

USD net shorts are highly concentrated in EUR net longs: Positions are net short most other currencies

18 August 2025

There was relatively little drama in FX positions in the recent CFTC Commitment of Traders report for 12 August with the value of USD net positions narrowing by USD1.4bn. USD net short positions have narrowed for five straight weeks by a cumulative USD27.3bn, or 38.4%. The current value of USD net short positions is USD43.8bn.

No broad USD bearishness in market positioning

The details of the CFTC report reinforce that aggregate USD net short positions are heavily concentrated in EUR. That is, there is little breadth to USD bearishness despite USD having been under downward pressure through much of 2025. Stories about the demise of USD's safe haven status, or its possible loss of reserve currency status are not reflected in market positioning. They are still just interesting thought experiments.

For example, as reflected in the tables on page 2, market positioning is net short USD, CAD, CHF, GBP, AUD, and NZD versus net long positions for EUR, JPY, and MXN. Note that EUR net longs are valued at USD75.1bn, while JPY and MXN net longs come in at USD8.8bn and USD3.1bn, respectively. Hence, USD bearishness (via positioning) is really just an EUR play. This has become an increasingly evident since early May. At that time, EUR net longs were between USD55bn and USD60bn, while JPY net longs were roughly half that, between USD25bn and USD30bn.

In the 12 August week, by currency, the decline USD net short positions was the result of a widening of net short positions in CAD, GBP, AUD, and CHF, and a narrowing in JPY net long positions. The combination of these moves that narrowed USD net longs by USD4.6bn. They were partially offset by a USD3.2bn widening in EUR net longs, as reflected in Table 1.

By account, note that much of the USD net short position is reflected among real money accounts, specifically those related to EUR. In the 12 August week, non-commercial (speculative) USD net shorts narrowed by USD2.6bn. Hedge fund (leveraged funds) USD net shorts narrowed by USD1.4bn. These were partially offset by a USD2.9bn widening in USD net short among real money accounts (asset managers/institutional accounts).

CAD positioning

The evolution of CAD net positions has been quite interesting. As USD has weakened this year, we note that USD/CAD peaked at just over 1.46 in early February. This occurred just after Trump⁴⁷ signed an Executive Order to impose tariffs on Canada. USD/CAD has since declined to 1.38. However, USD/CAD has been largely stable since mid-June. We thus break the evolution of CAD net short positions in two. Firstly, covering the period when

USD/CAD was falling, and then the period since mid-June.

- 1) As CAD strengthened versus USD, CAD net short positions narrowed from a high of USD30.2bn to USD8.0bn in the 24 June CFTC report.
- 2) Since then, as the sell off in USD/CAD lost momentum, CAD net shorts have widened to USD13.9bn.

Hence, CAD net shorts declined as USD was under general selling pressure, but once that downward pressure abated, CAD net shorts began to accumulate once again.

Two further points to note. First, all three account types tracked — speculative, real money, and hedge fund — have remained net short CAD. Those short positions might have narrowed as CAD rallied, but they widened as CAD's momentum faded. For example, since 24 June, speculative net short CAD positions have widened by USD2.7bn to USD6.5bn, while real money net short CAD positions have widened by USD3.2bn to USD5.1bn.

These developments are not a surprise. With market positions having remained short CAD, we had thought that underlying CAD bearishness would re-emerge once downward pressure on USD dissipated. CAD bears lightened their positions but did not abandon their view.

Market positioning has also maintained a consistent bearish view on CHF and AUD. Thus, rallies in these currencies versus USD were reflected in a narrowing of net short positions through late May, but they have since widened once gain. For AUD, speculative net shorts exceed real money shorts and are second only to the value of CAD speculative net shorts. For CHF, real money net shorts are larger and are second only to GBP real money net shorts.

A shift in sentiment in GBP, but not in USD

The most interesting development of late has been in GBP net positions. Speculative GBP net positions have swung from long to short in the past few weeks, while real money net positions have gone from neutral to their largest short since April 2024. The shift in speculative GBP positions from long to short is one of the few notable sentiment changes this year. Notably, it seemingly goes against the narrative that USD is losing its status. Cyclical issues still seem to be a key driver of positioning in the FX market.

Net positions

18 August 2025

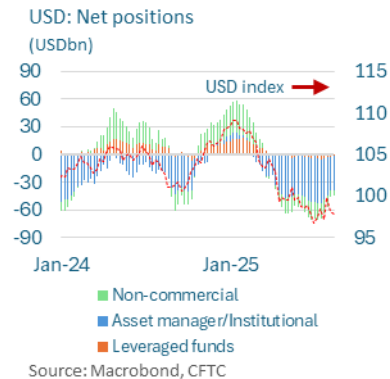
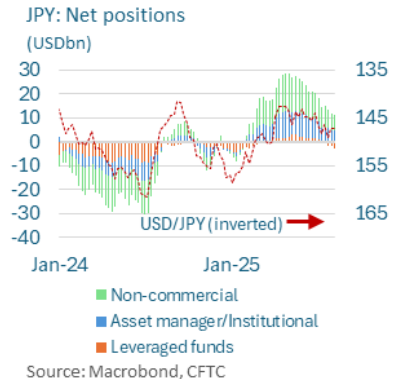
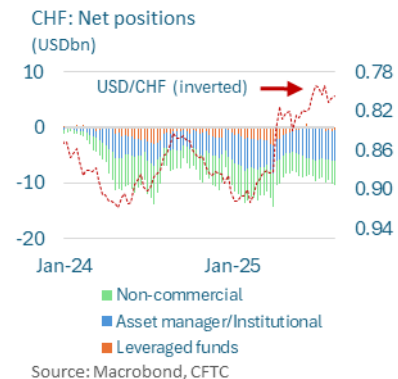
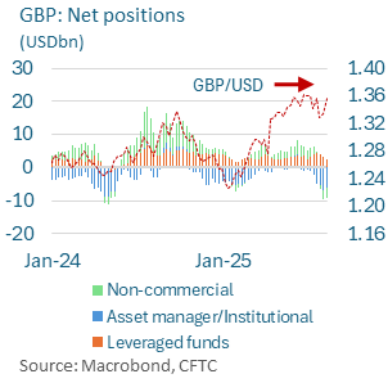
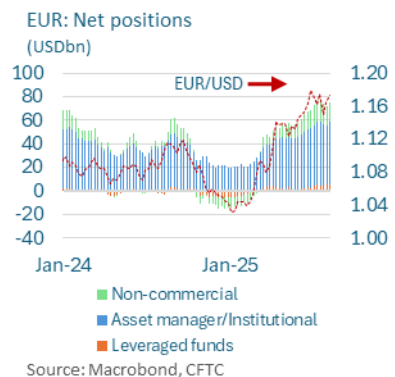
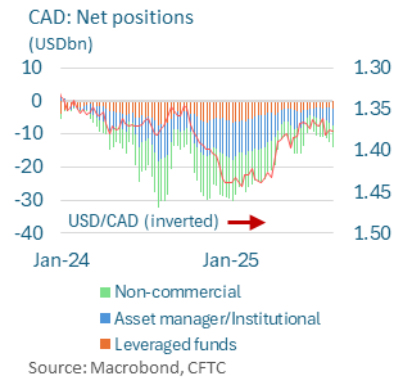


Table 1:

Change (USD mns)	Net Position	Speculative	Real money	Hedge funds	Total	4 Wk	3 M
CAD	Short	-778.1	-527.9	-64.9	-1,370.9	-2,909.1	2,286.8
EUR	Long	-22.1	3,064.9	121.9	3,164.6	-1,953.8	20,000.3
GBP	Short	-510.4	888.5	-1,025.9	-647.8	11,177.6	-11,188.4
AUD	Short	-312.3	-419.4	46.1	-685.5	-2,161.2	-4,281.5
NZD	Short	7.8	-111.1	152.3	48.9	-1,048.5	2,300.2
CHF	Short	-81.1	-310.3	244.4	-147.0	-1,268.8	-2,282.8
JPY	Long	-691.5	107.4	-1,152.3	-1,736.5	-5,960.6	-18,995.4
MXN	Long	-165.4	145.3	-30.3	-50.4	660.1	873.3
USD	Short	2,553.2	-2,837.3	1,708.7	1,424.5	25,819.5	11,287.5

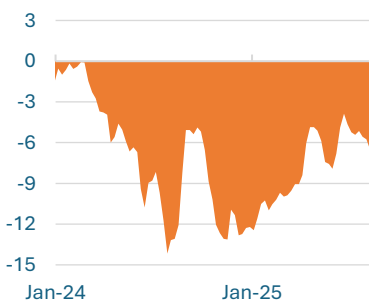
A negative reading implies a decline in net longs or an increase in net short positions.

A positive reading implies an increase in net longs or a decrease in net shorts

Table 2:

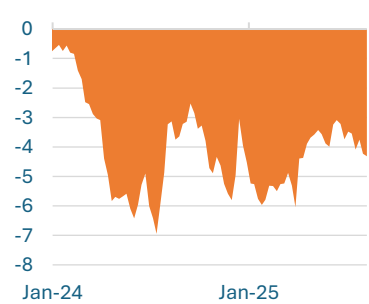
Positions (USD (bns))	Speculative	Real money	Hedge funds	Total
CAD	-6.5	-5.1	-2.2	-13.9
EUR	16.7	53.3	5.1	75.1
GBP	-3.3	-6.0	2.3	-7.0
AUD	-5.7	-4.4	-0.6	-10.7
NZD	-0.3	-0.2	-0.2	-0.7
CHF	-4.3	-5.7	-0.3	-10.3
JPY	6.3	5.0	-3.0	8.3
MXN	1.6	1.0	0.4	3.1
USD Aggregate	-4.5	-37.9	-1.4	-43.8

CAD: Non-commercial net positions (USDbn)



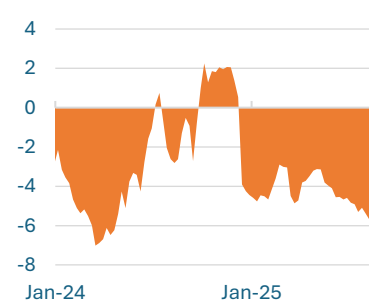
Source: Macrobond, CFTC

CHF: Non-commercial net positions (USDbn)



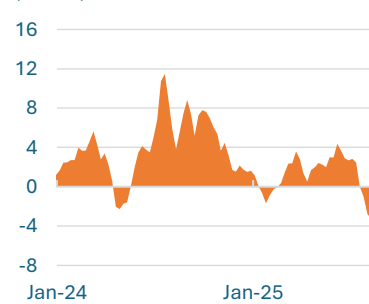
Source: Macrobond, CFTC

AUD: Non-commercial net positions (USDbn)



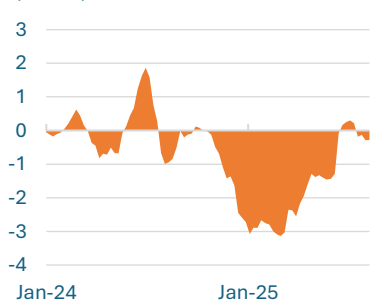
Source: Macrobond, CFTC

GBP: Non-commercial net positions (USDbn)



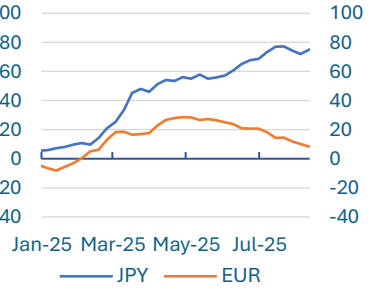
Source: Macrobond, CFTC

NZD: Non-commercial net positions (USDbn)



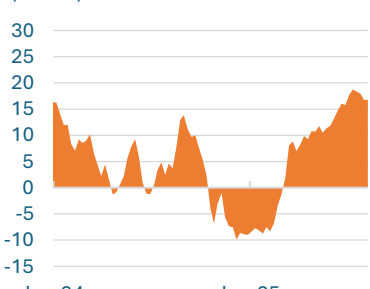
Source: Macrobond, CFTC

Net positions: Total (USDbn)



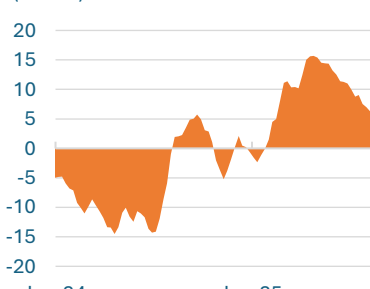
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EUR: Non-commercial net positions (USDbn)



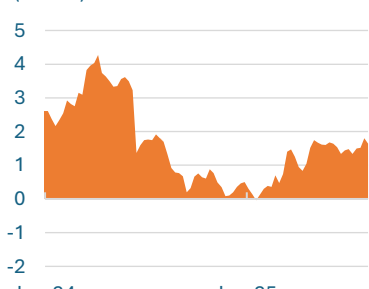
Source: Macrobond, CFTC

JPY: Non-commercial net positions (USDbn)



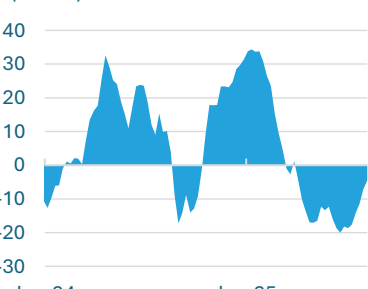
Source: Macrobond, CFTC

MXN: Non-commercial net positions (USDbn)



Source: Macrobond, CFTC

USD: Non-commercial net positions (USDbn)

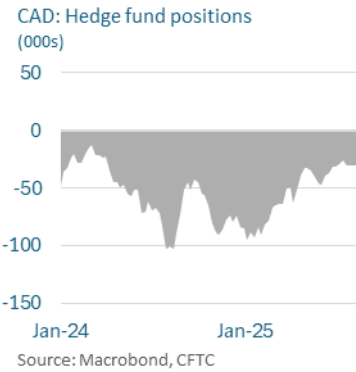
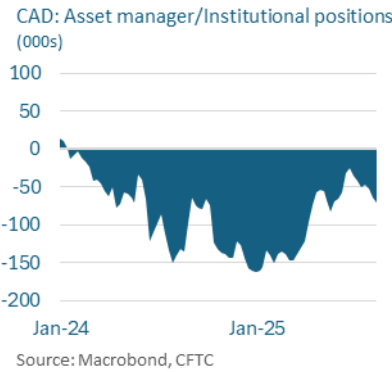
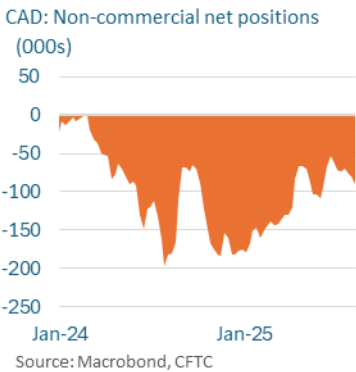


Source: Macrobond, CFTC

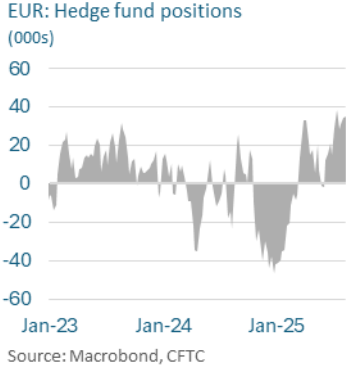
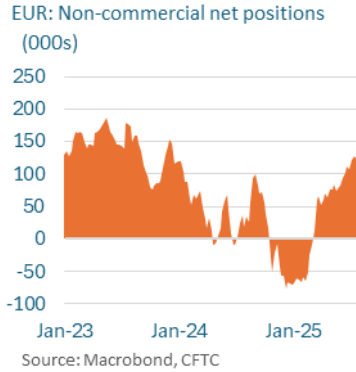
Net positions by accounts: CAD, EUR, JPY, and USD

18 August 2025

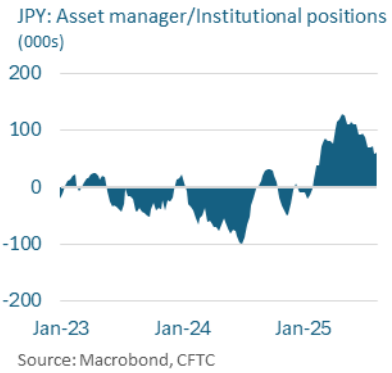
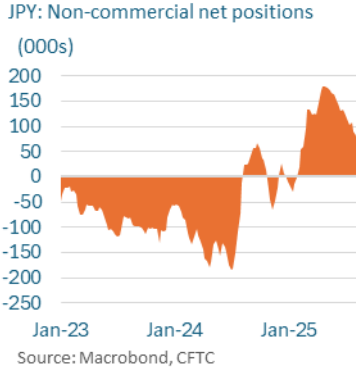
CAD net positions



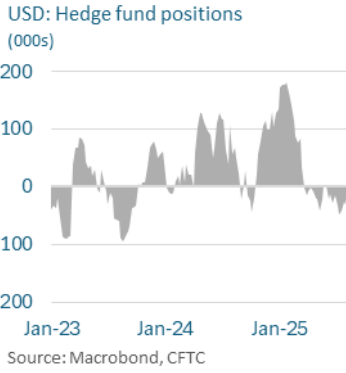
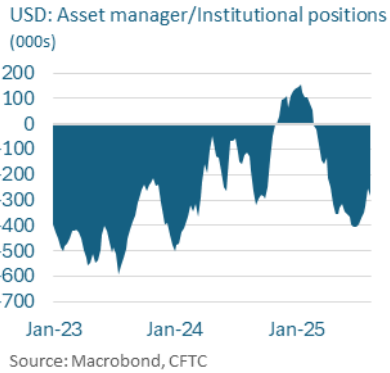
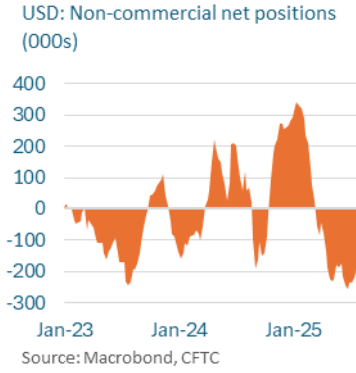
EUR net positions



JPY net positions



USD net positions



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