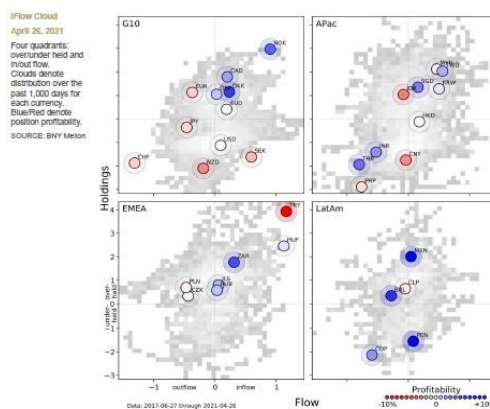




iFlow Monthly: June 2021

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

iFlow Cloud shows a meaningful turn of events as a result of the FOMC meeting on June 16 with many long exposures are recording losses. This pattern is most prominent in Asia while long carry in EMEA are also recording losses, except the Russian ruble. Brazil is another exception as BCB hiked 75bp with a clear signal and it may deliver 100bp next. Real profits are the strongest along short PEN.



iFlow Monthly Update



Throughout the past month iFlow shows investors buying US bonds while selling US equities and buying international equities. This is the backdrop for the hedging patterns in these two markets. There is little demand for FX hedging in global bond markets because investors are buying USD bonds outright. The four notable exceptions are FX hedging in Switzerland, Mexico, Poland and Malaysia bonds.

Meanwhile, USD demand is also evident across global equity markets. In G10, we are observing three markets where investors opt to hedge equity exposures: CHF, NOK and SEK. We are also seeing hedging demand in Australia and the UK but these are not statistically significant. Investors are hedging equity exposure across all markets in LatAm. This is also the case for Russia and South Africa.

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