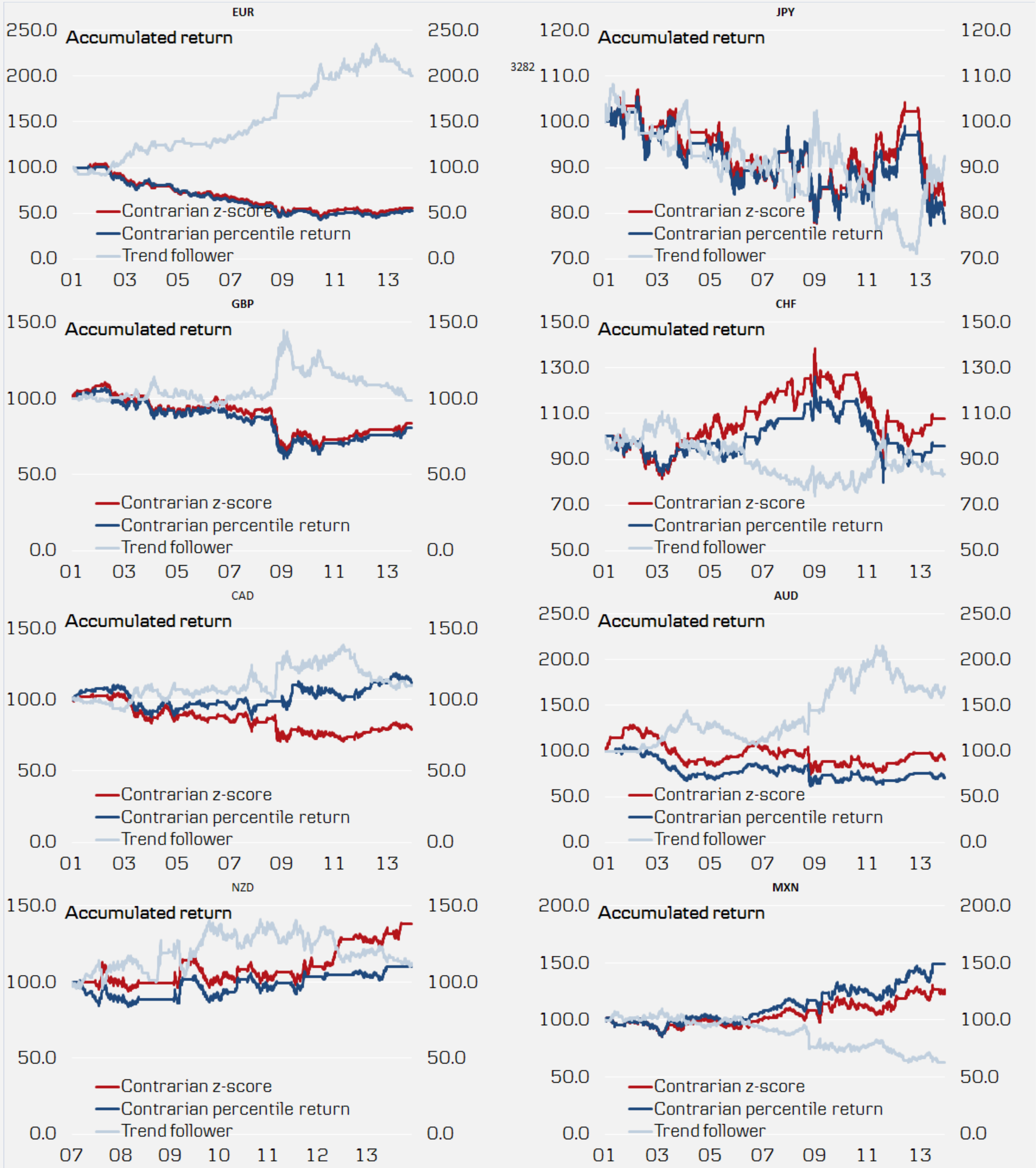



*Source: CFTC*

## 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.

Accumulated return for each currency




*Source: CFTC, Danske Bank Markets*

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