

Daily European Wrap

Heatmap of relative investor "crowdedness"			
		COT Net Speculative Positioning as a % of Aggregate Open Interest** (as of June 27th)	COT Net Speculative Positioning as a % of Aggregate Open Interest** (as of July 6 2021)
more short (ie: bullish sentiment indicator)---->>>	JPY	-37.5	-45.8
	US 30yr yield ("USA")	-8.0	-9.8
	AUD	-7.3	-17.3
	NG	-5.6	-5.0
	US 10yr yield ("TYA")	-5.0	-6.6
	CAD/USD	0.4	0.3
	DXY	4.4	35.0
	SPX	5.6	3.7
	Copper, HG	11.6	12.9
	Copper, LME	11.8	14.5
more long (bearish sentiment indicator) <<< -----	Brent	11.9	1.9
	Nickel, LME	13.3	13.9
	RBOB	16.3	16.3
	Tin, LME	19.2	18.0
	CHF/USD	21.6	1.0
	Ali, LME	21.6	23.5
	Corn	21.6	18.0
	WTI	24.2	23.0
	Lead, LME	24.3	24.0
	Silver	24.7	22.6
	EUR	25.9	17.7
	Zinc	28.9	29.5
	GBP	29.0	13.9
	Palladium	33.7	28.9
	Platinum	45.6	37.9
Gold	49.6	45.6	

LATEST data as of June 22 2021 (i.e.: Includes the FOMC price action)

*Precious Metals & CME FI, FX products COT = CME net noncommercial length (noncommercial longs -NCL shorts)/ CME Aggregate open interest

**Base Metals COT = LME post Mifid II COT definitions. IE: (net "investment/credit firm" length + "investment funds" length + "Financial Firm" length + "Operators under Directive 2003/87/EC" length)/ LME Agg Open Interest

Source: Bloomberg, CME, LME, ICE, MKS Pamp Group

- US equities surged in early trading, brushing off last weeks pullback in risk on delta variant concerns and the growth outlook US bond yields are indicating. A new day, another new highs solidifying the idea that dips are shallow.
- **Macro markets are looking ahead to 2Q earnings season (hoping profitability supports the super lofty valuations), US CPI (its the first "new" inflation stat following the hawkish FOMC where there was concern over the pace of price rises), Chinese macro data (after their surprise dovish policy tilt, GDP/trade will be scanned for signs of headwinds) and Powell's testimony to Congress (does taper talk ramp up again into Jackson Hole)**
- Precious metals remained contained well within ranges; Gold straddled \$1800 after a very short-lived dip, while Silver is running into resistance at \$26.30. PGMs feel well bid despite the fact that the ZAR weakened to 14.50 in early trading given weekend protests after former President Zuma was jailed.
- The US\$ strengthened against most currencies during European trading, but erased gains. **Investors got much longer USDs** (selling EUR, CHF, GBPs) over the past 2weeks, per COT data (heatmap). The unwind of the favored macro trade (short USD), seems to be in motion, from this CTA crowd (who trade listed currencies and perhaps are only the tip of the iceberg). However the buybacks hasn't resulted in more aggressive USD repricing (i.e.: DXY through 93).
- US yields crept higher after their 8-session implosion, confusing many given the stark dislocation between a market holding onto the inflation trade on one hand (commodities AUM is v long, equity prices/valuation high), while signaling disinflation on the other (FI). There is new supply coming to the market this week which will test appetite at these suppressed levels.

METALS	GCQ1 Comdty	SIU1 Comdty	PLV1 Comdty	PAU1 Comdty	HCU1 Comdty
Active contract	Gold - GCQ1 (\$/oz)	Silver - SIU1 (\$/oz)	Platinum - PLV1 (\$/oz)	Palladium - PAU1 (\$/oz)	HG Copper (\$/lbs)
Open	\$ 1,803.80	\$ 26.27	\$ 1,085.40	\$ 2,853.50	\$ 4.31
High	\$ 1,819.50	\$ 26.31	\$ 1,086.30	\$ 2,864.00	\$ 4.32
Low	\$ 1,796.30	\$ 25.94	\$ 1,063.20	\$ 2,780.50	\$ 4.23
Settlement	\$ 1,802.10	\$ 26.13	\$ 1,081.90	\$ 2,848.30	\$ 4.32
Price range	\$ 23.20	\$ 0.38	\$ 23.10	\$ 83.50	\$ 0.09
1day net change	\$ 3.70	\$ (0.05)	\$ (15.30)	\$ (43.30)	\$ (7.05)
1day % change	0.2%	-0.2%	-1.4%	-1.5%	-1.6%
5 day % change	1.9%	-0.4%	-0.6%	0.9%	-0.9%

MACRO	SPX	DXY	EUR	10yr yields	WTI
Last Price	4295.69	92.26	1.19	1.27	71.68
1day % change	-1.4%	-0.4%	0.6%	-3.2%	-0.7%
5 day % change	0.0%	-0.4%	0.1%	-12.6%	-2.4%

PRECIOUS FLOWS	ETF HOLDINGS & FLOWS (oz)			FUTURES HOLDINGS & FLOWS (# of contracts)		
Flows (oz)	Lastest ETF Holdings	1day change	5day change	Aggregate Open Interest	1 day O.I change in active contract	Aggregate Futures Volume
Gold	100,452,953	(4,776)	(374,207)	466,253	(4,726)	189,431
Silver	919,976,540	(684,943)	(3,698,721)	156,113	(1,405)	43,113
Platinum	3,964,489	1,421	(5,363)	55,448	(143)	9,483
Palladium	554,994	4,332	4,178	10,311	193	1,114

Source: Bloomberg, CME, MKS PAMP Group

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