

# CFTC Weekly Sentiment Report

Friday, May 18, 2012

## RECORD LONG USD AS MARKET SHORTS EUR

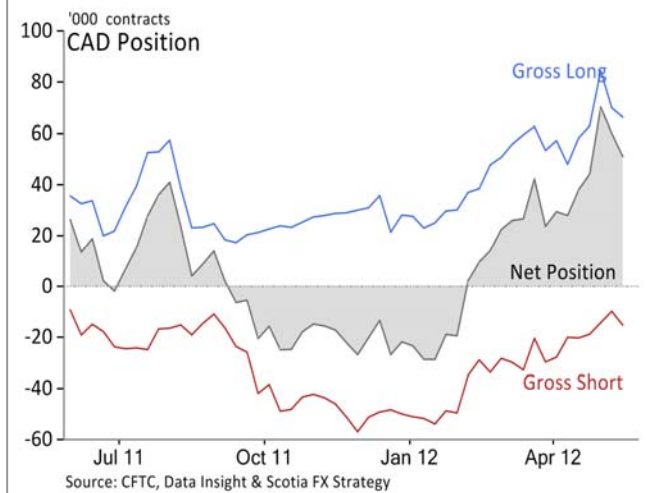
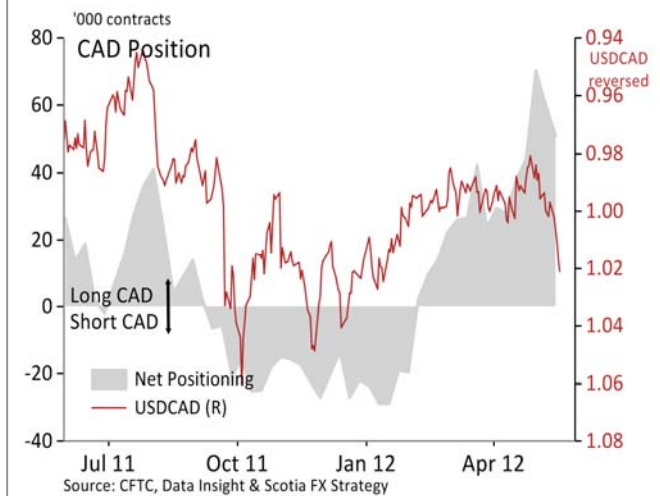
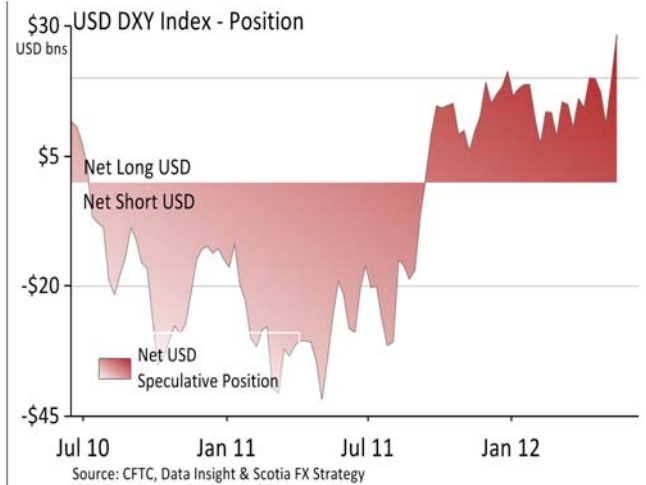
Data in this report cover up to Tuesday May 15<sup>th</sup> & were released Friday May 18<sup>th</sup>.

- As uncertainty builds across Europe, traders took the opportunity to add to their already short EUR positions, driving the net short to \$27.7bn, just \$0.2bn away from the record net short recorded in January 2012. This position is extreme, with shorts outnumbering longs by a ratio of 6:1. This one sided market leaves EUR vulnerable to short covering, however we would suggest that there is still downside ahead. Surprisingly, long holders are unshaken by recent events and continue to hold outstanding positions. We expect EUR to trend lower, but to stop well short of a collapse.

- The EUR chart on page two highlights that the leveraged funds were early to short EUR, while asset managers can likely still build out their short position. Accordingly, the argument that the shorts are already built might well be tested in the weeks ahead.

- Risk aversion rules, as the net long USD position jumps to a new record high of \$28.2bn (the previous high was \$23.0bn reached on June 8th, 2010). The AUD, NZD and MXN position have all flattened out; while there remain large net short JPY and CHF positions.

- The allocation to CAD dropped by \$1bn, bringing the net long CAD position to \$5.1bn. However, the data only covers until Tuesday and it is therefore likely that some of this long position has been pared back, as the combination of risk aversion, weaker global growth and soft data from the US all weigh on CAD.



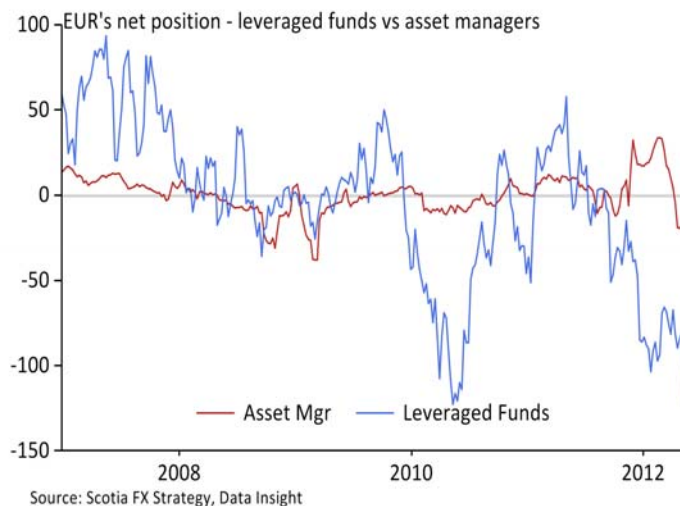
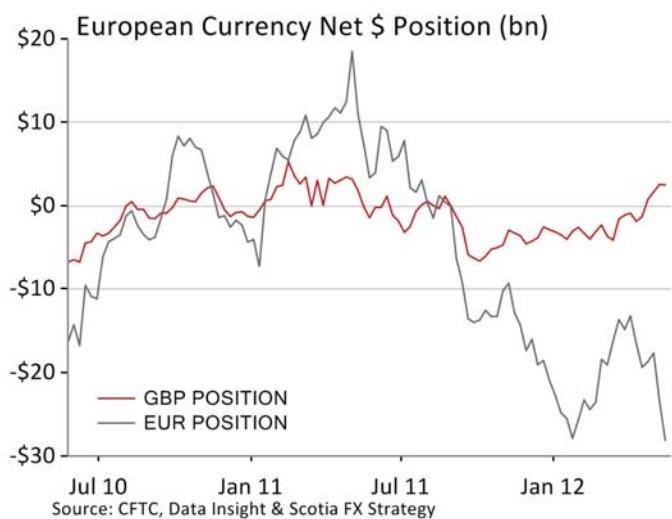
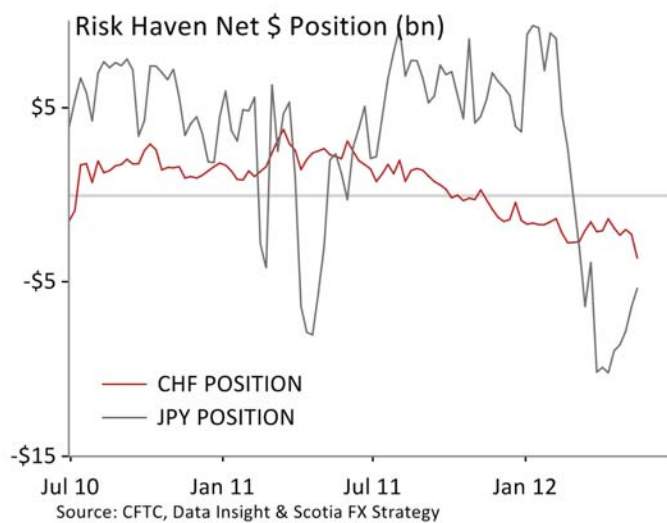
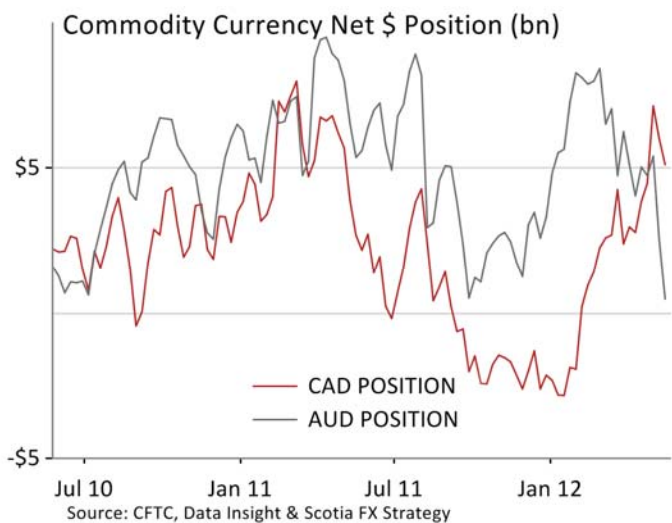
### Net Long (Short) Non-Commercial\* Positions

	Contracts		(\$mns)	
	Position	w/w chg	Position	w/w chg.
CAD	51,005	-9,090	5,064	-953
AUD	4,734	-20,370	470	-2,070
NZD	2,597	-3,627	200	-291
MXN	14,445	-22,483	522	-859
EUR	-173,869	-29,885	-27,665	-4,258
GBP	25,021	-318	2,501	-58
CHF	-26,694	-10,200	-3,537	-1,304
JPY	-34,315	6,778	-5,350	1,082
Total	-137,076	-89,195	-27,794	-8,712

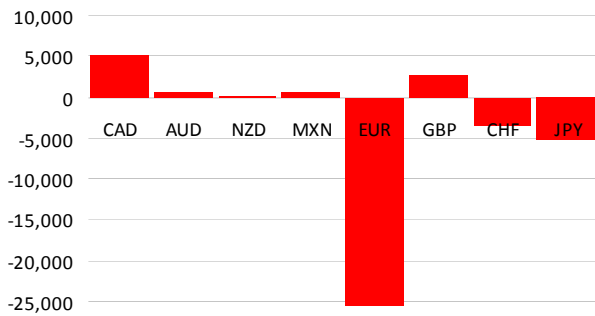
### CAD — Contracts of C\$100,000

Date	(\$MM)	Position			Net w/w	Open Int.
	Net	Long	Short	Net		
15-May	5,064	66,286	15,281	51,005	-9,090	140,173
8-May	6,017	69,914	9,819	60,095	-10,128	148,415
1-May	7,126	84,458	14,235	70,223	25,999	163,036
24-Apr	4,480	63,028	18,804	44,224	6,196	134,899

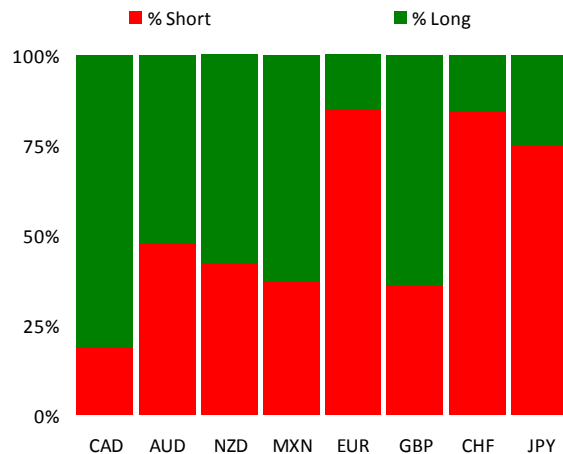
\* A trader is classified as "non-commercial" by the Commodity Futures Trading Commission if the trader is not using futures contracts in a particular currency for hedging purposes (as defined by the Commission). This category of futures trader is generally considered to include individual investors, hedge funds and other large financial institutions engaged in trading the securities for speculative purposes.

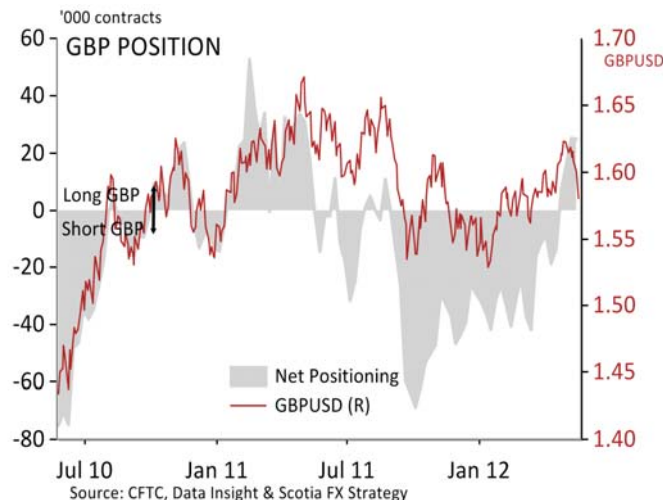
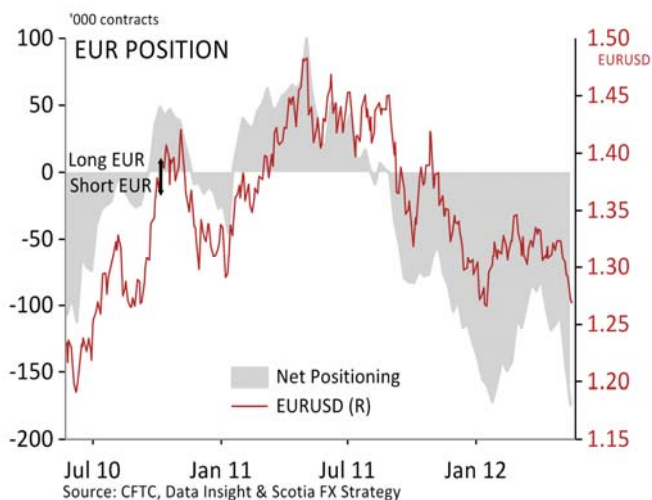


Net Currency Position vs USD (\$MM)



Long / Short Ratio



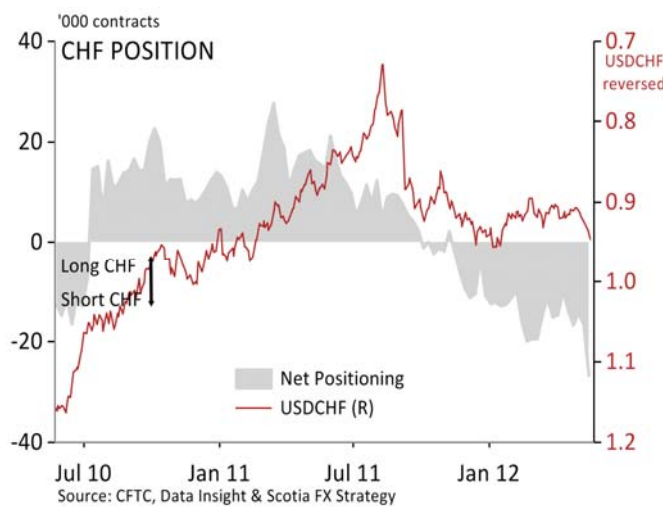
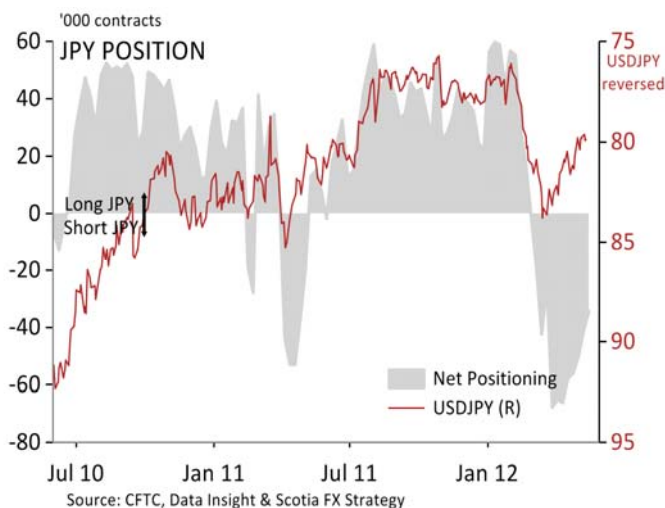


EUR — Contracts of 125,000 EUR

Date	(\$MM)	Position				Open Int.
	Net	Long	Short	Net	Net w/w	
15-May	-27,665	38,475	212,344	-173,869	-29,885	356,674
8-May	-23,406	36,022	180,006	-143,984	-36,994	321,037
1-May	-17,703	34,957	141,947	-106,990	6,377	279,605
24-Apr	-18,701	36,289	149,656	-113,367	4,758	287,215

GBP — Contracts of 62,500 GBP

Date	(\$MM)	Position				Open Int.
	Net	Long	Short	Net	Net w/w	
15-May	2,501	57,471	32,450	25,021	-318	199,270
8-May	2,559	59,697	34,358	25,339	8,846	199,801
1-May	1,672	53,121	36,628	16,493	8,957	188,288
24-Apr	760	47,435	39,899	7,536	20,587	173,368

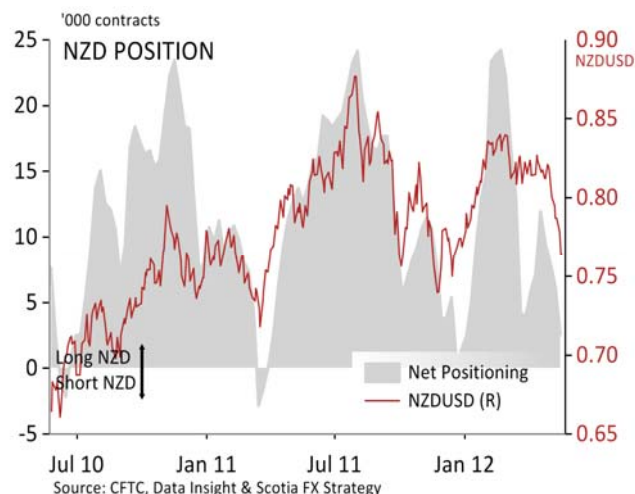
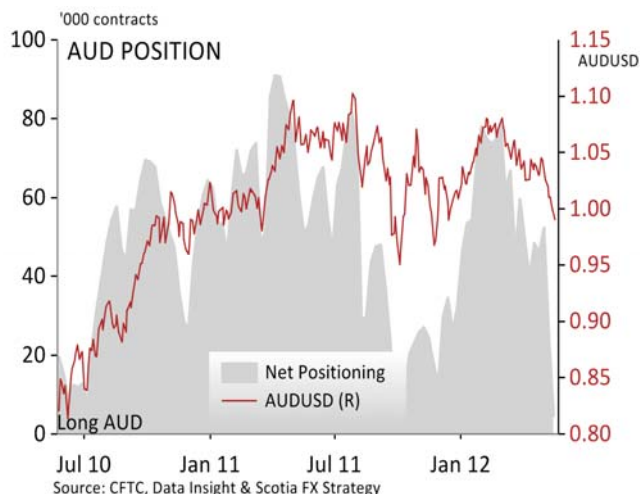


JPY — Contracts of 12.5MM JPY

Date	(\$MM)	Position				Open Int.
	Net	Long	Short	Net	Net w/w	
15-May	-5,350	17,455	51,770	-34,315	6,778	139,275
8-May	-6,431	16,369	57,462	-41,093	9,080	141,842
1-May	-7,831	14,110	64,283	-50,173	5,730	140,349
24-Apr	-8,593	12,669	68,572	-55,903	1,900	137,636

CHF — Contracts of 125,000 CHF

Date	(\$MM)	Position				Open Int.
	Net	Long	Short	Net	Net w/w	
15-May	-3,537	6,127	32,821	-26,694	-10,200	63,543
8-May	-2,232	4,980	21,474	-16,494	-2,183	45,717
1-May	-1,971	5,692	20,003	-14,311	2,330	41,657
24-Apr	-2,285	4,312	20,953	-16,641	-2,879	40,155

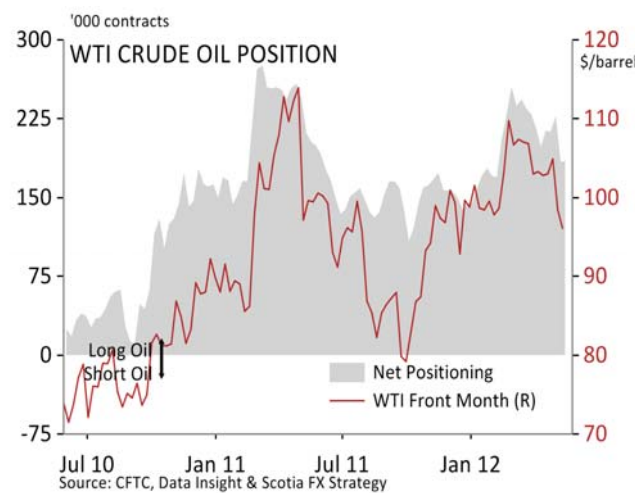


**AUD — Contracts of 100,000 AUD**

Date	(\$MM)	Position				Open Int.
	Net	Long	Short	Net	Net w/w	
15-May	470	51,066	46,332	4,734	-20,370	144,001
8-May	2,541	72,145	47,041	25,104	-27,176	152,108
1-May	5,403	88,649	36,369	52,280	6,239	147,749
24-Apr	4,749	80,597	34,556	46,041	-2,380	146,739

**NZD — Contracts of 100,000 NZD**

Date	(\$MM)	Position				Open Int.
	Net	Long	Short	Net	Net w/w	
15-May	200	9,124	6,527	2,597	-3,627	17,263
8-May	490	11,688	5,464	6,224	-1,801	17,969
1-May	654	12,155	4,130	8,025	-1,461	19,815
24-Apr	771	13,984	4,498	9,486	-2,453	19,126

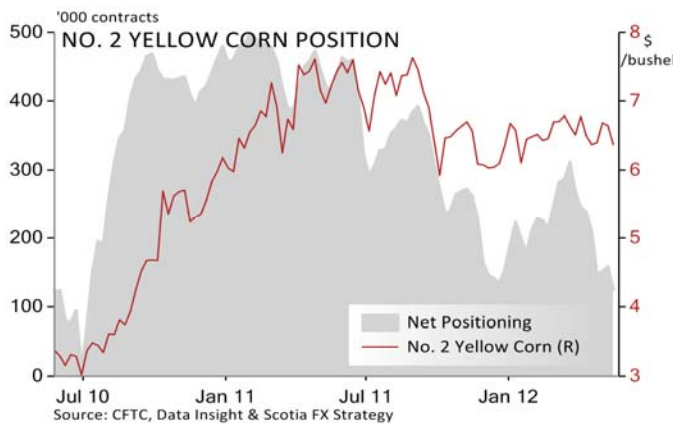
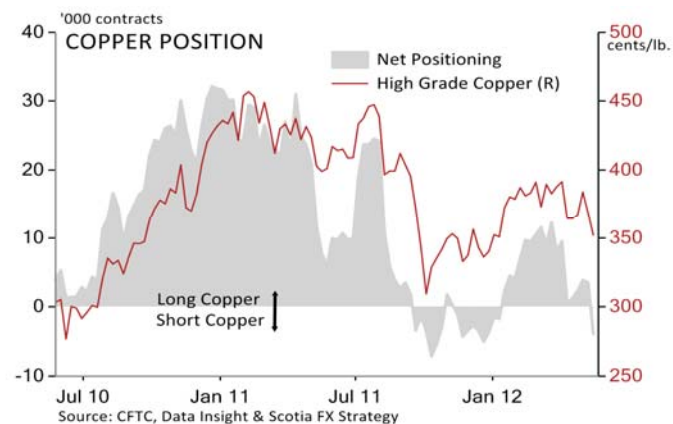
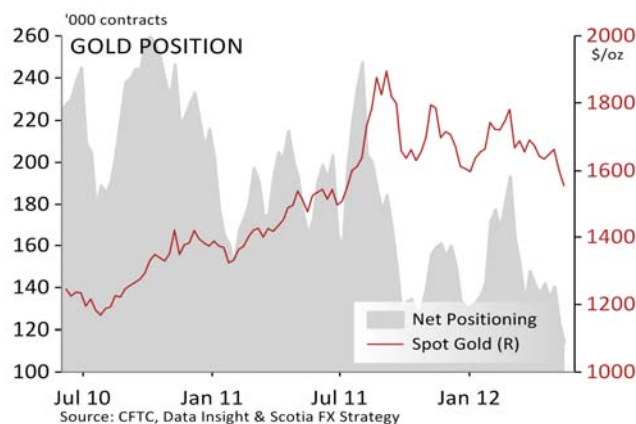
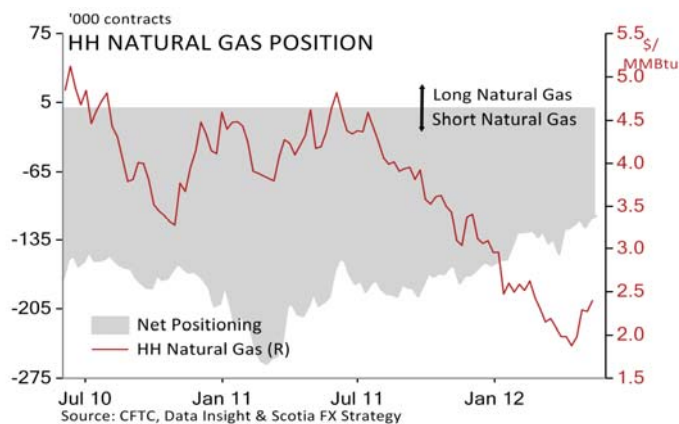


**MXN — Contracts of 500,000 MXN**

Date	(\$MM)	Position				Open Int.
	Net	Long	Short	Net	Net w/w	
15-May	522	35,857	21,412	14,445	-22,483	174,386
8-May	1,381	53,380	16,452	36,928	-5,117	160,169
1-May	1,628	57,907	15,862	42,045	1,837	156,499
24-Apr	1,528	58,544	18,336	40,208	-5,893	162,405

**NYMEX Crude — Non-Commercial Futures Positions**

Date	(\$MM)	Position				Open Int.
	Net	Long	Short	Net	Net w/w	
15-May	17,336	356,311	171,848	184,463	503	1,539,151
8-May	17,846	356,626	172,666	183,960	-42,683	1,590,926
1-May	24,060	374,537	147,894	226,643	14,257	1,602,007
24-Apr	21,993	356,816	144,430	212,386	-1,169	1,539,257



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