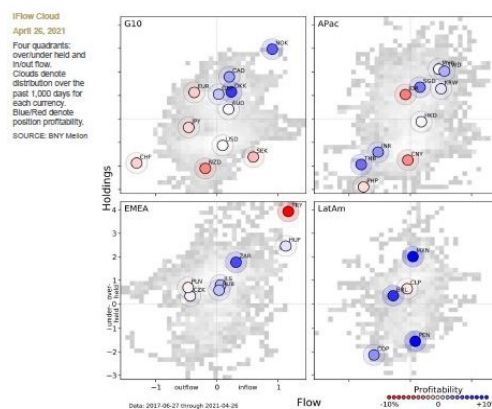




## iFlow Monthly: April 2021

Attached is the April 2021 edition of our iFlow Monthly, including iFlow Cloud and iFlow Hedge (click to the right to access).

Looking at iFlow Cloud, as of the end of April, compared to March, FX exposures flipped significantly. While a month ago most overheld exposures were underwater, EUR/USD 3% appreciation turned overheld/inflow currencies profitable. With the exception of the Turkish lira, where monetary easing might be imminent despite higher inflation, all currencies in the top right quadrant of the cloud are profitable or flat.



iFlow Monthly Update

Investors seem to have run successful short idiosyncratic exposures. Indian rupee and Thai baht shorts are in-the-money. Political uncertainty in Peru has turned short sol exposures very profitable as well.

iFlow Hedge suggests that marginal propensity to hedge (MPH) in LatAm sovereign bonds remains low with investors willing to take FX exposure in both BRL and MXN.

Meanwhile, investors are seeking to stay FX hedged in South Africa, where FX flows are improving but bond flows are deteriorating. This has also been the case for CAD and GBP in G10, where bond investors are seeking to keep FX exposures in AUD, EUR and NOK.

In equities, there is still a relatively high MPH for several G10 markets: GBP, AUD and NOK. Equity investors seem willing to stay exposed to FX in the US.

Elsewhere, the most interesting observation seems to be India, where investors have timed well FX hedging around equity longs. MPH turned statistically significantly negative in April.

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