

USD net short positions have widened significantly in the past three weeks, moving from an aggregate net short position of USD37.8bn in mid-January to a net short of USD79.3bn in the most recent report. The aggregate net short position is now at its widest since mid-2023. USD remains above its recent lows, but sentiment seems poor regarding the Big Dollar. Of note, the DXY index had been trading water since mid-2025, but market positioning has generally been moving against USD.

For example, speculative net positions have shifted quite over the past few months, and even in the past few weeks. USD positions were net short around USD20bn in mid-2025, they were net long around USD15bn in late 2025, and they are again net short around USD20bn. This indicates a volatility in speculative FX positioning relative to USD.

In recent weeks, there have been fairly dramatic shifts in speculative positions in CAD and AUD versus USD. Net positions in both currencies have gone from net short against USD to net long. For example, the AUD net position has swung from net short USD5.5bn in early December to net LONG USD2.3bn in the most recent report. Meanwhile, CAD net positions have swung from net short USD10.8bn early December to net LONG USD1.0bn.

The move in AUD positions makes sense as the RBA lifted in policy rate by 25bp to 3.85% on 3 February. The move itself was not a surprise, but it came as AUD/USD had rallied sharply since mid-January. This partially reflected the evolution of market expectations regarding central bank actions. That is, the RBA raised its policy rate, while the Federal Reserve is still expected to reduce its policy rate.

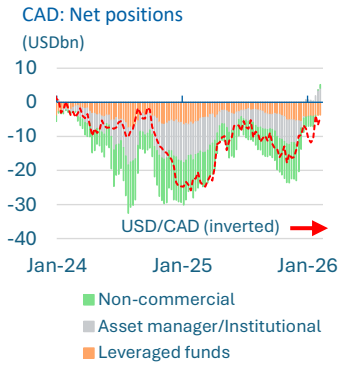
The shift in CAD net positions versus USD is not as clear cut. USD/CAD remains at its lowest levels since mid-2025, but CAD has not rallied meaningfully in recent weeks.

Hence, unlike AUD, there has not been a CAD rally to shake out CAD shorts. It might well be that it just made no sense to maintain extreme CAD short positions. This is not a completely unexpected development. This shift, however, was anticipated. The modest move in USD/CAD was less expected. We would have anticipated a more notable rally in CAD alongside the trimming of CAD shorts.

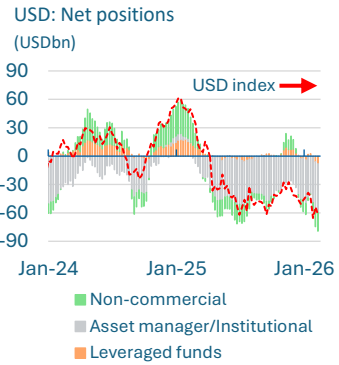
CAD net positions across speculative, hedge fund, and real money accounts have also moved from net short to net long in the most recent CFTC report. This was the first time that CAD total net positions had moved net long since a very short-term peek above the water line in mid-2023. Of note, the shift is speculative net positions from short to long followed a similar move by real money accounts toward the end of 2025. What is generally the conclusion is that sentiment had been very bearish CAD, but as USD concerns grew, bullish USD positions became increasingly untenable.

In looking at CAD net positions and AUD net positions, we see that speculative positions have swung from short to long. For CAD, real money positions have also swung from short to long, while hedge funds remains short. For AUD, hedge funds have swung to net long positions of notable size, while real money accounts remain short AUD. Hence, many but not all sectors have seen a reversal.

That said, CHF positions still remain net short versus USD despite a notable rally in CHF versus USD (a decline in USD/CHF). Even so, market positioning remains quite short. That is CHF positions have vigorously rejected following AUD and CAD net positions. Speculative CHF positions have widened and are again near their mid-2024 wides, and are not that far off their 2007 record levels. In addition, real money net short CHF positions remain very large.



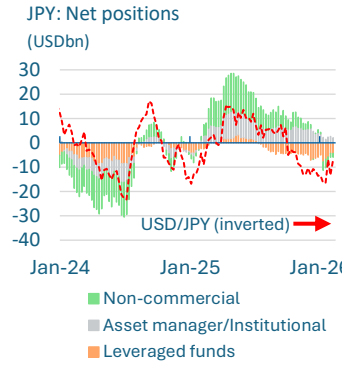
Source: CFTC, Watt Strategic Economic Advisors



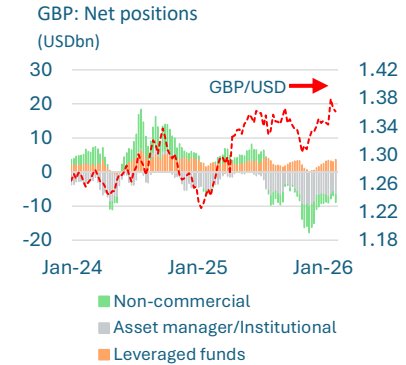
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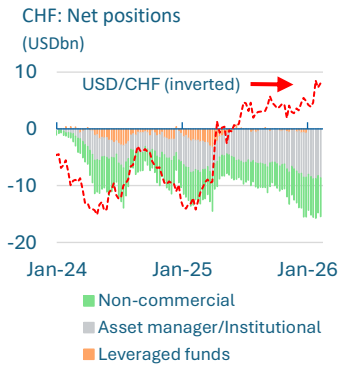
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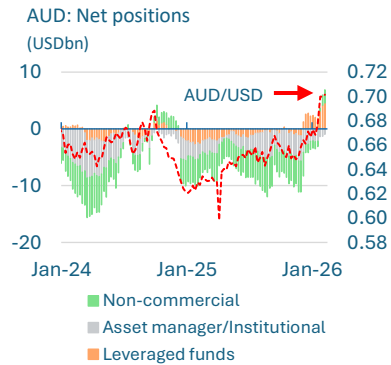
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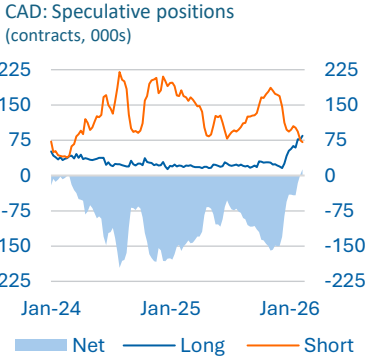
Source: CFTC, Watt Strategic Economic Advisors

	Net positions (USDbn)				Weekly change (USD, 000s)					
	Speculative	Real money	Hedge funds	Total	Speculative	Real money	Hedge funds	Total	4 Wk	3 M
CAD	977.8	4,190.5	-3,756.9	1,411.4	821.9	634.6	111.3	1,567.8	7,892.9	23,871.0
EUR	26,628.8	60,631.3	7,414.5	94,674.6	2,539.9	993.6	1,213.2	4,746.7	12,736.1	27,111.0
GBP	-2,195.8	-6,687.0	3,699.0	-5,183.8	-1,007.9	-992.2	675.1	-1,325.0	461.0	10,089.2
AUD	2,329.4	-976.1	4,552.7	5,906.1	501.7	339.7	395.3	1,236.7	7,384.0	15,527.9
NZD	-2,100.7	-1,758.0	-648.8	-4,507.5	-41.8	36.1	-12.6	-18.3	1,518.6	1,561.0
CHF	-6,838.0	-8,506.5	-129.4	-15,473.9	-289.4	-260.2	-187.5	-737.1	-296.7	-3,850.0
JPY	-2,744.0	2,076.2	-4,383.0	-5,050.8	-20.8	-527.5	-38.1	-586.4	5,276.2	-6,877.7
MXN	2,472.3	2,536.1	1,334.6	6,343.0	-139.9	-11.5	56.7	-94.7	-593.2	199.0
USD	-19,719.2	-51,506.7	-8,082.6	-79,308.5	-2,363.9	-212.6	-2,213.3	-4,789.8	-34,379.0	-67,631.3

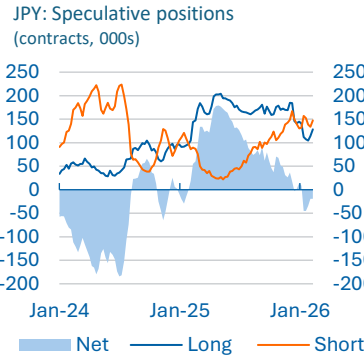
A negative reading implies a net short position in that currency. A positive a net long in that currency.

A negative reading implies a decline in net longs or an increase in net short positions.  
A positive reading implies an increase in net longs or a decrease in net shorts

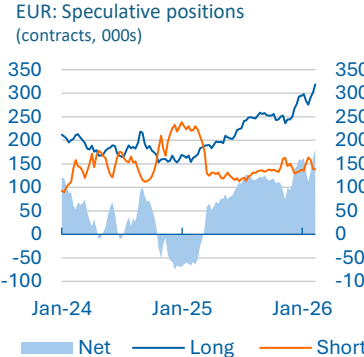
## Speculative positions



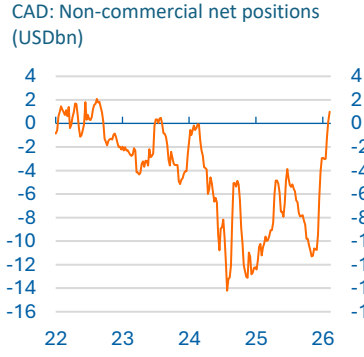
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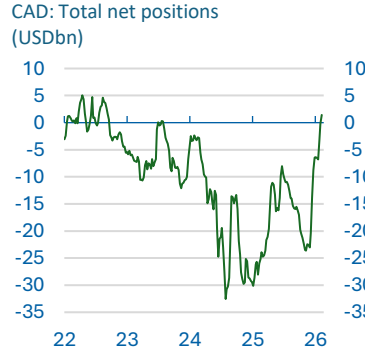
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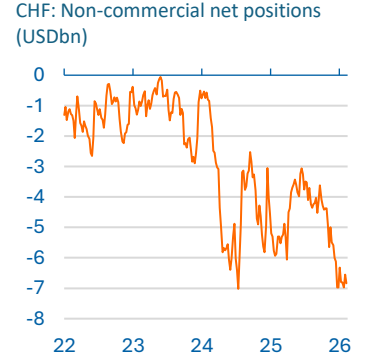
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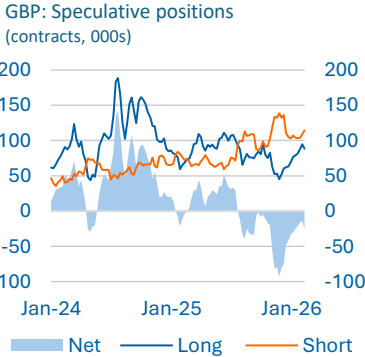
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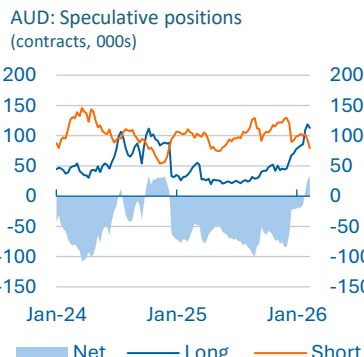
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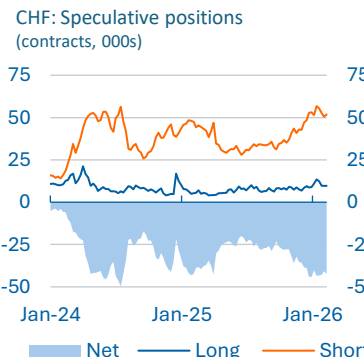
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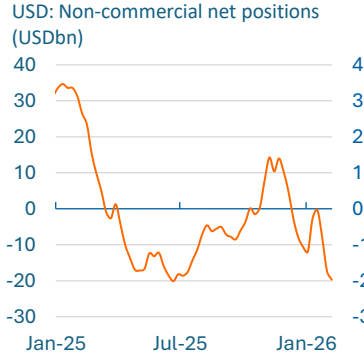
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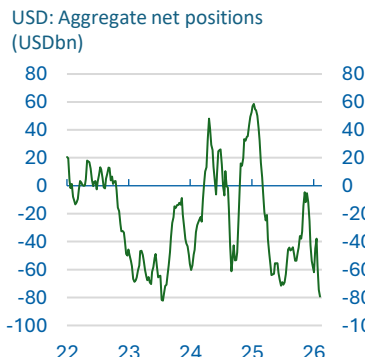
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