Scotiabank

Global FX Strategy

FX SENTIMENT REPORT

September 29, 2025

Analyst

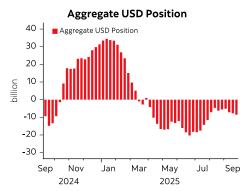
Shaun Osborne

Chief FX Strategist 416.945.4538

 $\underline{shaun.osborne@scotiabank.com}$

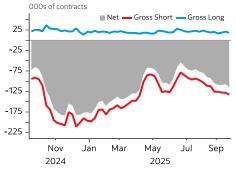
Eric Theoret

FX Strategist 416.863.5934 eric.theoret@scotiabank.com



Source: Macrobond, Scotiabank FICC Strategy

CAD: Gross Long, Short and Net



Source: Macrobond, Scotiabank FICC Strategy

CAD vs Net Position USDCAD 000s of contracts 0 -25 USDCAD (inverted), RHS 1.36 Net Position, LHS **-**50 1.38 -75 1.40 -100 -125 142 -150 1.44 -175 -200 1.46 May Jul Sep 2024 2025

Source: Macrobond, Scotiabank FICC Strategy

JPY Net Long Sees Sizeable Build , Likely Driven By Hawkish Shift At BoJ

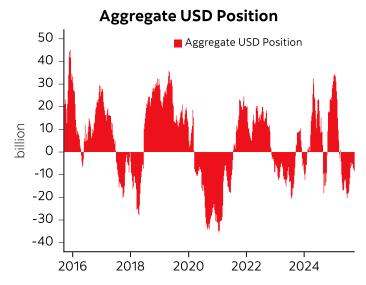
Data in this report cover up to Tuesday Sept 23rd and were released on Friday Sept 26th.

- The aggregate USD short widened modestly in the week ended September 23, with a \$0.8bn w/w build to \$8.6bn. This was the third consecutive week of deterioration in aggregate USD positioning, suggesting a renewed appetite for bearish USD bets following a period of short covering that was observed through much of July and August. Adjustments among the reporting currencies were mixed, with a sizeable increase in the JPY long and short covering in CHF and GBP. The MXN long was largely unchanged w/w while the NZD short widened marginally. Bears added to their short AUD and CAD positions and the EUR long was reduced modestly. The EUR remains the largest held net long, followed by JPY, with MXN a distant third. The GBP position is back to flat, and the CAD, AUD, CHF, and NZD are held net short.
- The net short CAD position widened \$0.5bn w/w to \$8.3bn, extending the bearish turn that began in late June. The position is back to levels last seen in April but is still short of the \$12.8bn bear bet that was reached in December 2024. In terms of details, positioning adjustments continue to be primarily driven by gross shorts as gross longs have remained minimal since June 2024. The bearish AUD position widened \$0.5bn w/w to \$3.9bn, its first week of deterioration following an aggressive period of short covering from late August. AUD bulls have been slowly building gross longs over the past few months but remain outnumbered by the bears' gross shorts.
- The net long EUR position narrowed \$0.6bn w/w to \$16.9bn and looks to have stalled around its current levels since early July. Details reveal a build in risk to both sides (gross long and gross short) since early July, leaving those with newly established positions vulnerable to a squeeze in the event of a breakout of the EUR's recent range. The GBP position is nearly flat following this week's \$0.4bn w/w narrowing of the net short to \$0.2bn. Recent positioning adjustments have been observed on both sides, with a meaningful build in gross longs since early August and a sizeable liquidation of gross shorts in mid-September.
- The JPY net long position rose an impressive \$1.5bn w/w to \$6.7bn. The position appears to be showing signs of stabilization over the past month or so, as gross shorts have steadied and gross longs have seen a modest build. These adjustments likely reflect the recent shift in communication from the BoJ as policymakers seek to prepare markets for a Q4 rate hike.

	Sent	timent	USD mns		
23-Sep	Bias	Trend	Position	w/w chg.	
CAD	bearish	increasing	-8,298	-497	
EUR	bullish	decreasing	16,887	-581	
GBP	neutral	neutral	-166	395	
AUD	bearish	increasing	-3,932	-512	
NZD	bearish	neutral	-1,237	-159	
MXN	bullish	neutral	2,273	140	
CHF	bearish	decreasing	-3,636	506	
JPY	bullish	increasing	6,731	1,490	
Gold	bullish	increasing	100,405	2,100	
Total USD position ex. Gold			-8,621	-782	

CAD — NON-COMMERCIAL POSITIONING

	(USD mn)	Positio						
Date	Net	Long	Short	Net	Net w/w	Open Int.		
23-Sep	-8,298	18,035	-132,841	-114,806	-7,629	212,186		
16-Sep	-7,801	20,975	-128,152	-107,177	1,740	266,847		
9-Sep	-7,869	18,704	-127,621	-108,917	59	249,304		
2-Sep	-7,907	16,584	-125,560	-108,976	-3,961	225,322		



Source: Macrobond, Scotiabank FICC Strategy

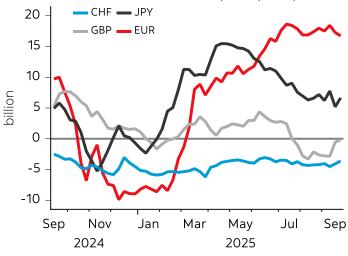
USD Value Positions - CAD, AUD, NZD, MXN 2.5 0.0 -2.5 -5.0 -7.5 -10.0 MXN - NZD -12.5AUD - CAD -15.0 Sep Sep Nov Mar Jul Jan May 2024 2025

Source: Macrobond, Scotiabank FICC Strategy

GBP: Gross Long, Short and Net 000s of contracts ■ Net — Gross Short — Gross Long 200 150 100 50 0 -50 -100 -150 Jul Nov Jan Mar May Sep 2024 2025

Source: Macrobond, Scotiabank FICC Strategy

USD Value Positions - EUR, GBP, JPY, CHF



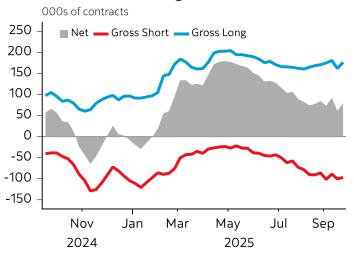
Source: Macrobond, Scotiabank FICC Strategy

EUR: Gross Long, Short and Net



Source: Macrobond, Scotiabank FICC Strategy

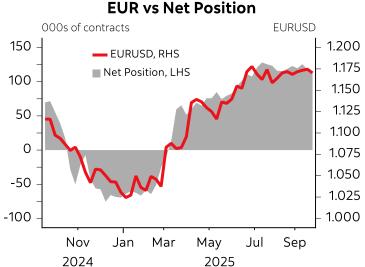
JPY: Gross Long, Short and Net



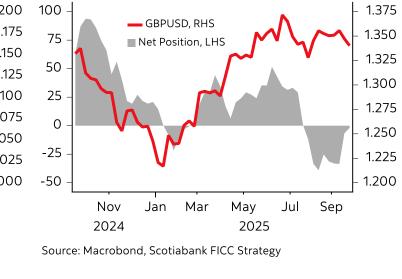
Source: Macrobond, Scotiabank FICC Strategy

GBPUSD





Source: Macrobond, Scotiabank FICC Strategy

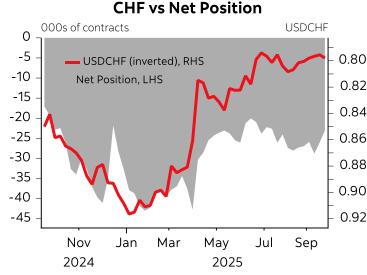


GBP vs Net Position

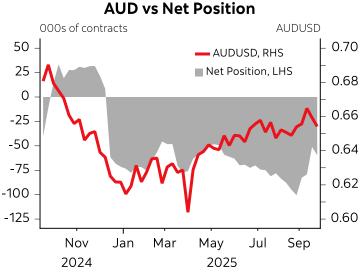
000s of contracts

JPY vs Net Position **USDJPY** 000s of contracts 140.0 USDJPY (inverted), RHS 175 142.5 ■ Net Position, LHS 145.0 125 147.5 75 150.0 152.5 25 155.0 -25 157.5 160.0 -75 Sep Jul Nov Jan Mar May 2024 2025

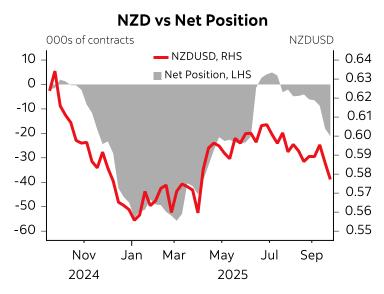
Source: Macrobond, Scotiabank FICC Strategy



Source: Macrobond, Scotiabank FICC Strategy



Source: Macrobond, Scotiabank FICC Strategy

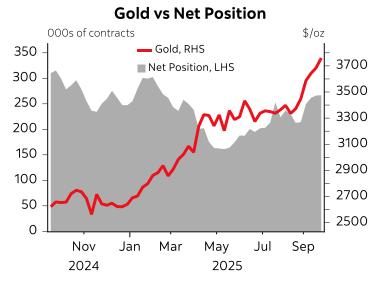


Source: Macrobond, Scotiabank FICC Strategy

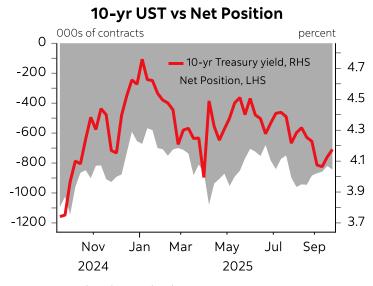


MXN vs Net Position **USDMXN** 000s of contracts 90 USDMXN (inverted), RHS 18.50 ■ Net Position, LHS 70 19.00 50 19.50 30 20.00 10 20.50 -10 21.00 Jul Sep Nov Jan May Mar 2024 2025

Source: Macrobond, Scotiabank FICC Strategy

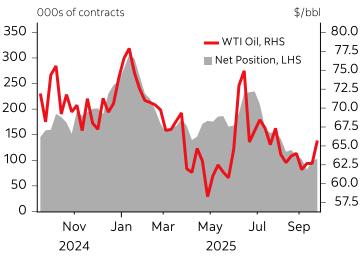


Source: Macrobond, Scotiabank FICC Strategy



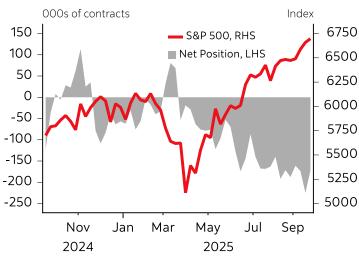
Source: Macrobond, Scotiabank FICC Strategy

WTI Oil vs Net Position



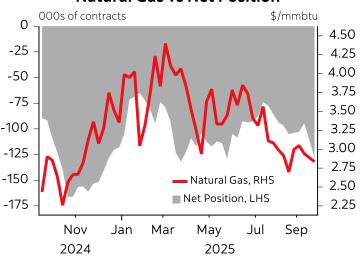
Source: Macrobond, Scotiabank FICC Strategy

S&P 500 vs Net



Source: Macrobond, Scotiabank FICC Strategy

Natural Gas vs Net Position



Source: Macrobond, Scotiabank FICC Strategy

September 29, 2025

TM Trademark of The Bank of Nova Scotia. Used under license, where applicable. Scotiabank, together with "Global Banking and Markets", is a marketing name for the global corporate and investment banking and capital markets businesses of The Bank of Nova Scotia and certain of its affiliates in the countries where they operate, including Scotia Capital Inc., Scotia Capital (USA) Inc., Scotiabank Inverlat S.A., Institución de Banca Múltiple, Scotia Inverlat Casa de Bolsa S.A. de C.V., Scotia Inverlat Derivados S.A. de C.V. – all members of the Scotiabank Group and authorized users of the mark. The Bank of Nova Scotia is incorporated in Canada with limited liability. Scotia Capital Inc. is a member of CIPF. Scotia Capital (USA) Inc. is a registered broker-dealer with the SEC and is a member of the NASD and SIPC. The Bank of Nova Scotia is authorised and regulated by the Office of the Superintendent of Financial Institutions of Canada. Scotia Capital Inc. is authorised and regulated by the Investment Industry Regulatory Organization of Canada. The Bank of Nova Scotia (London) and Scotiabank Europe plc. are authorised by the UK Prudential Regulation Authority. The Bank of Nova Scotia is subject to regulation by the UK Prudential Regulation Authority. Details about the extent of The Bank of Nova Scotia 's regulation by the UK Prudential Regulation Authority. Details about the extent of The Bank of Nova Scotia 's regulation by the UK Prudential Regulation Authority. Company is authorised and regulated by the CBI Scotiabank Inverlat, S.A., Scotia Inverlat Casa de Bolsa, S.A. de C.V., and Scotia Derivados, S.A. de C.V., are each authorized and regulated by the Mexican financial authorities.

This publication is not a research report and is considered a marketing communication only. Consequently this commentary is not governed by rules applicable to the publication and distribution of research reports, including relevant restrictions or disclosures required to be included in research reports and has not been prepared in accordance with EU legal requirements designed to promote the independence of investment research. This publication is not meant to provide information sufficient upon to base an investment decision, or to replace any due diligence or analytical work required by you in making investment decisions. The information contained in this publication is not subject to any prohibition in the EU on dealing ahead of the dissemination of investment research. This communication has been prepared and distributed by staff of Scotia Capital Inc.'s Institutional Equity Sales and Trading Desk (a Canadian Investment Dealer, member of IIROC) solely for the use of sophisticated institutional investors. Past performance or simulated past performance is not a reliable indicator of future results. Forecasts are not a reliable indicator of future performance. The opinions and statements contained herein are intended for information purposes only and are subject to change without notice. In addition, the opinions and statements contained herein are based on information taken from sources believed to be reliable, but no representation or warranty, express or implied, is made as to their accuracy, completeness, or timeliness. Furthermore, the opinions expressed herein represent the personal views of the writer and may not be shared by other members of the Institutional Equity Desk or other areas, units, divisions or affiliates of Scotia Capital Inc. Additionally, either the Institutional Equity Desk or other areas or divisions could trade in accordance with the views expressed or trade against these views. Any transactions by US Institutional Investors in any security mentioned or referenced in this publication

Scotia Capital Inc., its directors, officers, employees, affiliates or clients may currently or from time to time own or hold interests in long or short positions in the securities referred to herein, and may at any time make purchases or sales of these securities as principal or agent. Scotia Capital Inc. or its affiliates may have provided or may provide investment banking, capital markets advice or other services to the companies referred to in this communication. This email should not be construed as investment advice or as an offer to sell or a solicitation of an offer to buy any securities or other financial instruments. Neither Scotia Capital Inc. nor any of its officers, directors, partners, employees or affiliates accepts any liability for any direct or consequential loss arising from this publication or its contents. Scotia Capital Inc. recommends that investors independently evaluate each issuer and security discussed in this publication, and consult with any advisors they deem necessary prior to making any investment.

If you are subject to the prohibition on third-party benefits in relation to portfolio management and independent investment advice under MiFID II (Directive 2014/65/EU and the accompanying Regulation (EU) No 600/2014) or the UK Markets in Financial Instruments (Amendment)(EU Exit) Regulations 2018, each as amended from time to time, and should not have received this communication, please advise us in writing at trade.supervision@scotiabank.com.

Redistribution or onward forwarding of this email is strictly prohibited. If you believe that this email was sent to you in error, please forward a message to that effect as soon as practicable to trade.supervision@scotiabank.com

 $To \ unsubscribe \ from \ receiving \ further \ Commercial \ Electronic \ Messages \ click \ this \ link: \ \underline{https://www.unsubscribe.gbm.scotiabank.com/}.$

