



iFlow

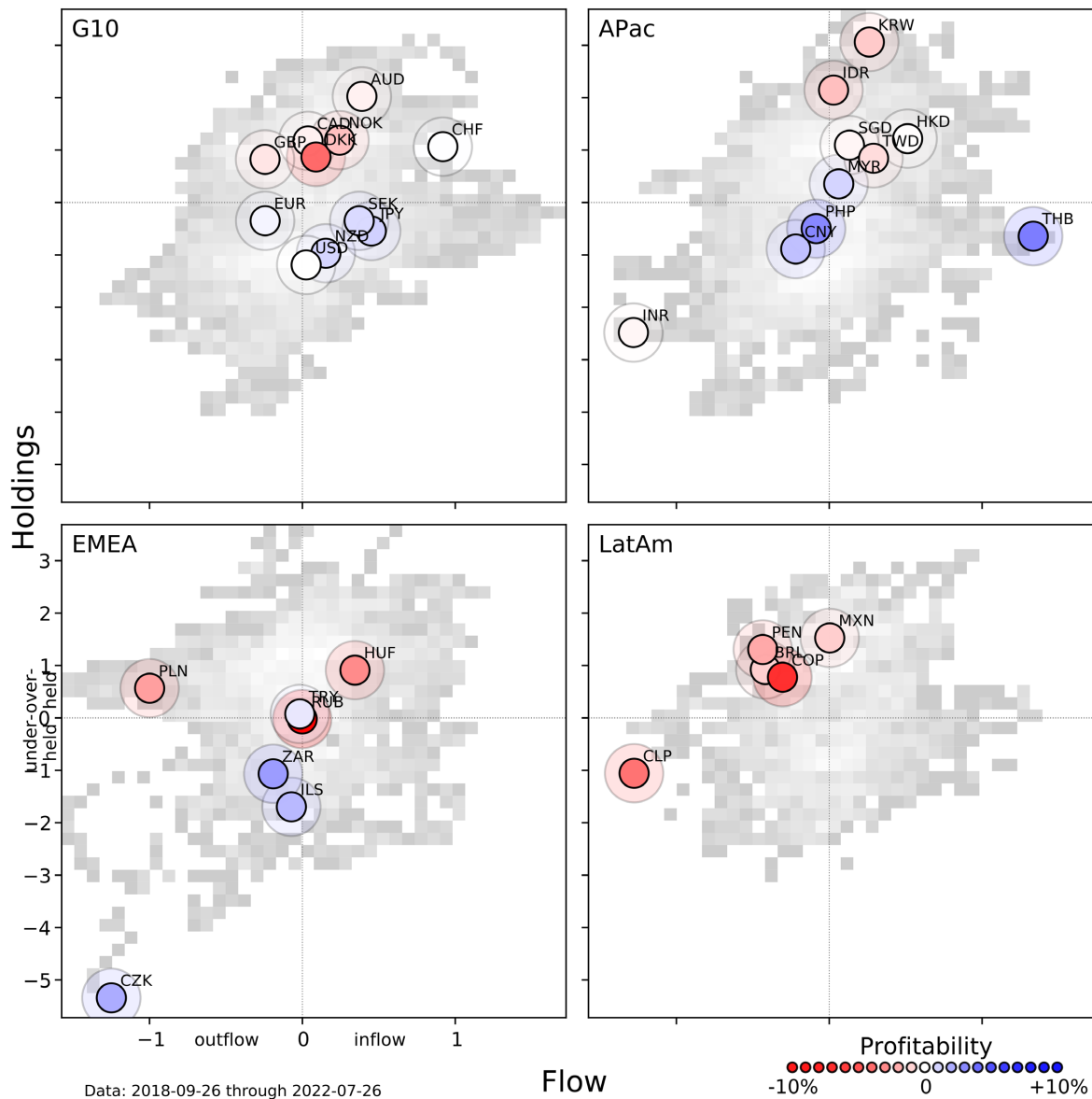
MONTHLY

July 2022

Please find below the July 2022 edition of our iFlow Monthly.

iFlow Cloud and iFlow Hedge are included.

To enlarge the charts, please click the image below.



Looking at iFlow Cloud, as of the end of July, the market was underwater in almost all long currency positions, but marking profits in almost all short exposures. This is a picture usually observed when investors are exposed to across-the-board long USD positions. LatAm currencies are likely the most painful exposures. In fact, we are witnessing a significant unwind of carry positions in iFlow Carry (see [chart in the iFlow Monitor](#)).

Heading into month-end, our data shows market participants reducing long USD exposure. Investors have been seeking to exit from profitable short exposures in JPY, and are adding to CHF longs. We are also noting closure of THB shorts, which are also profitable. Short CZK positioning is very extreme given the central bank's policy shift.

According to iFlow Hedge, much of the currency buying in Australia is likely about unwinding hedges in both equities and bonds. iFlow Hedge is very positive in the Eurozone fixed income market, hinting that investors are selling euros and Eurozone bonds.

Meanwhile, in LatAm, we believe investors buying equities are hedging BRL exposure. The last time we observed persistent currency hedging in Brazilian equities was heading into the outbreak of war in Ukraine into March 2022.

In EMEA, our data shows investors running meaningful currency exposure long Hungarian equities but the opposite in Hungarian bonds.

In APAC, China government bond buying is being hedged with long USDCNY. We also believe investors are hedging FX exposure in equity positions in India and Indonesia.

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