



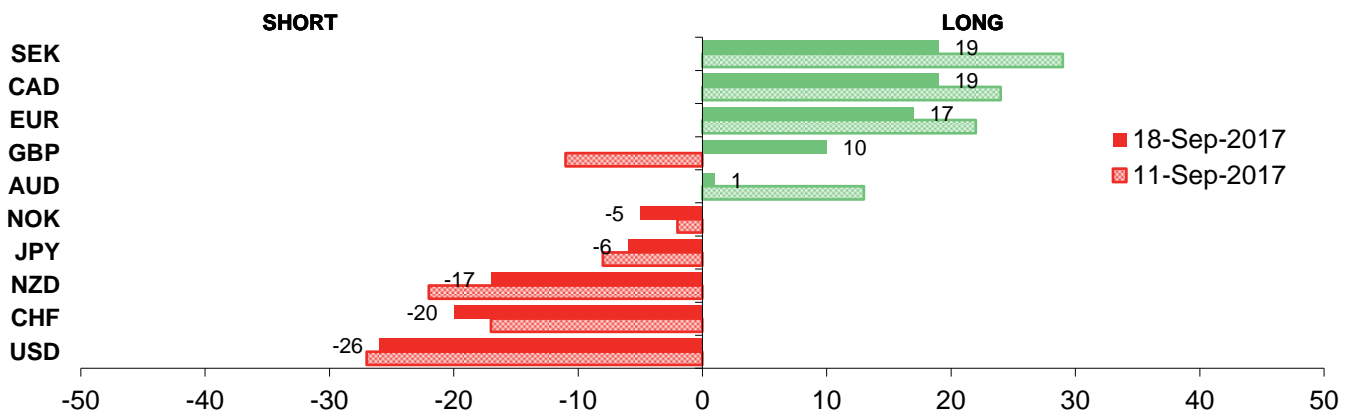
FX STRATEGY | FX QUANT INSIGHT
FX Positioning Analysis
18 September 2017

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- The positive turn in sentiment towards GBP has caused overall positioning to turn positive for the first time since May, at a score of +10 (-/+50 scale).
- The ‘fast money’ components (FX Fund Tracker and Trending Indicator) have turned long GBP, but the slower moving components (client exposure and IMM) are still short.
- FX investors continue to hold large short USD positions, with a score of -27, whilst long EUR positions have reduced to +17.
- CAD and SEK are the largest long positions in G10, with scores of +19.

Chart 1 : BNP Paribas FX Positioning Analysis – Overall Positioning*



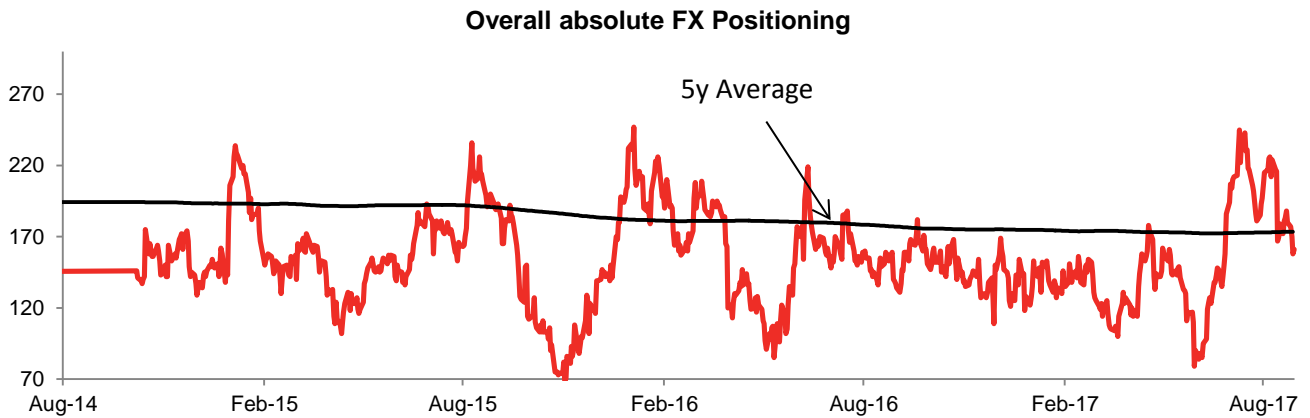
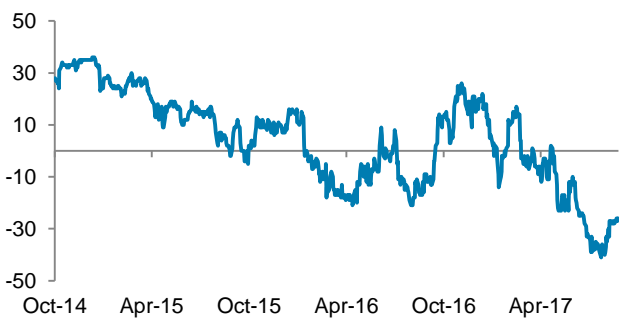
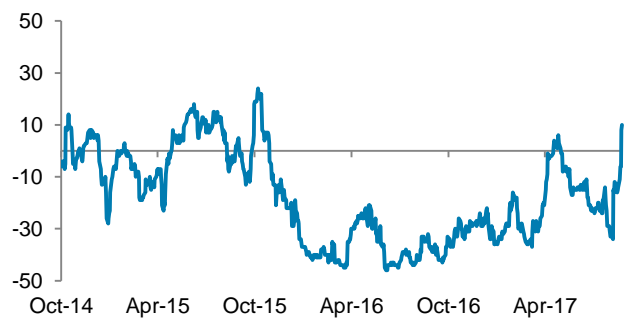
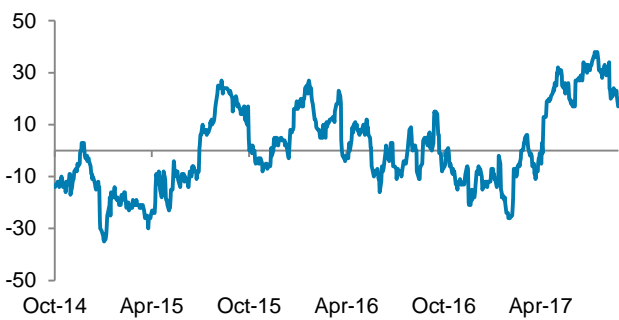
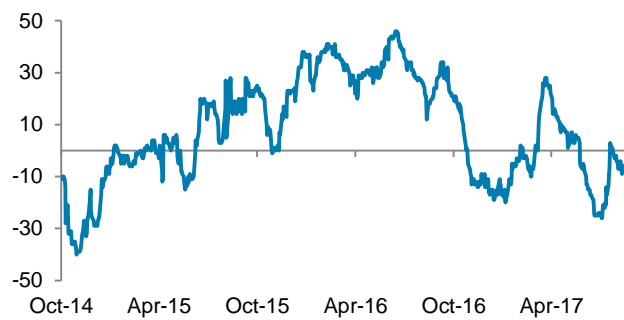
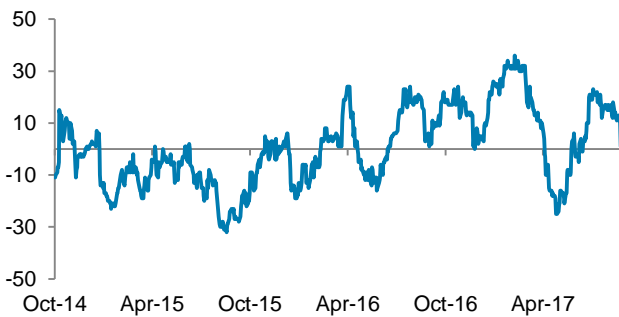
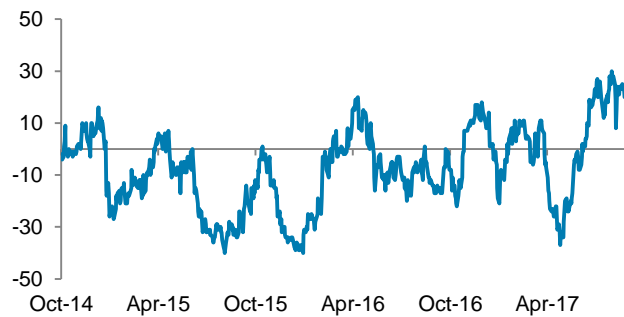
Source: BNP Paribas

*The positioning scores above are reported as a percentile based on the prior five years of data. These percentiles are rescaled to give a value between -50 and +50. Values above 40 and below -40 represent extreme positions.

To interpret a score of -27, for example, add 50 to give 23. This tells us that 23% of observations over the past five years have been below the current observation.

Client Exposure	IMM	Risk Reversals	FX Fund Position Tracker	BNPP Trending Indicator	
-15	-47	-50	33	-49	USD
14	48	35	-33	21	EUR
2	10	14	-28	-29	JPY
-9	-23	8	31	45	GBP
-37	6	0	-19	-48	CHF
35	45	11	-41	46	CAD
7	44	-19	-31	5	AUD
-27	25	-43	-3	-35	NZD
-9	-	20	-49	18	NOK
29	-	21	-14	39	SEK

- Client exposure – Internal sales desks’ estimate of FX investor exposure
 - IMM – The commitment of traders (COT) is a widely used proxy for US-based hedge-fund/CTA activity
 - Risk reversals – Risk reversals indicate the relative price of calls relative to puts, and thus incorporate an option “market sentiment”
 - FX Fund position tracker – Regression based decomposition of currency fund positioning
 - BNPP trending indicator – A technical measure of the strength of a currency’s momentum
- The overall currency score is then calculated as the equally weighted average of the components

Chart 2: Absolute Total G10 Positioning

3 Year historic plot of G10 currency positioning scores
Chart 3: USD Overall Positioning

Chart 4: GBP Overall Positioning

Chart 5: EUR Overall Positioning

Chart 6: JPY Overall Positioning

Chart 7: AUD Overall Positioning

Chart 8: CAD Overall Positioning


All chart sources: BNP Paribas

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Chart 9: NZD Overall Positioning

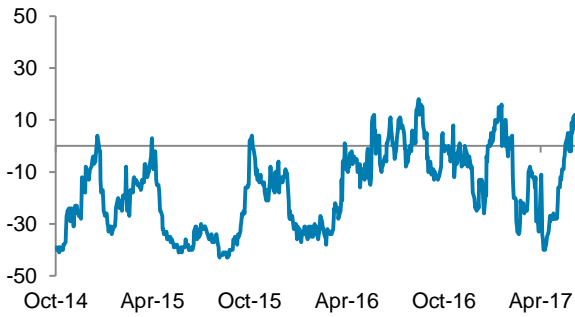


Chart 10: CHF Overall Positioning

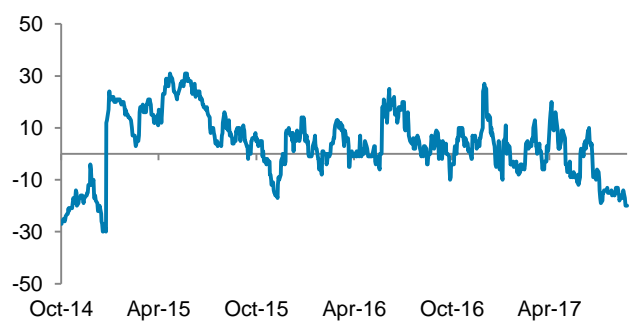


Chart 11: NOK Overall Positioning

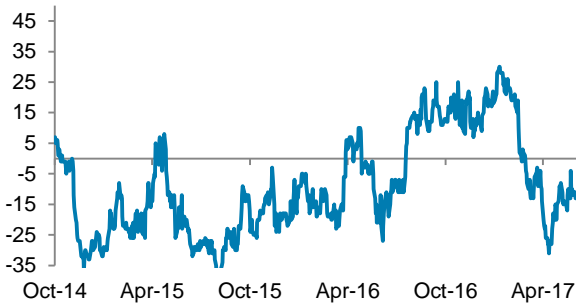
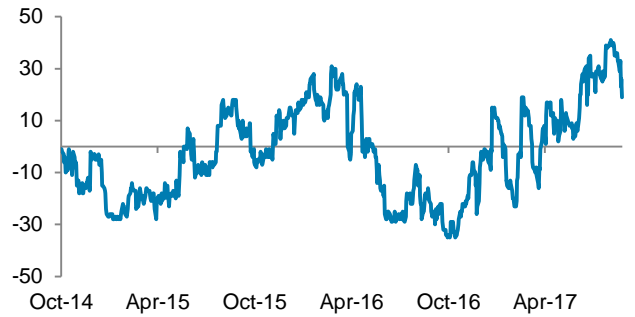


Chart 12: SEK Overall Positioning



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1 Year historic plot of G10 currency positioning individual scores

Chart 13: USD Overall Positioning

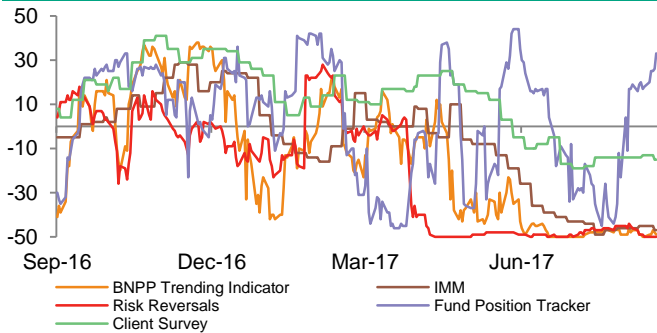


Chart 14: GBP Overall Positioning

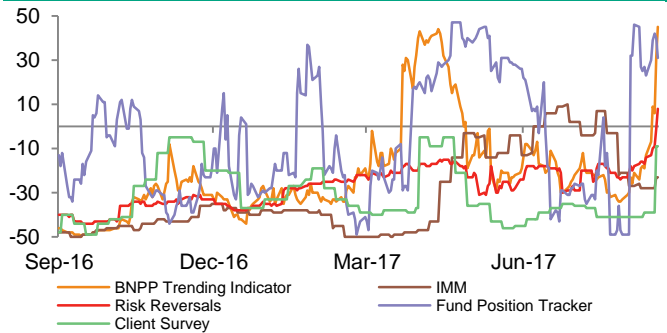


Chart 15: EUR Overall Positioning

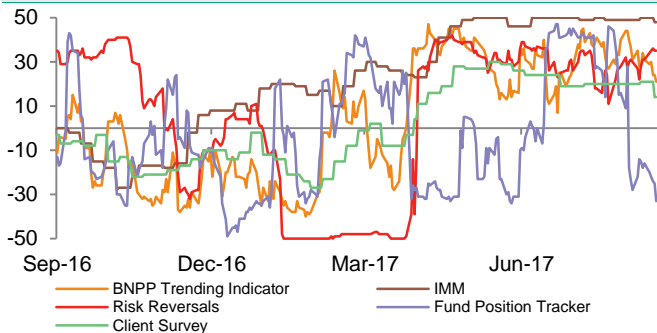
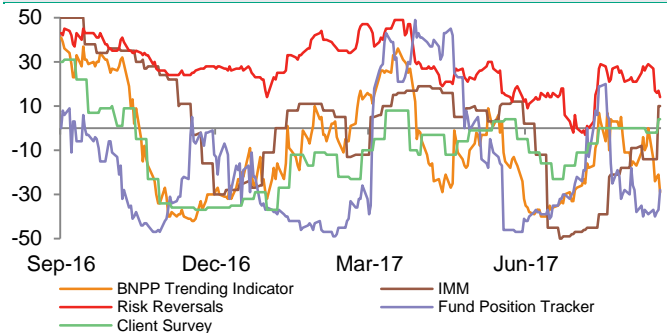
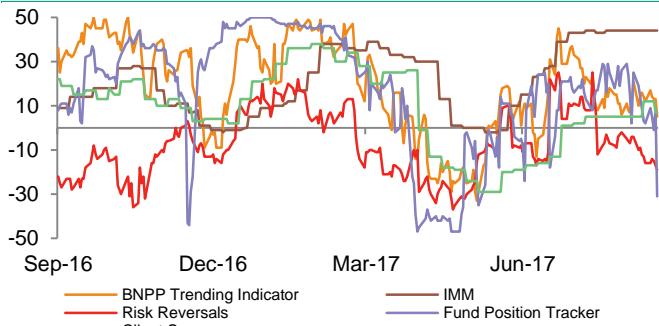
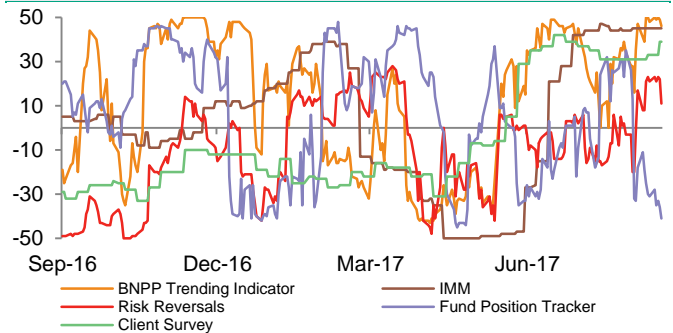
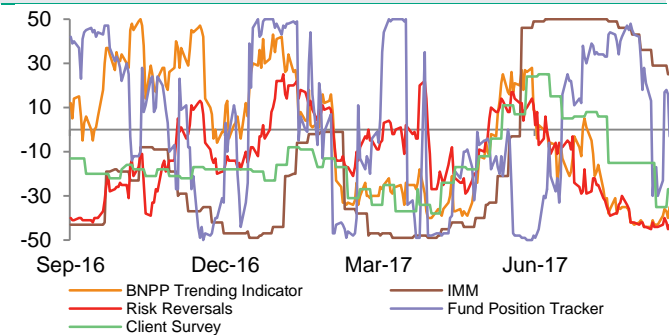
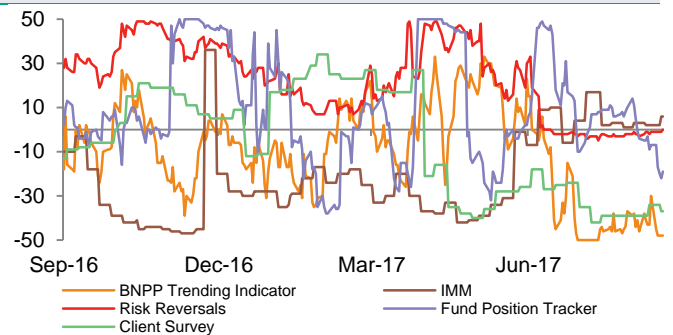
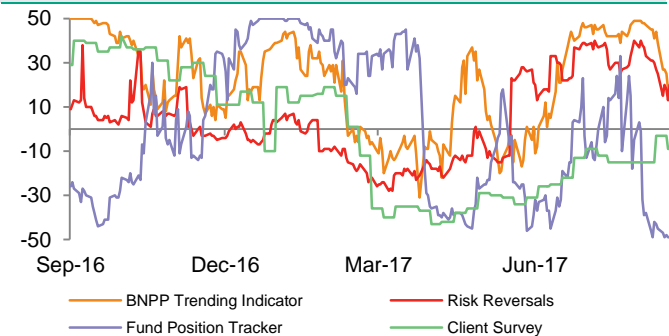
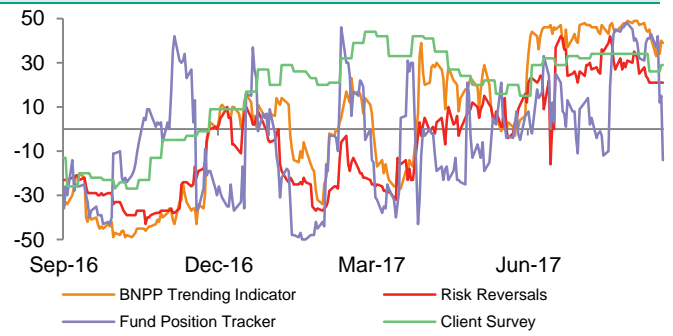


Chart 16: JPY Overall Positioning



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Chart 17: AUD Overall Positioning

Chart 18: CAD Overall Positioning

Chart 19: NZD Overall Positioning

Chart 20: CHF Overall Positioning

Chart 21: NOK Overall Positioning

Chart 22: SEK Overall Positioning


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18 September 2017

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9

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