



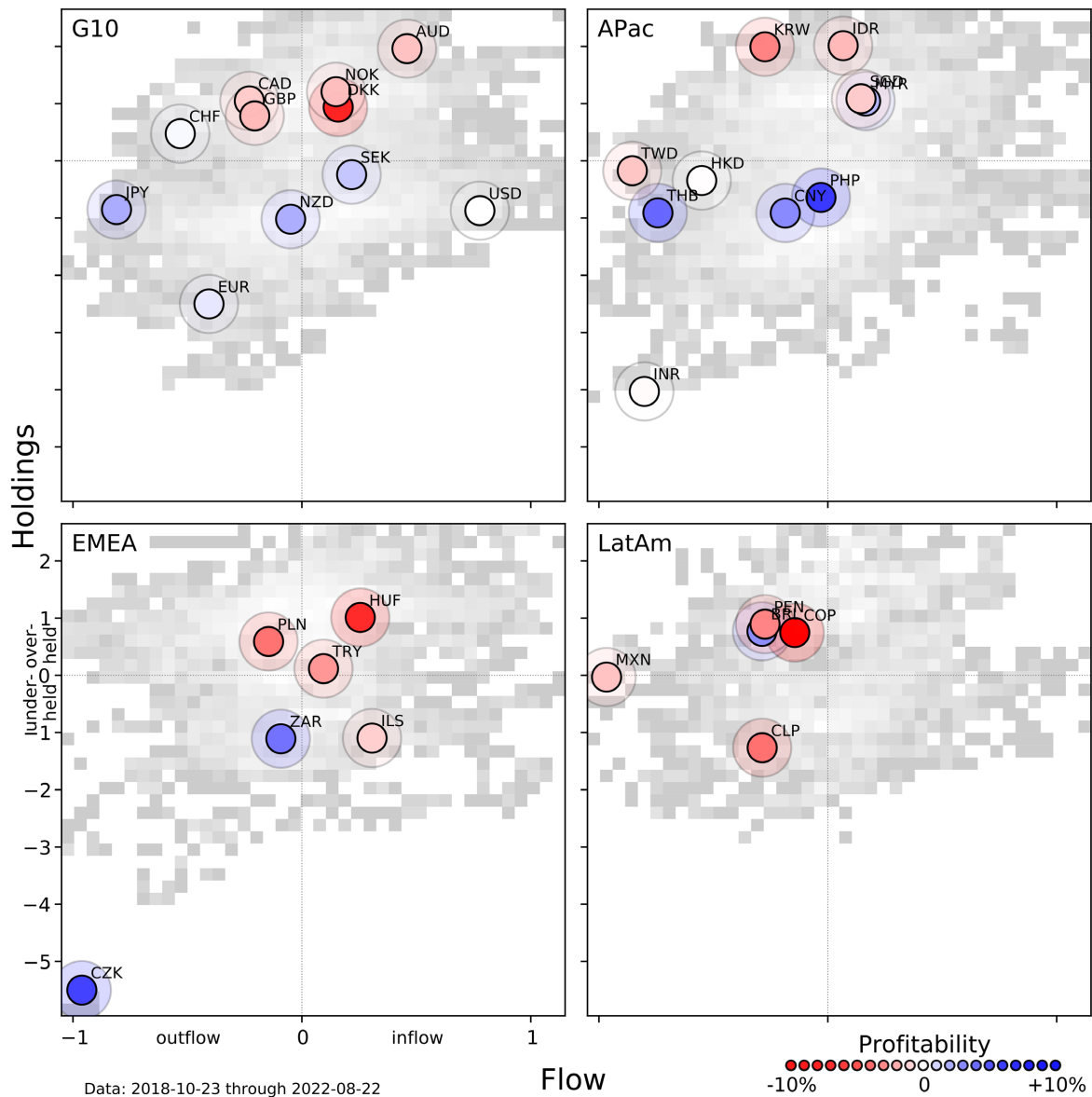
iFlow

MONTHLY

August 2022

Please find below our August iFlow Monthly, including iFlow Cloud and iFlow Hedge.

To enlarge the charts, please click the image below.



Source: BNY Mellon

Positive momentum in the S&P 500 since bottoming in mid-June helped foster a broad recovery in markets over the past month. US Treasury yields traded in a wide range; the 10y rose 20bp+ on the month, to around 3.0%, but is still lower than the 3.47% June highs.

Overall risk sentiment improved, as shown by iFlow Mood shifting out of the "fear" zone and towards neutrality. Interestingly, despite stronger equities, the performance of FX was mixed. Developed market bond yields were generally higher, but lower elsewhere.

This month's iFlow Cloud shows some dispersion between scored holdings and profitability.

On an aggregate basis, iFlow Cloud shows the most declines in LatAm and APAC currency holdings, leaving EMEA the only underheld region, followed by marginally overheld APAC.

In G10, the euro posted a significant drop in scored holdings, to the most underheld since late-2018. Also worth noting is a pickup of outflows from the low-yielding Japanese yen and Swiss franc. This, along with the shift of iFlow Carry from negative and statistically significant to approaching zero, affirms the improvement in risk appetite shown by iFlow Mood.

Despite broad outflows, LatAm currencies are generally overheld, except Chile's peso. Colombia's peso is the most unprofitable. Brazil's real stands out as one of the few profitable and underheld currencies in the iFlow Universe. Flows in Central and Eastern Europe (CEE) FX have been mixed. The Czech koruna is the most underheld currency within iFlow.

iFlow shows broad outflows from APAC currencies over the month. Most notable was the collapse of INR scored holdings to historically underheld. iFlow flow dynamics suggest increasing hedging demand took place as investors increased exposure to equities and bonds. This was observed in Thailand as well, where THB scored holdings dropped sharply.

To access this week's iFlow Chart click on the thumbnail above, or [click here](#).

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