

iFlow

MONTHLY

September 2021

Please find the latest edition of iFlow Monthly below.

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

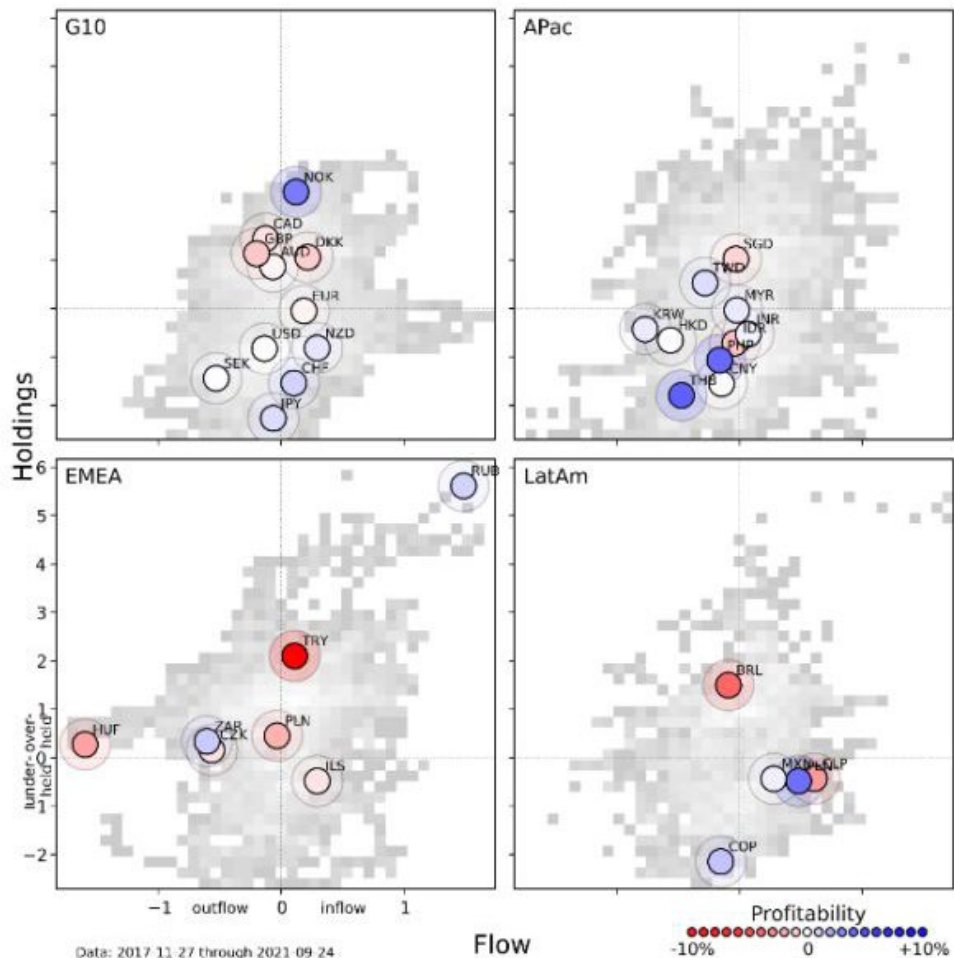
To enlarge the charts, please click the image below.

iFlow Cloud

September 24, 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 last month, when a number of currencies across all four regions we monitor were in the upper portion of their respective quadrants, positioning is generally much closer to neutral, indicating that the strong dollar performance in September resulted in the narrowing of those overweights.

Furthermore, most of the currencies that retain their longs are still loss-making. Exceptions are NOK, which is long and profitable, and the RUB, which is at the extreme northeast of the EMEA quadrant and is profitable. HUF, where positioning is relatively neutral, but flows are extremely negative is also in the red.

In Asia SGD longs are underperforming, as are overweights for the BRL in Latin America and TRY positions in EMEA. COP underweights are profitable in LatAm while THB shorts are performing well also.

Although equity flows are generally positive in EM markets and there are a number of EM currencies seeing outflows in the FX space, we don't yet see too many statistically significant marginal propensities to hedge.

In Asia, only Malaysia is statistically significant, although a number of the bars indicating hedging are moving to left (equity inflows and currency outflows), even if not passing the statistical hurdle. In EMEA, we see South African hedging while in Hungary and Poland, investors are avoiding the currencies and the stock markets.

In fixed income markets, there is very little evidence of hedging, although in Brazil we see real money selling the assets as well as the BRL. Canada is seeing bond buying and inflows into the CAD, while in New Zealand, there is some hedging of heavy bond demand.

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

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