



iFlow

MONTHLY

July 28, 2021

Please find the latest edition of iFlow Monthly below.

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

To enlarge the charts, please click the image below.

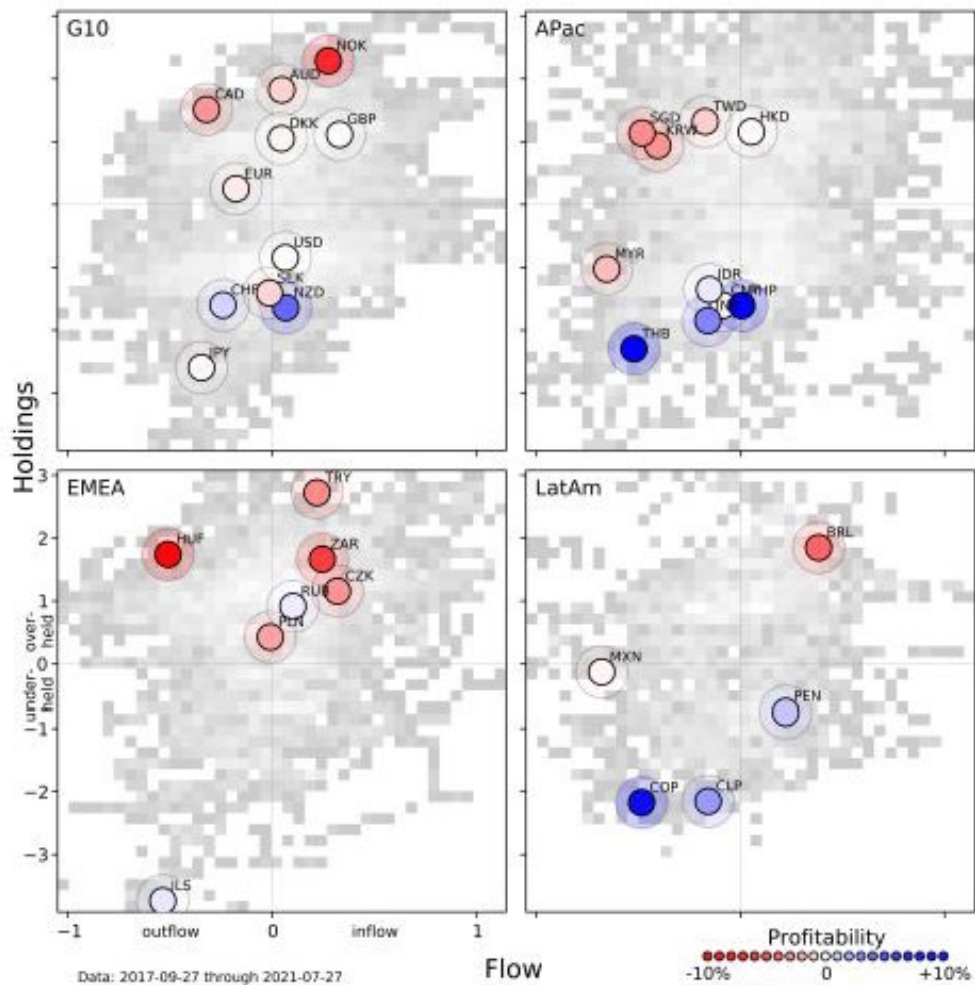
iFlow Cloud

July 21, 2021

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



Compared to June, we have continued to see alignment in the cloud between holdings and profitability. This is particularly pronounced outside of G10, where the overheld currencies are currently unprofitable while the underheld currencies are done so at a profit.

In the case of APac, it is also notable that the overhyped currencies remain the so-called industrialized 'Asian Tigers' but with China-related growth risks and very weak pandemic management affecting sentiment, we believe these currencies will be at risk from liquidation.

High yielders or currencies which have benefitted from tightening expectations, such as HUF, ZAR and NOK are extremely overhyped and unprofitable.

iFlow Hedge indicates that the hedging of FX risk in equities is still very much in favor, even though the number of markets with statistically significant marginal propensities to hedge has declined. Markets of note include Russia and the Philippines – with the latter having one of the most weakly positioned currencies in the Monitor.

The bond market is seeing less hedging interest, though we note that as overall net flows in bonds at this point are so flat, relationships based on abnormal flow are hard to establish. Indonesia is a standout at present as bond inflows continue to see a high marginal propensity to hedge.

Similar behavior in Australian and Norwegian bonds point to some struggles within commodity exposure up ahead.

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

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