

Macro Hive Pro: Positioning and Sentiment Report

(Bilal Hafeez, bilal@macrohive.com, Ben Ford, benjamin.ford@macrohive.com, 9 May 2022)

We have consolidated our three positioning reports (FX, rates, and equities) into one. In our report we will continue to separate actual positioning data from sentiment data.

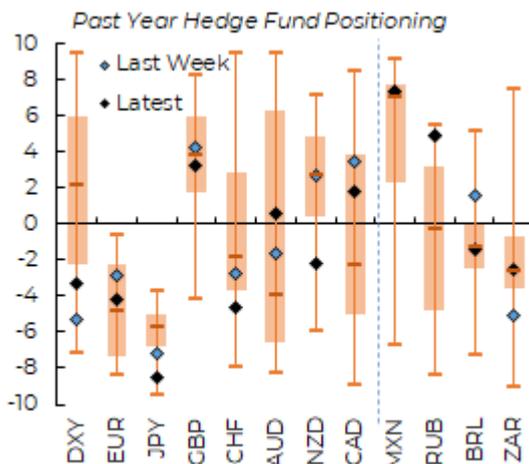
- Real money has benefitted from recent DXY strength and GBP weakness, while hedge funds have yet to catch up on these trades.
- Hedge funds and asset managers turned net-neutral on 30-day Fed Funds.
- S&P500 positioning is mixed. Hedge funds are near neutral while asset managers are extremely underweight in comparison to the past year.

FX

Here's the latest on IMM positioning (as of 3 May):

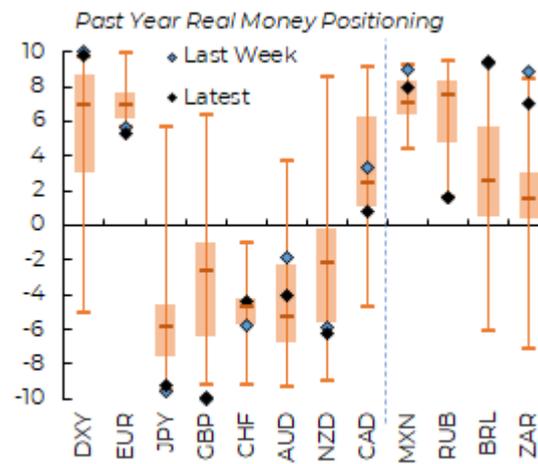
- **Hedge funds pared net-short DXY positioning through recent strength, although the level remains shorter than typical** (Chart 1). Meanwhile, hedge funds have become less convinced of a NZD resurrection, with positions rotated from net bullish to net bearish (see Chart 17 in appendix).
- **Real Money net-positioning are at extremes in a number of currencies**, with DXY and BRL net-longs and GBP and JPY net-shorts close to extreme levels (Chart 2). Meanwhile, EUR remains net-bullish but far less so than typical.

Chart 1: Hedge Funds Are Catching Up on DXY Strength



Source: Macro Hive, Bloomberg, CFTC

Chart 2: Real Money Continue to Benefit from Trends

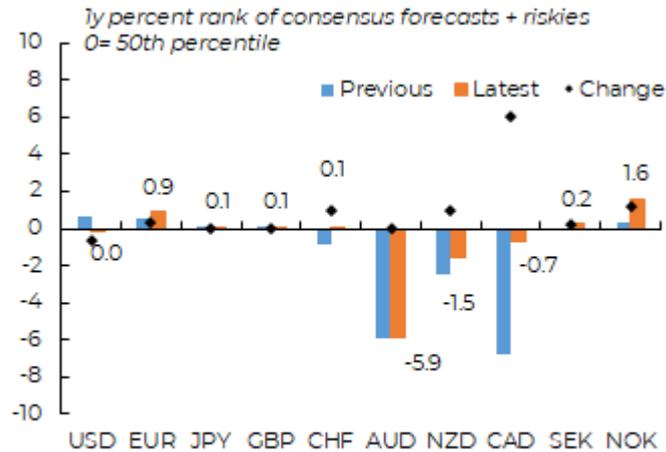


Source: Macro Hive, Bloomberg, CFTC

Here's the latest on FX sentiment (as of 9 May):

- **G10 FX:** Our metric of FX sentiment has markets neutral on most currencies, largely due to disagreements between riskies and consensus forecasts. The only agreement comes on bearish AUD which sits at support at 0.70 (Chart 3).
- **EM FX:** MYR sentiment improved notably, in part due to strong recent depreciation and anchored expectations (Chart 4). Meanwhile, markets have remained bearish INR, and CNH; Caroline recently made her case for being **long INR/TWD**, while Bert has been **long USD/CNH** for some time.

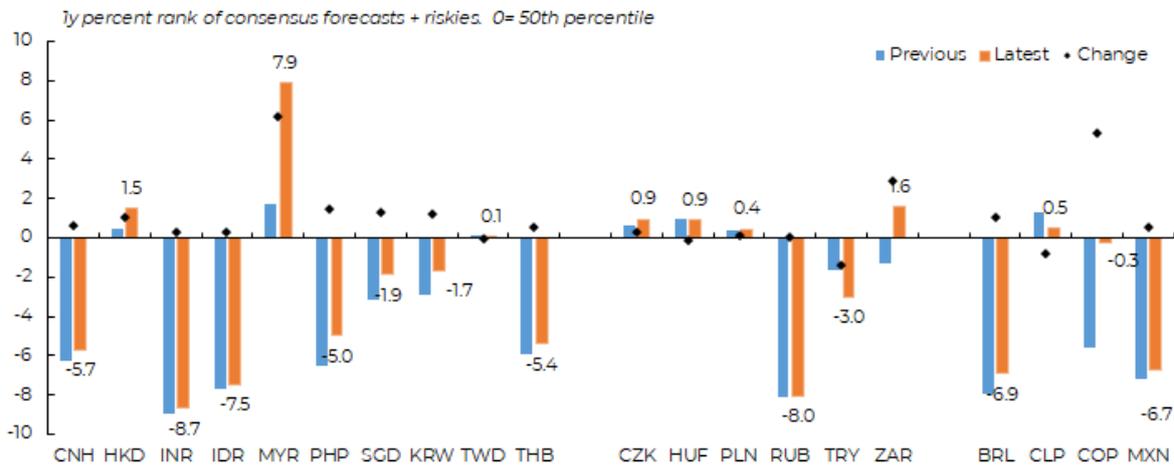
Chart 3: AUD Downside May Have Further to Go



Source: Macro Hive, Bloomberg, CFTC



Chart 4: Markets Turning More Bearish on MYR



Source: Macro Hive, Bloomberg

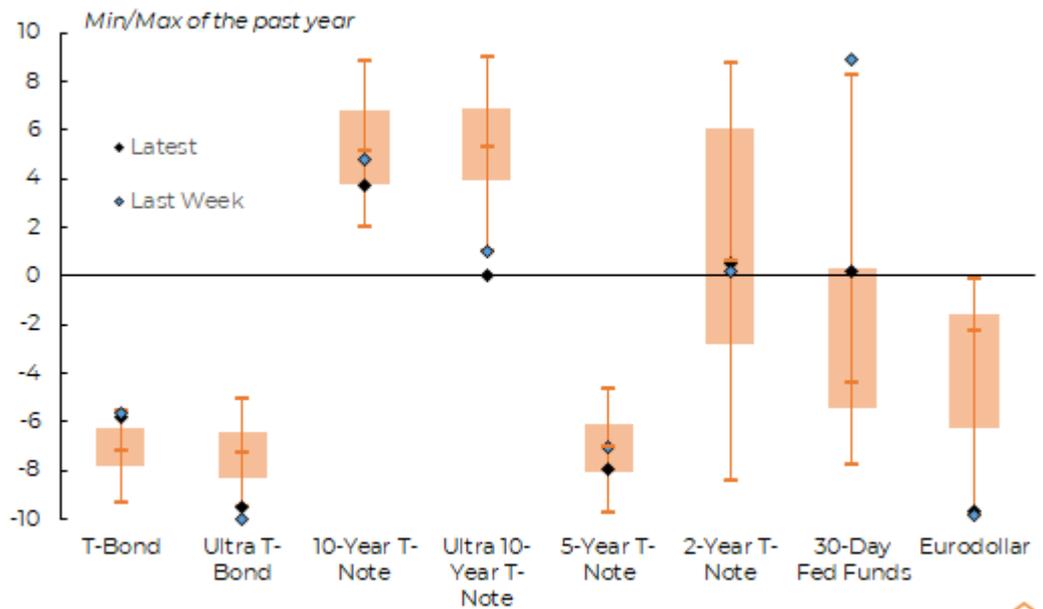


Rates

Here's the latest on IMM positioning (as of 3 May):

- **Hedge funds pulled back their 30-day Fed Funds (FF) net-longs** from extreme levels (Chart 5). At the same time, Ultra 10-year T-Note positioning now sits neutral, longs have been reducing since November (see: Chart 38 in appendix).
- **Asset managers extended their extreme 10-year T-Note and Eurodollar net-longs (Chart 6)**. Meanwhile, 30-day FF net-shorts turned neutral and Eurodollar shorts continued to reduce (see: Charts 49 and 50 in appendix).

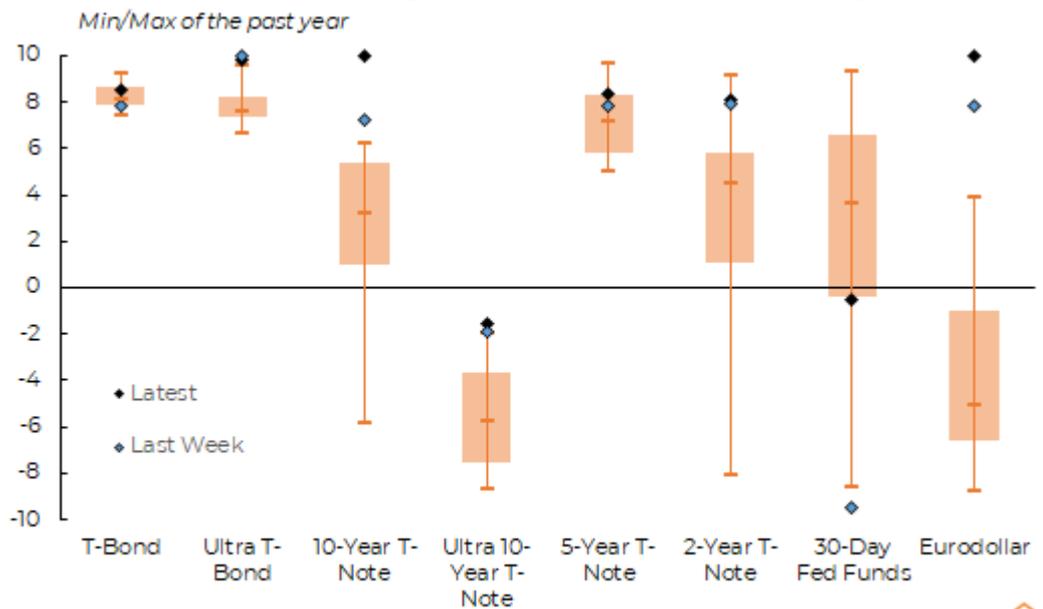
Chart 5: Hedge Funds Neutral on 30-Day Fed Funds



Source: Macro Hive, Bloomberg, CFTC



Chart 6: Asset Managers in Extreme Eurodollar Net-Longs



Source: Macro Hive, Bloomberg, CFTC



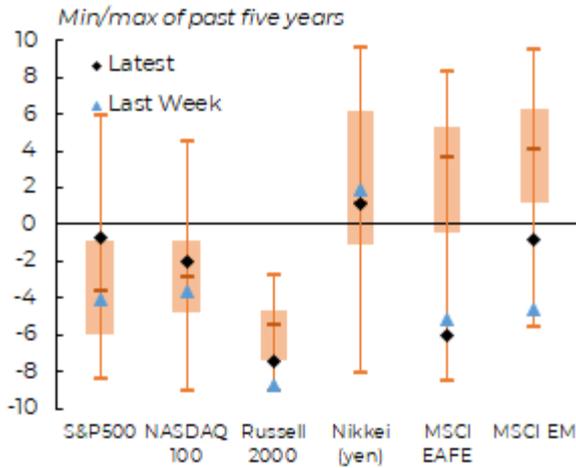
Equities

Here's the latest IMM positioning (as of 3 May):

- **\$5.9bn has flowed out of equities over the past week** with \$20.0bn having flowed out since the start of April (see: appendix Chart 51).
- **Hedge funds have reduced S&P500 shorts** and are now nearing neutral (Chart 7). Elsewhere, MSCI EM net-shorts have been cut back from near extremes.

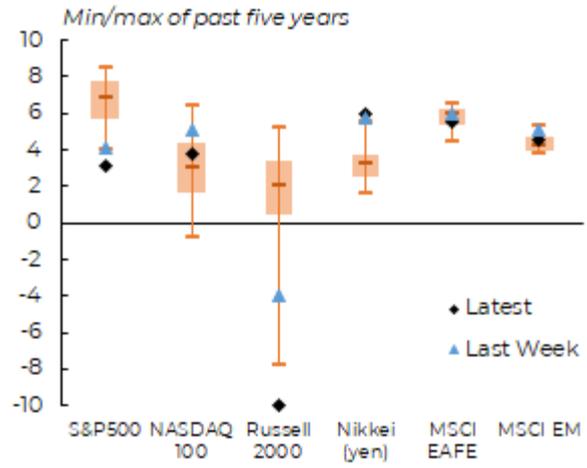
- **Real money positioning is at extreme net-short levels in the Russell 2000** and extreme net-long levels in the Nikkei (Chart 8). S&P500 net-longs are meanwhile significantly below typical levels of the last five years.

Chart 7: Hedge Funds are Nearing Net-Neutral on the S&P500



Source: Macro Hive, Bloomberg

Chart 8: Real Money are Extremely Underweight on S&P500 Net-Longs

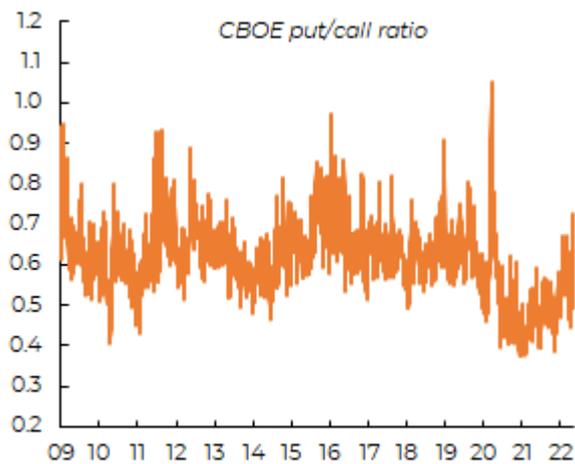


Source: Macro Hive, Bloomberg

Here's the latest equity sentiment (as of 9 May):

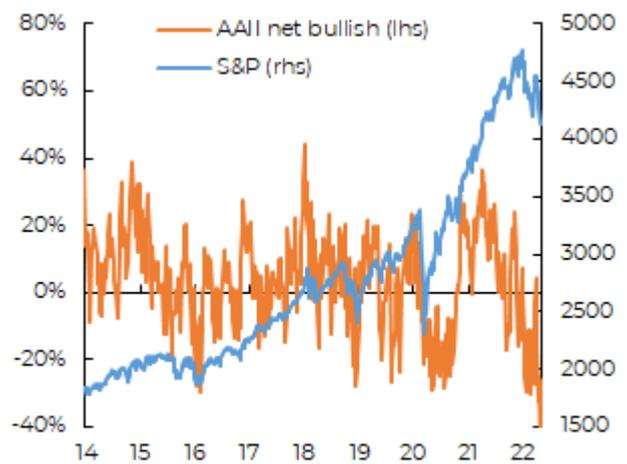
- **Option skew remained near recent extremes** of 0.72, having climbed from 0.5 three weeks prior (Chart 9). Meanwhile, the survey-based short-term investor optimism (AAII), as of 5 May, had retreated to -26%, it was previously at the lowest levels since March 2009 (-43%) (Chart 10).
- **Corporate spreads continued widening** with the US HY CDX now 18.6bps wider and the Euro HY iTraxx 34.6bps wider (see appendix: Charts 53 and 54).

Chart 9: Option Skew is Trending Higher



Source: Macro Hive, Bloomberg

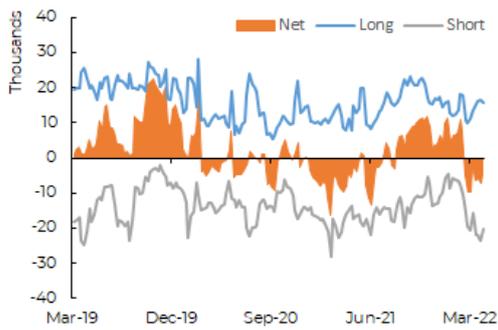
Chart 10: Investors Still Extremely Bearish on Equities



Source: Macro Hive, Bloomberg

Appendix: FX Charts

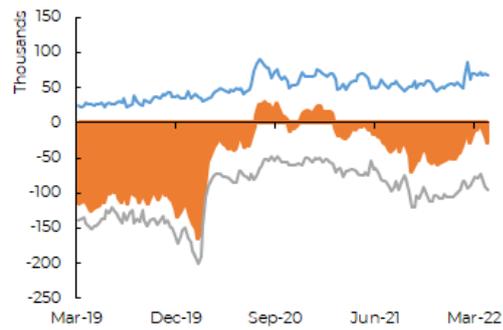
Chart 11: IMM Hedge Fund DXY Positioning



Source: Macro Hive, Bloomberg, CFTC



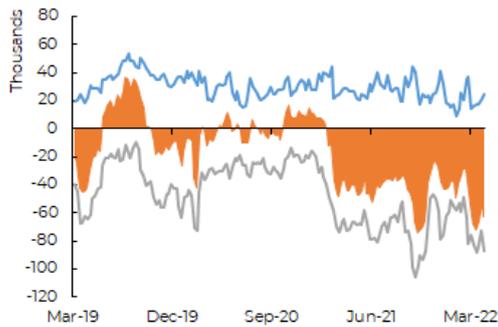
Chart 12: IMM Hedge Fund EUR Positioning



Source: Macro Hive, Bloomberg, CFTC



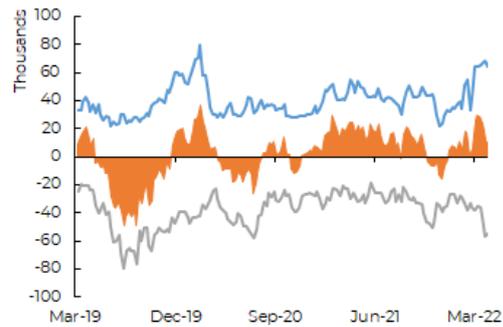
Chart 13: IMM Hedge Fund JPY Positioning



Source: Macro Hive, Bloomberg, CFTC



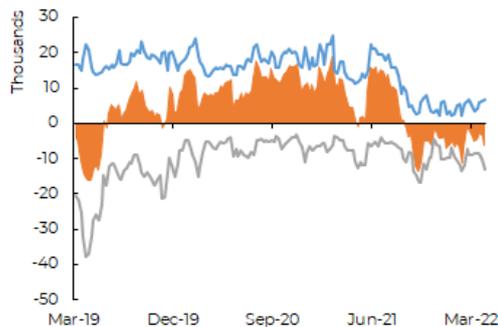
Chart 14: IMM Hedge Fund GBP Positioning



Source: Macro Hive, Bloomberg, CFTC



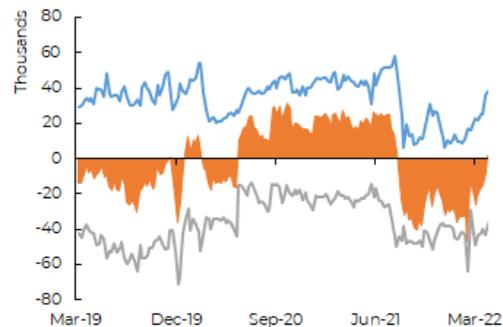
Chart 15: IMM Hedge Fund CHF Positioning



Source: Macro Hive, Bloomberg, CFTC



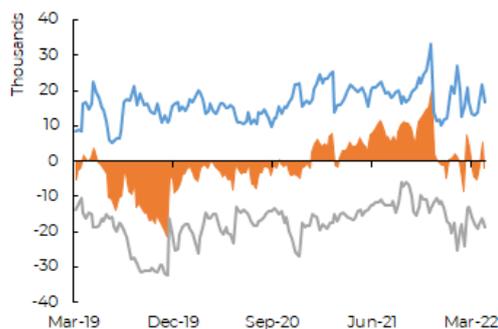
Chart 16: IMM Hedge Fund AUD Positioning



Source: Macro Hive, Bloomberg, CFTC



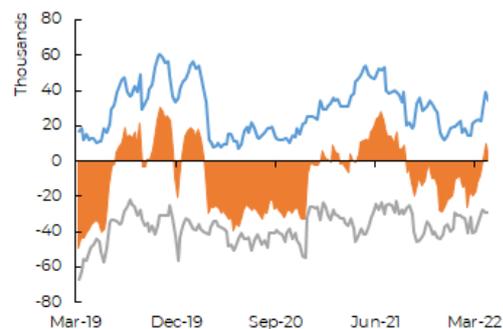
Chart 17: IMM Hedge Fund NZD Positioning



Source: Macro Hive, Bloomberg, CFTC



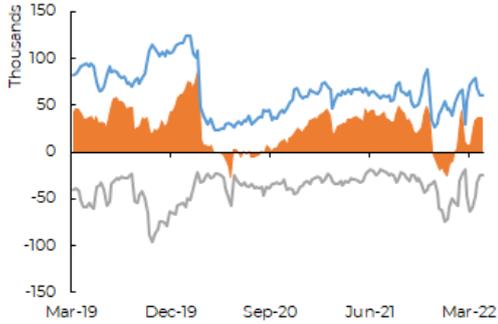
Chart 18: IMM Hedge Fund CAD Positioning



Source: Macro Hive, Bloomberg, CFTC



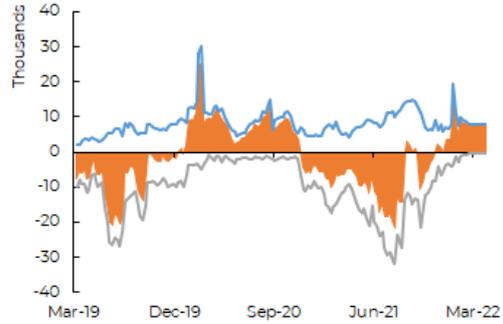
Chart 19: IMM Hedge Fund MXN Positioning



Source: Macro Hive, Bloomberg, CFTC



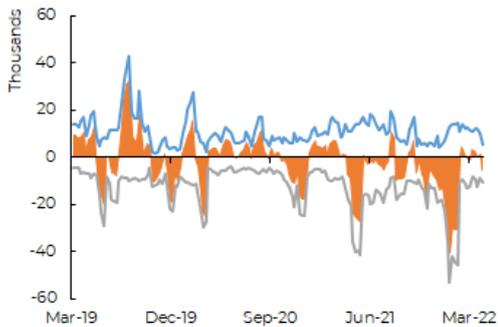
Chart 20: IMM Hedge Fund RUB Positioning



Source: Macro Hive, Bloomberg, CFTC



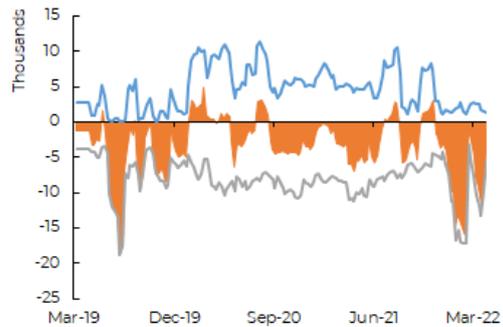
Chart 21: IMM Hedge Fund BRL Positioning



Source: Macro Hive, Bloomberg, CFTC



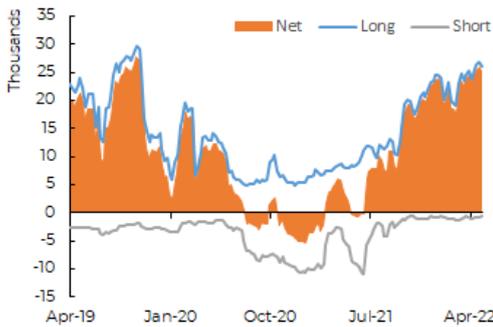
Chart 22: IMM Hedge Fund ZAR Positioning



Source: Macro Hive, Bloomberg, CFTC



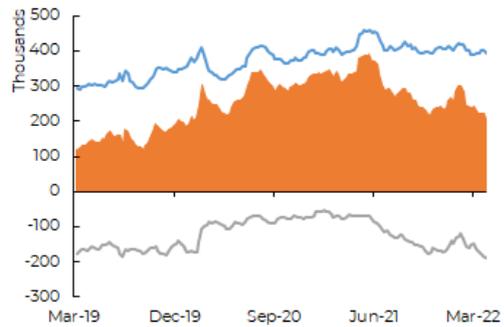
Chart 23: IMM Real Money DXY Positioning



Source: Macro Hive, Bloomberg, CFTC



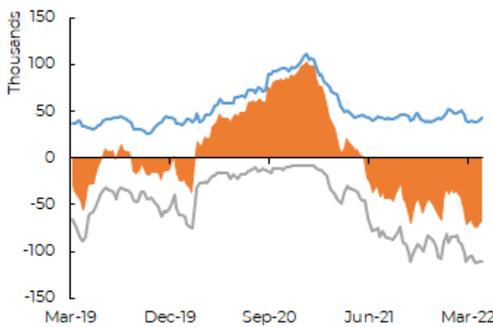
Chart 24: IMM Real Money EUR Positioning



Source: Macro Hive, Bloomberg, CFTC



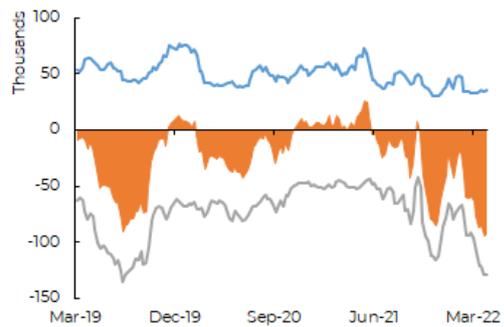
Chart 25: IMM Real Money JPY Positioning



Source: Macro Hive, Bloomberg, CFTC



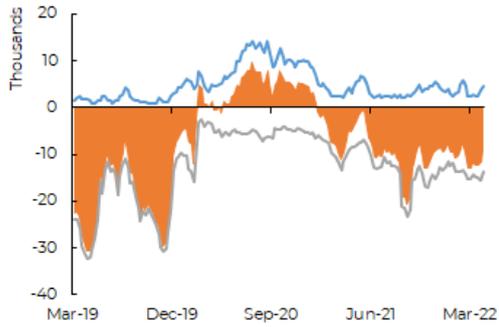
Chart 26: IMM Real Money GBP Positioning



Source: Macro Hive, Bloomberg, CFTC



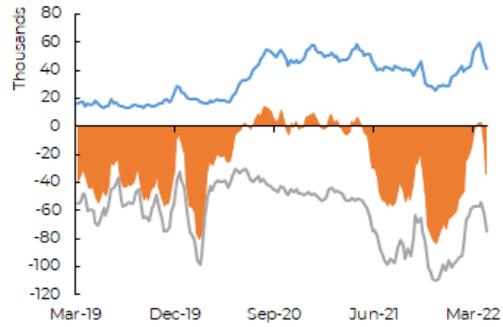
Chart 27: IMM Real Money CHF Positioning



Source: Macro Hive, Bloomberg, CFTC



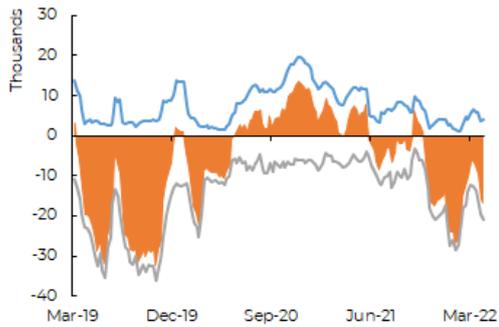
Chart 28: IMM Real Money AUD Positioning



Source: Macro Hive, Bloomberg, CFTC



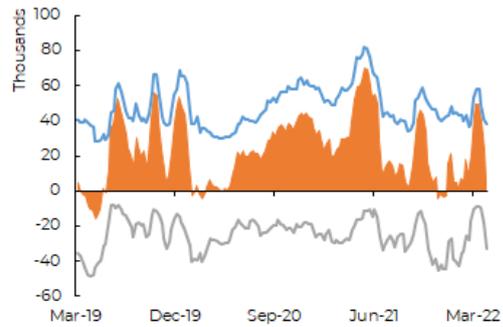
Chart 29: IMM Real Money NZD Positioning



Source: Macro Hive, Bloomberg, CFTC



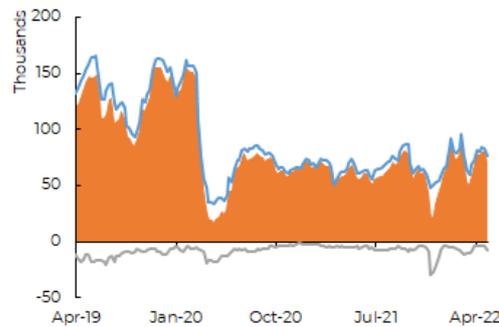
Chart 30: IMM Real Money CAD Positioning



Source: Macro Hive, Bloomberg, CFTC



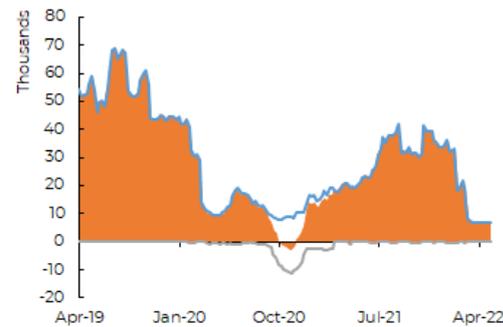
Chart 31: IMM Real Money MXN Positioning



Source: Macro Hive, Bloomberg, CFTC



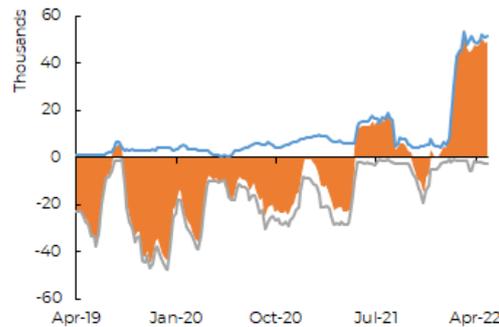
Chart 32: IMM Real Money RUB Positioning



Source: Macro Hive, Bloomberg, CFTC



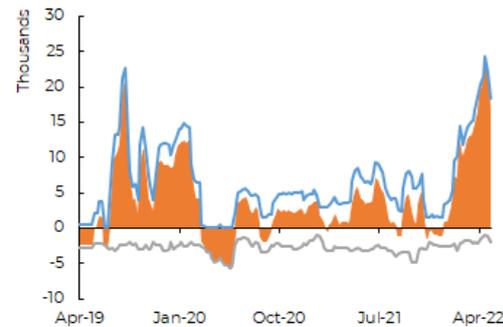
Chart 33: IMM Real Money BRL Positioning



Source: Macro Hive, Bloomberg, CFTC



Chart 34: IMM Real Money ZAR Positioning

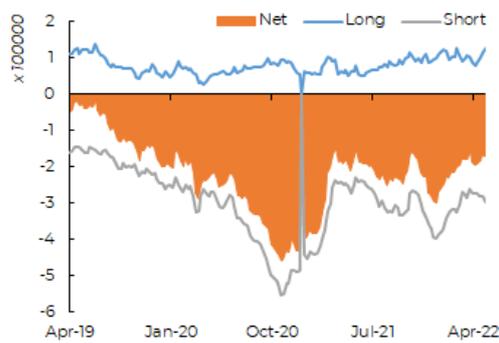


Source: Macro Hive, Bloomberg, CFTC



Appendix: Rates Charts

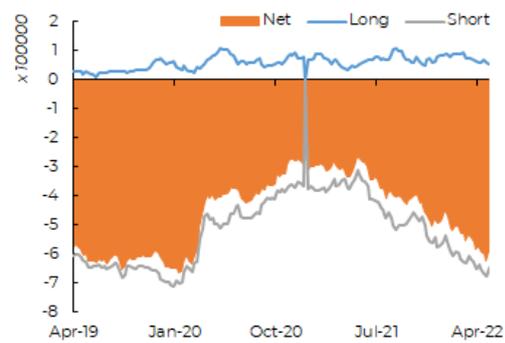
Chart 35: IMM HF T-Bond Positioning



Source: Macro Hive, Bloomberg, CFTC



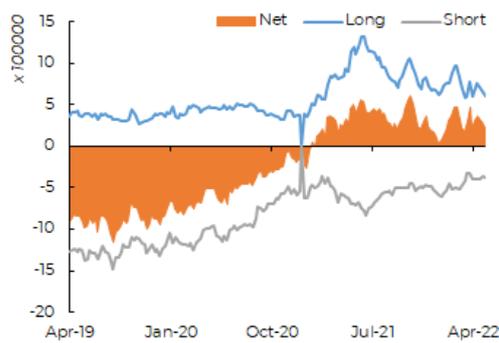
Chart 36: IMM HF Ultra T-Bond Positioning



Source: Macro Hive, Bloomberg, CFTC



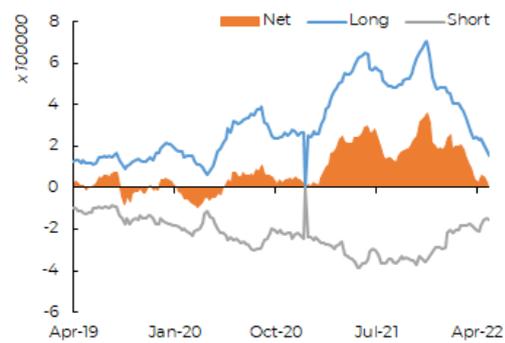
Chart 37: IMM HF 10Y T-Note Positioning



Source: Macro Hive, Bloomberg, CFTC



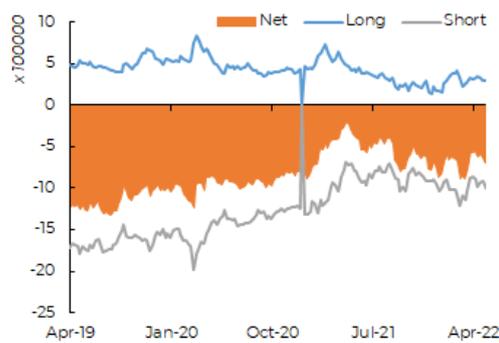
Chart 38: IMM HF Ultra 10Y T-Note Positioning



Source: Macro Hive, Bloomberg, CFTC



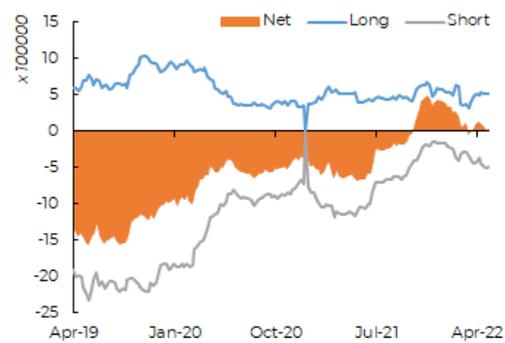
Chart 39: IMM HF 5Y T-Note Positioning



Source: Macro Hive, Bloomberg, CFTC



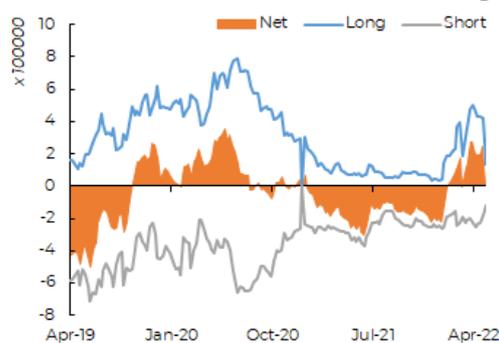
Chart 40: IMM HF 2Y T-Note Positioning



Source: Macro Hive, Bloomberg, CFTC



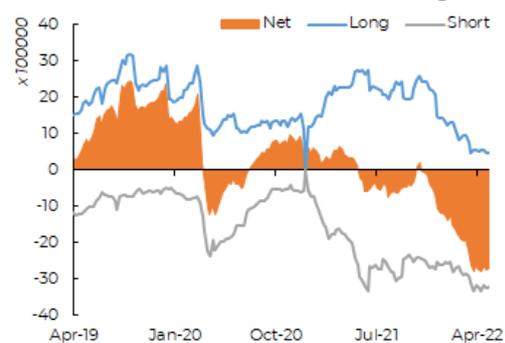
Chart 41: IMM HF 30D Fed Funds Positioning



Source: Macro Hive, Bloomberg, CFTC



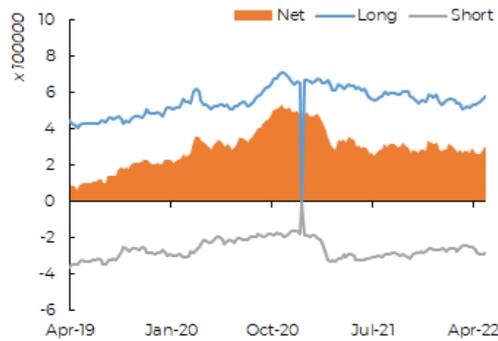
Chart 42: IMM HF Eurodollar Positioning



Source: Macro Hive, Bloomberg, CFTC



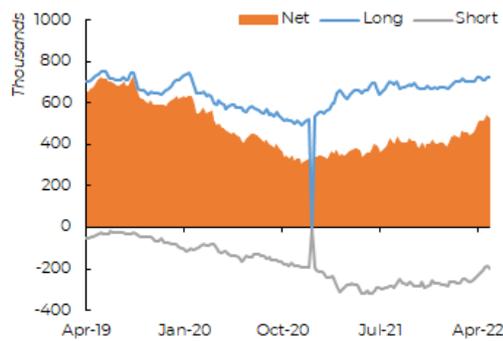
Chart 43: IMM RM T-Bond Positioning



Source: Macro Hive, Bloomberg, CFTC



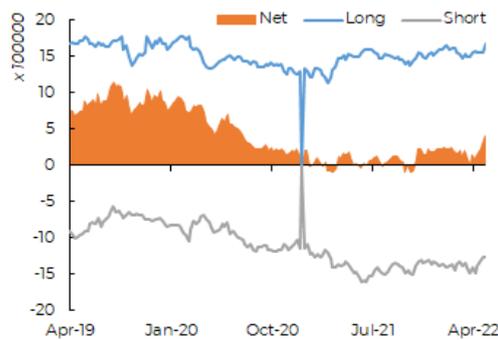
Chart 44: IMM RM Ultra T-Bond Positioning



Source: Macro Hive, Bloomberg, CFTC



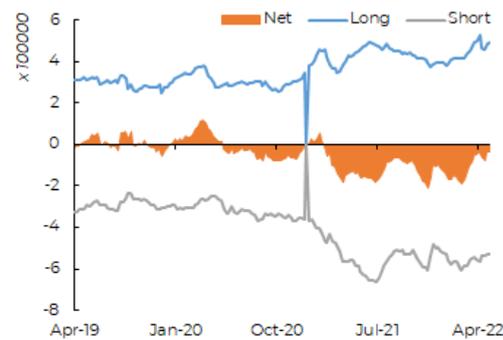
Chart 45: IMM RM 10Y T-Note Positioning



Source: Macro Hive, Bloomberg, CFTC



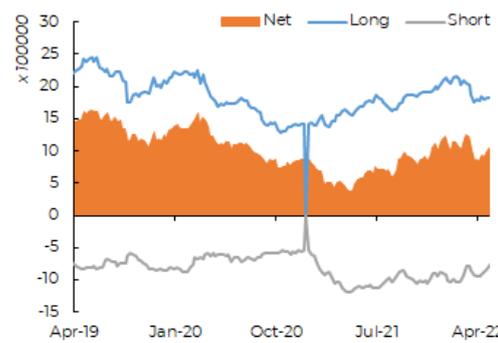
Chart 46: IMM RM Ultra 10Y T-Note Positioning



Source: Macro Hive, Bloomberg, CFTC



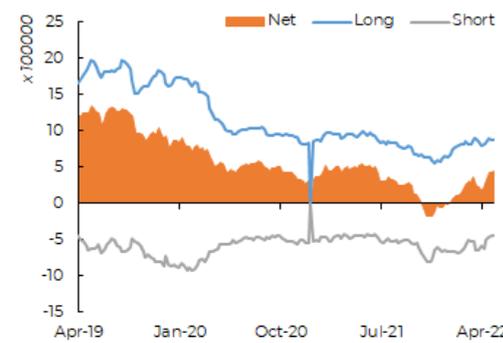
Chart 47: IMM RM 5Y T-Note Positioning



Source: Macro Hive, Bloomberg, CFTC



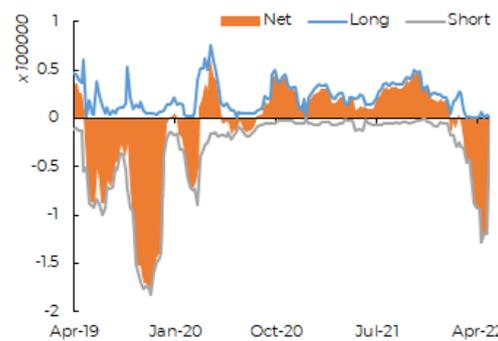
Chart 48: IMM RM 2Y T-Note Positioning



Source: Macro Hive, Bloomberg, CFTC



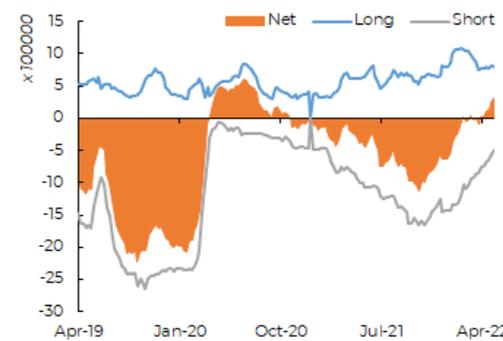
Chart 49: IMM RM 30D Fed Funds Positioning



Source: Macro Hive, Bloomberg, CFTC



Chart 50: IMM RM Eurodollar Positioning

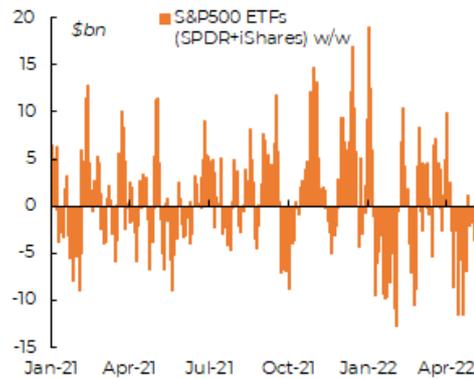


Source: Macro Hive, Bloomberg, CFTC



Appendix: Equities Charts

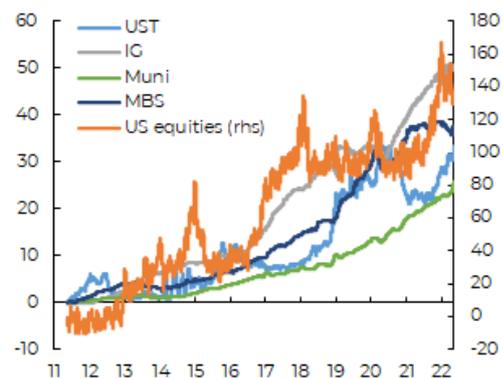
Chart 51: Weekly S&P500 ETF Flow



Source: Macro Hive, Bloomberg



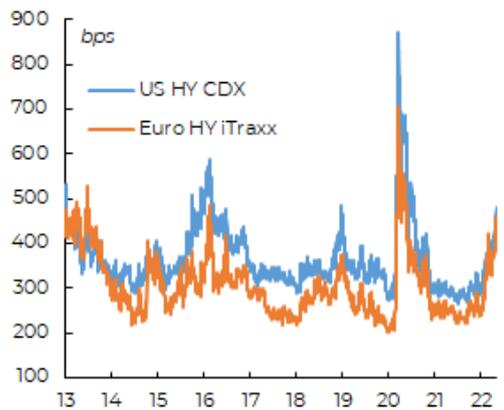
Chart 52: Total ETF Flows



Source: Macro Hive, Bloomberg



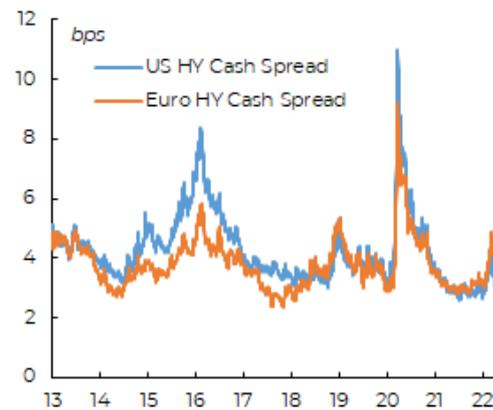
Chart 53: Credit Spreads



Source: Macro Hive, Bloomberg



Chart 54: Cash Spreads



Source: Macro Hive, Bloomberg



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