



iFlow

MONTHLY

August 27, 2021

Please find the latest edition of iFlow Monthly below.

Attached is the August 2021 edition of our iFlow Monthly, including iFlow Cloud and iFlow Hedge.

To enlarge the charts, please click the image below.

iFlow Cloud

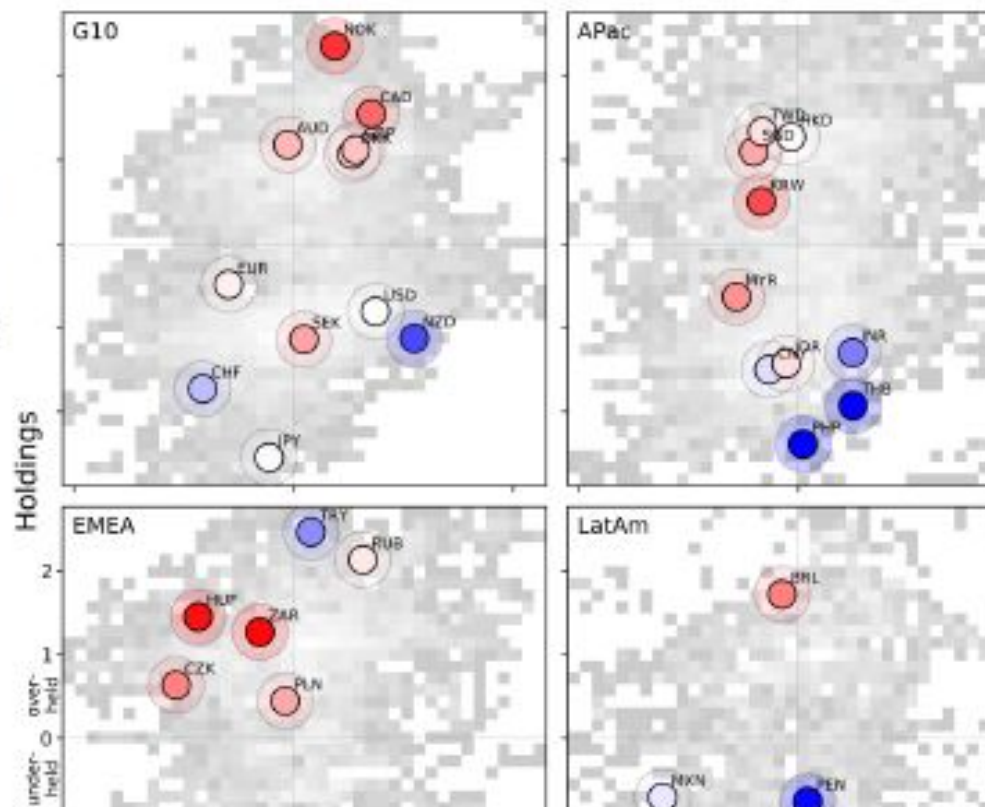
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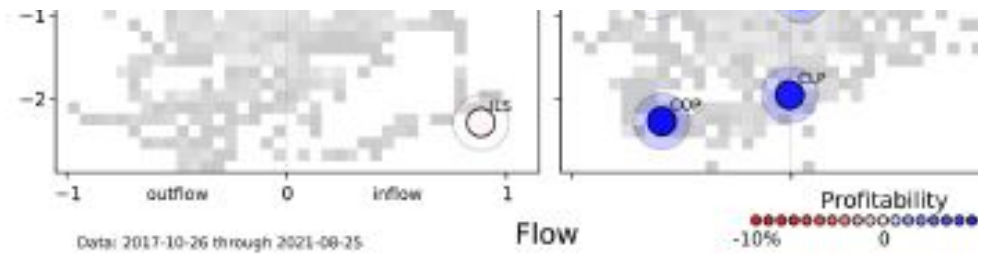
Four quadrants:
over/under held and
in/out flow.

Clouds denote
distribution over the
past 1,000 days for
each currency.

Blue/Red denote
position profitability.

SOURCE: BNY Mellon





1 iFlow Monthly Update



In iFlow Cloud most currencies in the upper end of the box are red, while those in the lower are blue. This is mostly about a strong USD trend. Some notable exceptions: EUR, JPY and SEK in G10, as investors have turned more bearish on euro in the past couple of weeks.

In Asia, MYR shorts are underperforming. In LatAm, BRL remains the only overheld exposure. In EMEA, longs are now profitable due to high carry. The ILS is in a sweet spot, seeing inflows and being underheld.

Throughout the past month iFlow shows investors more likely to hedge FX positions in bond markets than equities. In eight currencies we see statistically low correlation between FX and bond flows. This indicates demand for hedges in Australia, Sweden, Hungary, Turkey, South Africa, China, Korea and Thailand. In e iFlow Hedge shows FX hedging demand in four currencies: Switzerland, Brazil, Colombia and China.

Meanwhile, despite USD demand investors are seeking to keep currency exposure in a number of bond and equity markets. The common denominator seems to be commodity-driven in New Zealand, Russia, Norway and Indonesia.

Interestingly, out of the central banks hiking interest rates, the overheld positions are: KRW, HUF, CZK, BRL and RUB. Despite rate hikes, investors are underholding CLP and MXN.

To access this iFlow Monthly click on the thumbnail above, or [click here](#).

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