

MONTHLY

Hedge Fund Watch

Hedge Funds cautious on oil, small caps and EM FX

Global Asset Allocation
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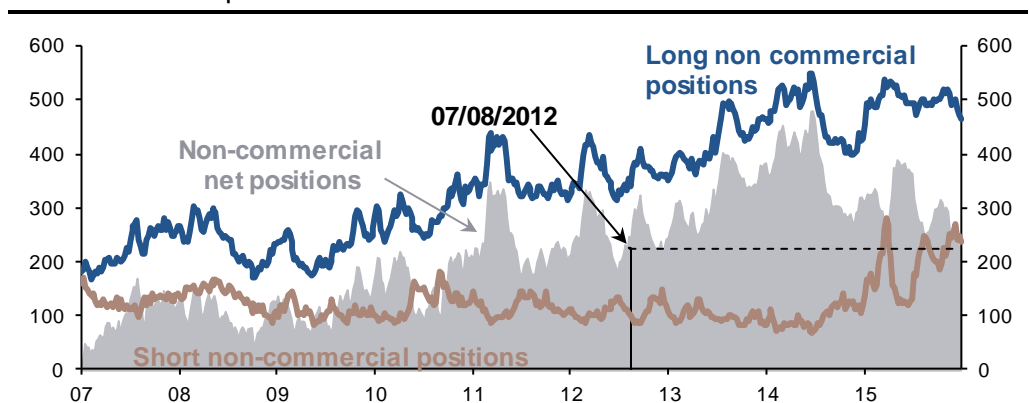
Hedge Fund positions, either long or short, tend to reveal valuable insights on financial market trends. We track their behaviour in terms of asset classes, performance and favourite strategies.

- 1. Hedge Funds increasingly risk averse** Starting in December last year, Hedge Fund positioning reveals a further reduction in risk appetite in the early days of 2016. Falling oil prices, the uncertainty about Chinese growth and its exchange rate policy, as well as the increased market volatility, all seem to touch the open nerve of deflation fears. Independent of whether this particular focus is justified or not, it goes a long way in explaining the current risk aversion
- 2. Cautious on oil** Despite much lower oil prices, tensions between Saudi Arabia and Iran, and signs of decent economic growth levels in the US and Europe, net long positions on oil have nevertheless reached their lowest level since December 2012 (p10).
- 3. Increasingly short small caps and EM FX** Short positions on small caps (Russell 2000), the higher risk segment within equities, have further increased. Similarly, net short positions on EM currencies versus the dollar have all increased. Meanwhile, Hedge Funds switched to net long positions on the yen and Swiss franc, confirming their 'safe-haven' status within FX.
- Note that we are now featuring data points on futures and options in the Hedge Fund Watch.

Contents

Net positions by asset class	p2
Equity and Volatility	p5
Bonds & Money Market	p6
Currencies	p7
Energy	p8
Metals	p9
Agricultural commodities	p10
The long-term view	p11
Hedge fund strategies	p12
Flows and assets	p12
Performance	p13
Methodology	p14
Addendum	p16

Non-commercial net positions on WTI at their lowest since 2012



Source: CFTC, SG Cross Asset Research/Global Asset Allocation

Hedge Fund positions by Asset Class - "hedge funds positions" refer to all non-commercial positions reported to the CFTC. Latest data as of 29/12/15, released 04/01/16.

Hedge Fund strategies – based on funds reporting to EUREKAHEDGE.

Latest data for end Dec-2015, collected up to 29/12, representing 41.72% of its universe.

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Hedge Fund positions by asset class

Equities

Total Open Interest (O.I.)	Hedge Funds' share of O.I.		Net Long /Net Short Positions			Historical extremes		Historical extremes	
			Latest	-3 weeks	start '14	Net Long		Net Short	
			29-Dec	08-Dec	07-Jan	Date	Contracts	Date	Contracts
719	21%	S&P 500	-11	-7	29	Dec-08	71	Sep-07	-125
130	22%	Nasdaq*	25	22	37	May-13	61	Aug-10	-26
365	19%	Russell 2000	-50	-33	7	Mar-13	35	Sep-08	-127
451	26%	MSCI Emerging index	38	55	45	Jul-14	102	Dec-11	-19
48	28%	Nikkei	13	2	4	Apr-13	17	Jun-08	-41
266	67%	VIX	-8	-10	-47	Sep-15	38	Aug-13	-116

Bonds

Total Open Interest (O.I.)	Hedge Funds' share of O.I.		Net Long /Net Short Positions			Historical extremes		Historical extremes	
			Latest	-3 weeks	start '14	Net Long		Net Short	
			29-Dec	08-Dec	07-Jan	Date	Contracts	Date	Contracts
2,778	25%	10-Year Treasuries	24	-32	-131	Aug-07	668	Dec-14	-277
584	20%	30-Year Treasuries	7	-14	55	Jan-14	68	Jun-07	-142
790	39%	30-Day Fed Funds	-20	-26	-38	Jun-08	334	Nov-14	-171

Currencies

Total Open Interest (O.I.)	Hedge Funds' share of O.I.		Net Long /Net Short Positions			Historical extremes		Historical extremes	
			Latest	-3 weeks	start '14	Net Long		Net Short	
			29-Dec	08-Dec	07-Jan	Date	Contracts	Date	Contracts
467	41%	€ / \$	-152	-166	14	May-07	119	Mar-15	-226
230	32%	£ / \$	-30	-25	19	Jul-07	100	Jun-13	-77
51	51%	SF / \$	3	-27	4	Mar-11	28	Jun-07	-79
221	31%	Yen / \$	-22	-70	-131	Mar-08	64	Jun-07	-194
29.36	11%	\$ / RUB	-1	0	3	Aug-11	17	Nov-14	-6
140.19	43%	\$ / MXN	-57	-24	18	Jan-13	152	Jul-15	-89
29.33	41%	\$ / BRL	3	5	1	Jul-11	24	Dec-14	-50

Commodities

Total Open Interest (O.I.)	Hedge Funds' share of O.I.		Net Long / Net Short Positions			Historical extremes		Historical extremes	
			Latest	-3 weeks	start '14	Net Long		Net Short	
			29-Dec	08-Dec	07-Jan	Date	Contracts	Date	Contracts
2,249	55%	Crude Oil	230	235	363	Jun-14	480	Jan-07	15
1,397	52%	Natural Gas	-84	-92	107	Jan-14	192	Jul-08	-298
540	52%	Gold	23	24	66	Aug-11	289	Dec-15	13
67	55%	Platinum	24	22	28	Feb-13	53	Aug-08	2
180	49%	Silver	20	20	18	Oct-15	58	Jun-14	-2
168	54%	Copper	-30	-34	13	Dec-10	32	Feb-15	-42
1,596	44%	Corn	-51	12	-39	Sep-10	458	Oct-13	-125
799	44%	Soybeans	-61	-8	136	May-12	260	Dec-15	-61
437	57%	Wheat	-90	-81	-65	Aug-12	65	Dec-15	-90
1,130	36%	Sugar	219	238	17	Dec-15	238	Mar-15	-49

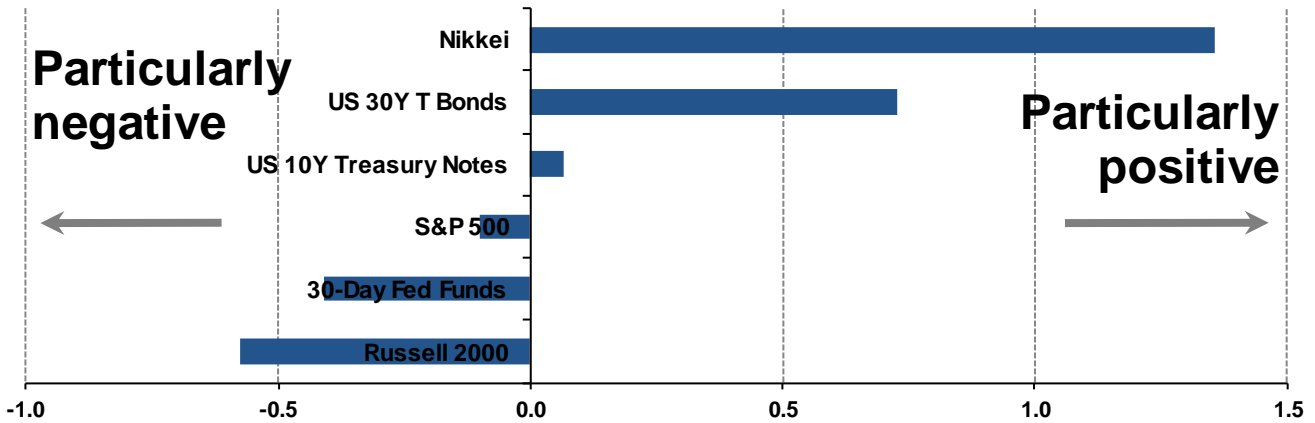
Total open interest (O.I.) and net short positions are stated in number of contracts (/1000). Refer to Methodology page for contract specifications on each asset class.

Sources for all tables on this page: CFTC, SG Cross Asset Research/Global Asset Allocation

Hedge Fund positions by Asset Class - "hedge funds positions" refer to all non-commercial positions reported to the CFTC. Latest data as of 29/12/15, released 04/01/16.

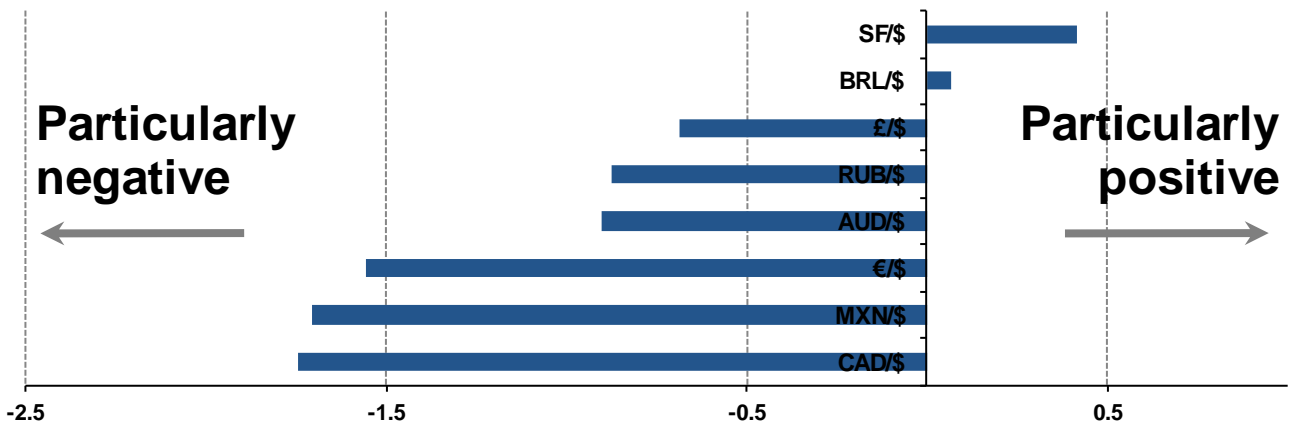
Hedge Fund convictions by asset class

Asset classes on which Hedge Funds are particularly Positive or Negative



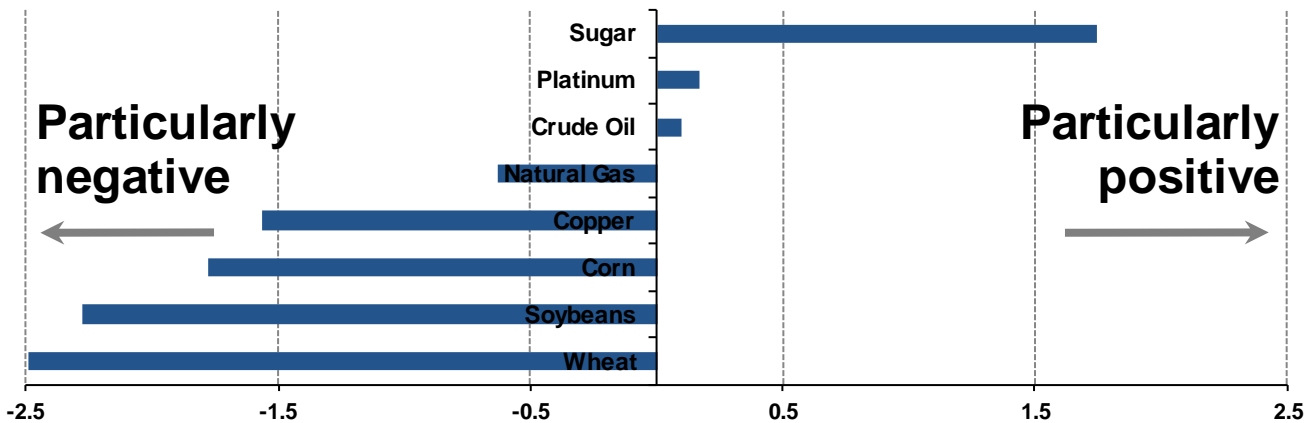
For each asset class, the chart shows the **GAP** between Hedge Funds **latest** net long or short position, and their **historical average** net position; these (particularly) positive or (particularly) negative positions are expressed as in terms of **standard deviations** around their historical average. Source: CFTC, SG Cross Asset Research

Currencies on which Hedge Funds are particularly Positive or Negative



For each currency, the chart shows the **GAP** between Hedge Funds **latest** net long or short position, and their **historical average** net position; these (particularly) positive or (particularly) negative positions are expressed as in terms of **standard deviations** around their historical average. Source: CFTC, SG Cross Asset Research

Commodities on which Hedge Funds are particularly Positive or Negative



For each commodity mentioned, the chart shows the **GAP** between Hedge Funds **latest** net long or short position, and their **historical average** net position; (particularly) positive or (particularly) negative positions are expressed as in terms of **standard deviations** around their historical average. Source: CFTC, SG Cross Asset Research/Global Asset Allocation

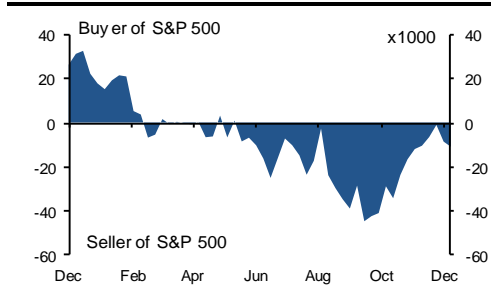
Hedge Fund positions by Asset Class - "hedge fund positions" refer to all non-commercial positions reported to the CFTC. Latest data as of 29/12/15, released 04/01/16.

Hedge Fund positions by asset class

US Equities

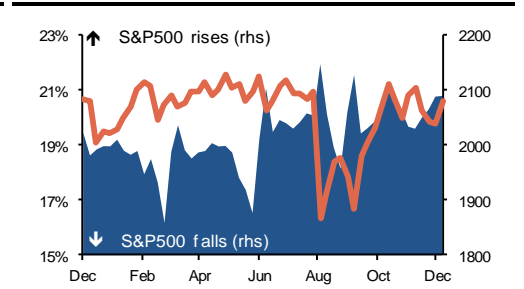
(net positions, positions as % of total OI (E-Mini contracts inc.), price over the past 12 mths)

Hedge Fund net positions on S&P 500



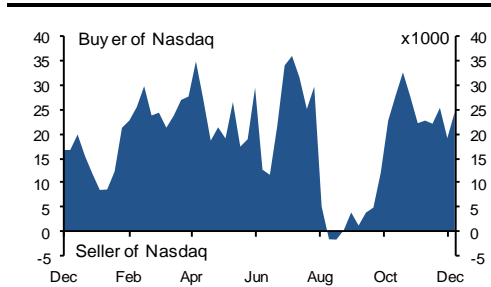
Net positions on S&P 500: Combination of standard (\$250) contracts and E-Mini contracts (\$50)

S&P 500 price and non-commercial positions on total open interest (OI)



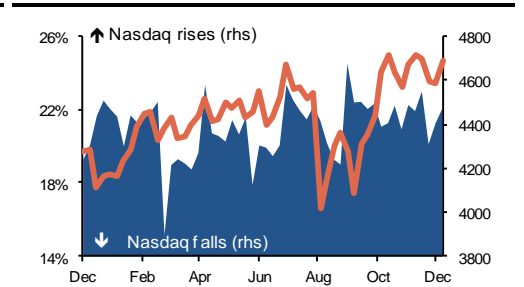
S&P500 price: orange line, right hs
Non-commercial OI includes S&P500 E-Mini total open interest

Hedge Fund net positions on Nasdaq



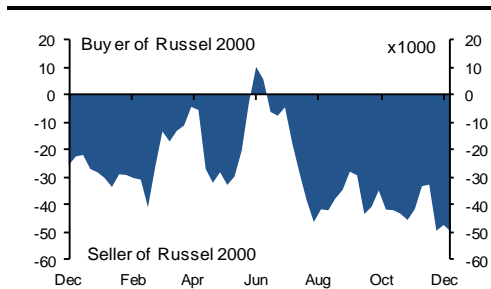
Net positions on NASDAQ 100: Combination of standard (\$100) contracts and E-Mini contracts (\$20)

Nasdaq price and non-commercial positions on total open interest (OI)



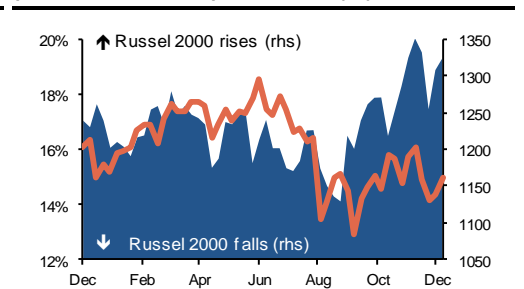
Nasdaq 100 price: orange line, right hs
Non-commercial OI includes NASDAQ 100 E-Mini total OI

Hedge Fund net positions on Russell 2000



Net positions on Russell 2000: E-Mini contracts on ICE (\$100)

Russell 2000 price and non-commercial positions on total open interest (OI)



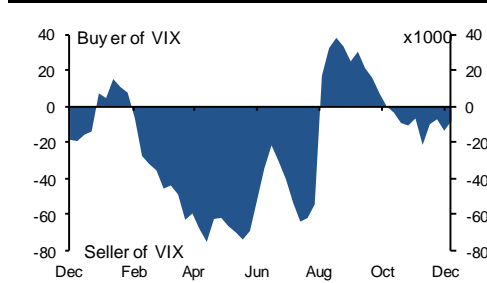
Russell 2000 price: orange line, right hs

Sources for all graphs on this page: CFTC, Datastream, SG Cross Asset Research/Global Asset Allocation. Latest data as of 29/12/15, released 04/01/16.

Equity volatility & Equities

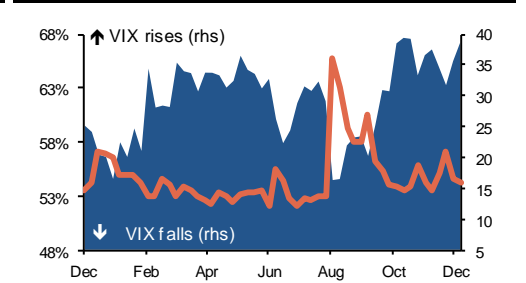
(net positions, positions as % of total OI, price over the past 12 mths)

Hedge Fund net positions on VIX



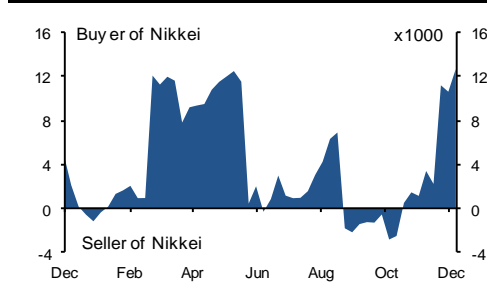
(VIX X \$100.00)

VIX price and non-commercial positions on total open interest (OI)



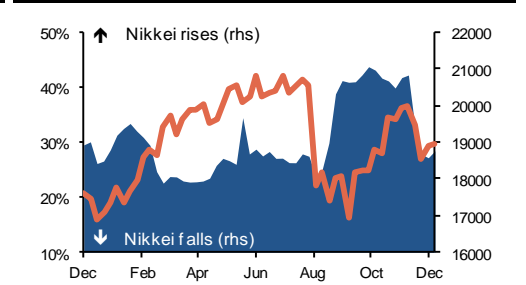
VIX price: orange line, right hs

Hedge Fund net positions on Nikkei



(Nikkei X \$100.00)

Nikkei price and non-commercial positions on total open interest (OI)



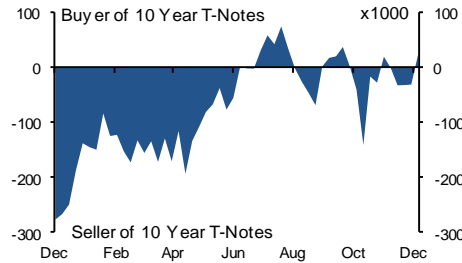
Nikkei price: orange line, right hs

Sources for all graphs on this page: CFTC, Datastream, SG Cross Asset Research/Global Asset Allocation. Latest data as of 29/12/15, released 04/01/16.

Bonds

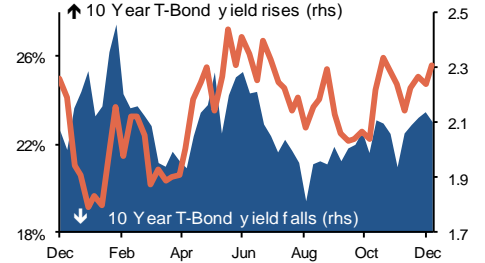
(net positions, positions as % of total OI, price over the past 12 mths)

Hedge Fund net positions on US 10Y Treasury Notes



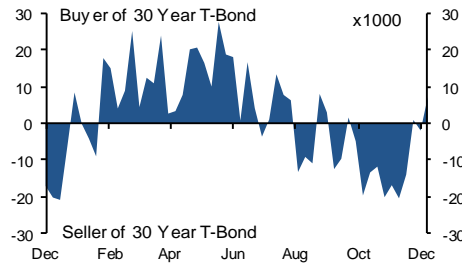
(contracts of \$100,000 face value)

US 10Y T-Bond yield and non-commercial positions on total open interest (OI)



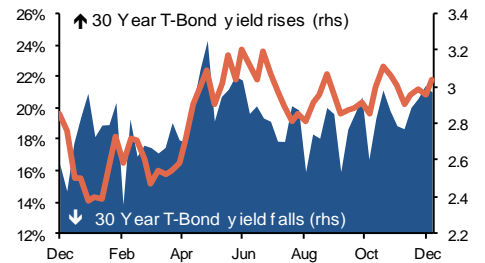
US 10Y T Bonds yield in %: orange line, rhs

Hedge Fund net positions on US 30Y T Bonds



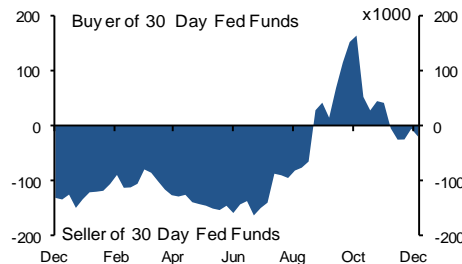
(contracts of \$100,000 face value)

US 30Y T-Bond yield and non-commercial positions on total open interest (OI)



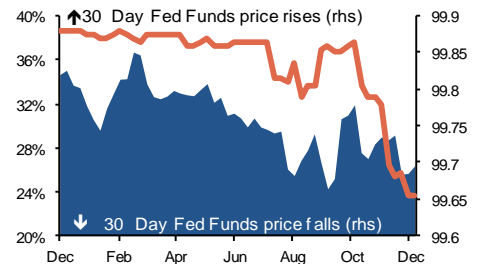
US 30Y T Bonds yield in %: orange line, rhs

Hedge Fund net positions on 30-Day Fed Funds



(interest on \$5,000,000 Fed Funds)

30-Day Fed Funds price and non-commercial positions on total open interest (OI)



30-Day Fed Funds price: orange line, rhs

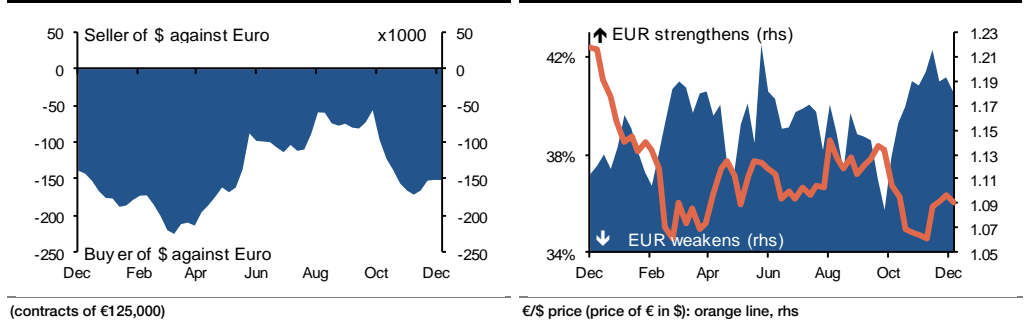
Sources for all graphs on this page: CFTC, Datastream, SG Cross Asset Research/Global Asset Allocation. Latest data as of 29/12/15, released 04/01/16.

Currencies 1

(net positions, positions as % of total OI, price over the past 12 mths)

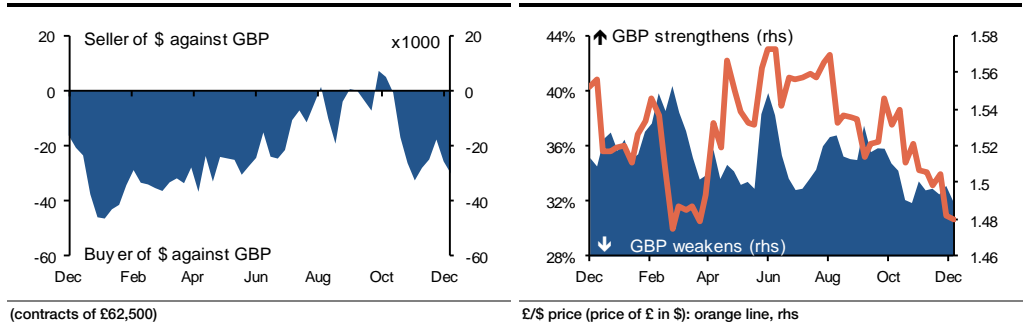
Hedge Fund net positions on €/€

€/€ price and non-commercial positions on total open interest (OI)



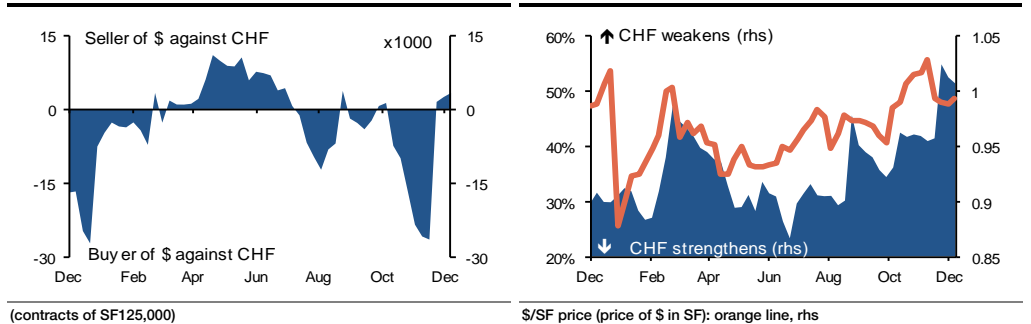
Hedge Fund net positions on £/\$

£/\$ price and non-commercial positions on total open interest (OI)



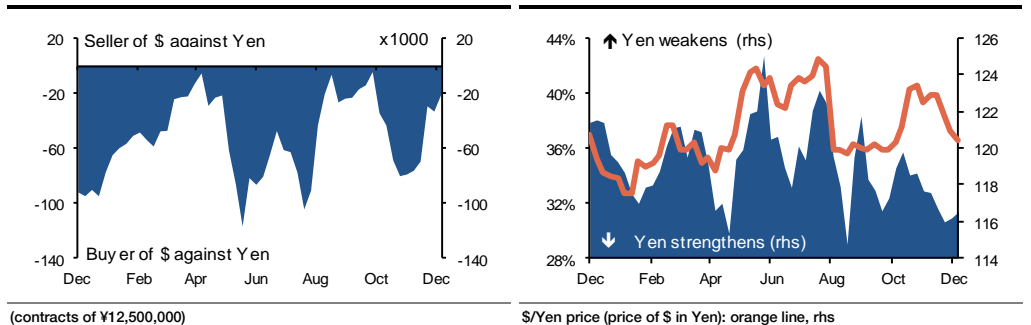
Hedge Fund net positions on SF/\$

\$/SF price and non-commercial positions on total open interest (OI)



Hedge Fund net positions on Yen/\$

\$/Yen price and non-commercial positions on total open interest (OI)

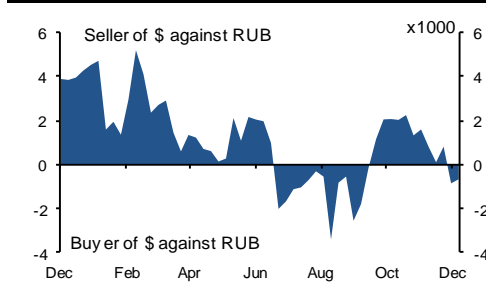


Sources for all graphs on this page: CFTC, Datastream, SG Cross Asset Research/Global Asset Allocation. Latest data as of 29/12/15, released 04/01/16.

Currencies 2

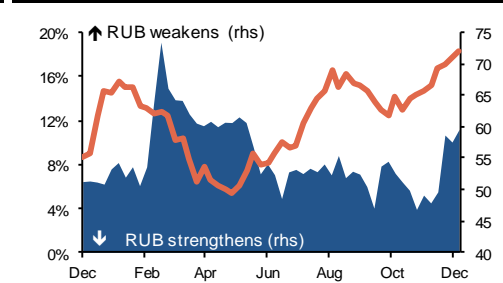
(net positions, positions as % of total OI, price over the past 12 mths)

Hedge Fund net positions on RUB/\$



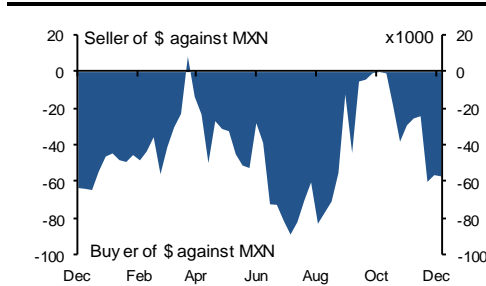
(contracts of RUB 2,500,000)

\$/RUB price and non-commercial positions on total open interest (OI)



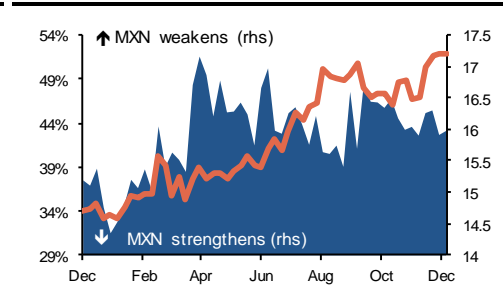
\$/RUB price (price of \$ in RUB): orange line, rhs

Hedge Fund net positions on MXN/\$



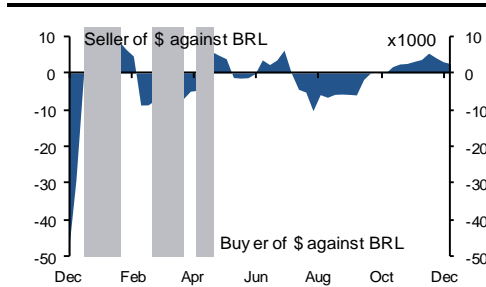
(contracts of MXN 500,000)

\$/MXN price and non-commercial positions on total open interest (OI)



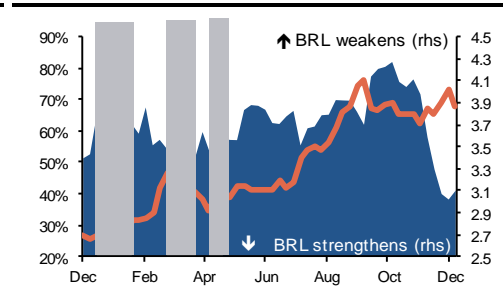
\$/MXN price (price of \$ in MXN): orange line, rhs

Hedge Fund net positions on BRL/\$



(contracts of BRL 100,000)

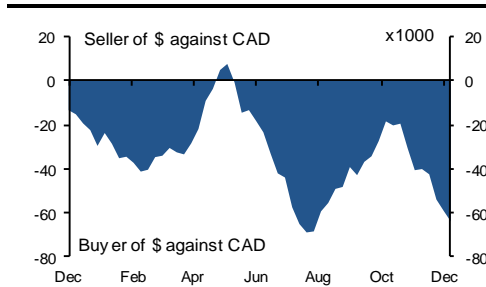
\$/BRL price and non-commercial positions on total open interest (OI)



\$/BRL price (price of \$ in BRL): orange line, rhs

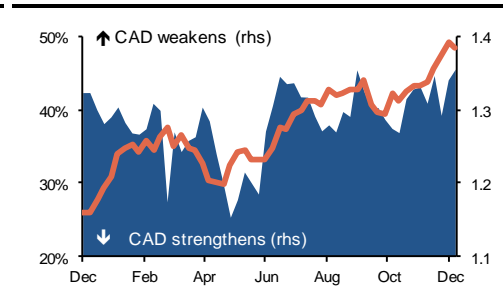
No data available neither from 13/01/15 to 03/02/15, nor on 24/03 or 07/04 or 05/05.

Hedge Fund net positions on CAD/\$



(contracts of CAD 100,000)

\$/CAD price and non-commercial positions on total open interest (OI)



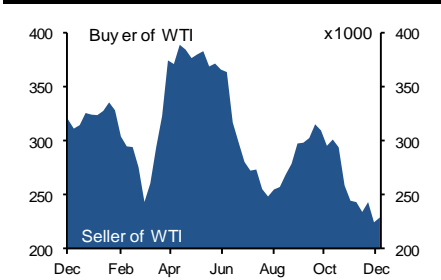
\$/CAD price (price of \$ in CAD): orange line, rhs

Sources for all graphs on this page: CFTC, Datastream, SG Cross Asset Research/Global Asset Allocation - Latest data as of 29/12/15, released 04/01/16.

Energy

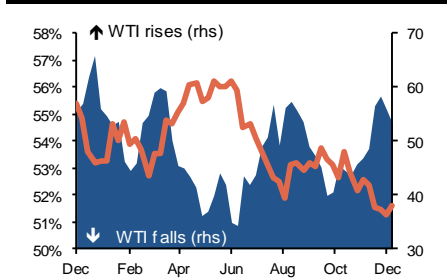
(net positions, positions as % of total OI, price, disaggregated view)

Crude Oil - Hedge Fund net positions



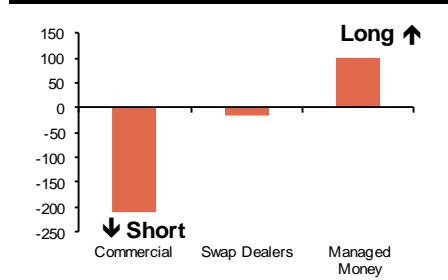
Net positions. Contracts of 1,000 barrels

Crude Oil price and non-commercial positions on total open interest (O.I.)



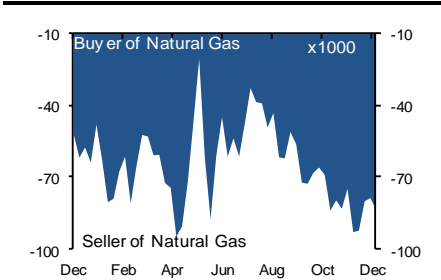
WTI crude oil price (\$):orange line, rhs

Crude Oil - Who is long, who is short?



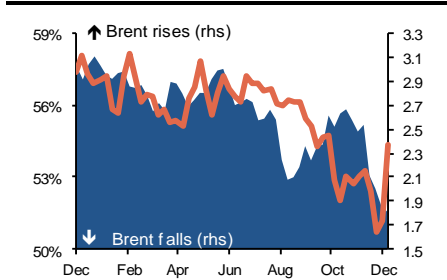
Long/Short: current net position (/1000 contracts).

Natural Gas - Hedge Fund net positions



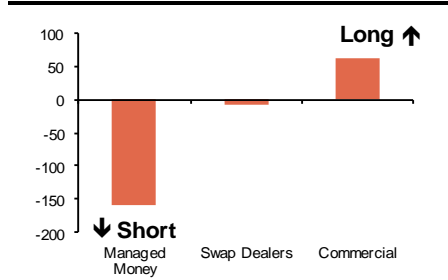
Net positions Combination of standard (10,000 British Thermal Units) contracts and Henry Hub Swap contracts (2,500 BTU)

Natural Gas price and non-commercial positions on total open interest (O.I.)



Natural gas price (\$):orange line, rhs

Natural Gas - Who is long, who is short?



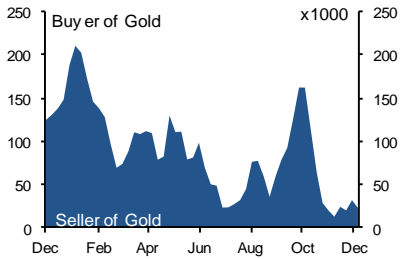
Long/Short: current net position (/1000 contracts)

Sources for all charts on this page: CFTC, Datastream, SG Cross Asset Research/Global Asset Allocation. Latest data as of 29/12/15, released 04/01/16.

Metals

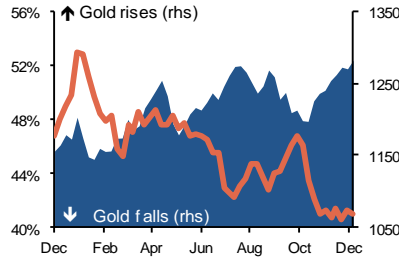
(net positions, positions as % of total OI, price, disaggregated positions)

Gold - Hedge Fund net positions



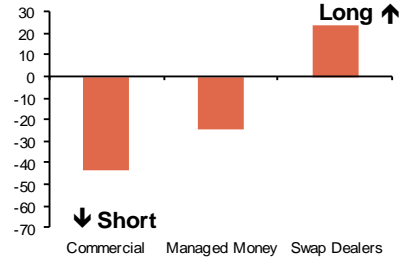
Net positions. Contracts of 100 troy ounces.

Gold price & non-commercial positions on total open interest (O.I.)



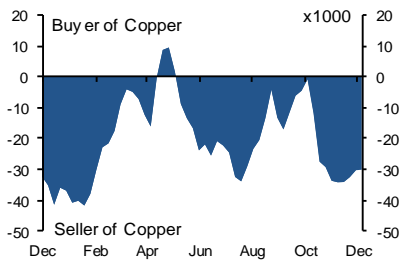
Gold price (\$):orange line, rhs

Gold - Who is long, who is short? A disaggregated view



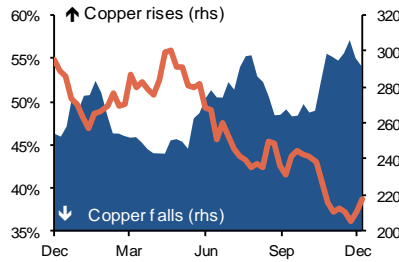
Long/Short: current net position (/1000 contracts)

Copper - Hedge Fund net positions



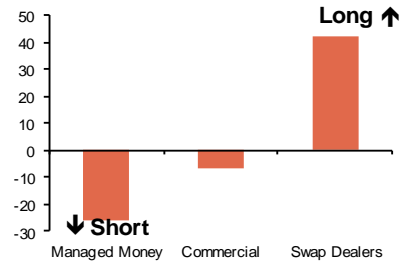
Net positions. Contracts of 25,000 pounds.

Copper price & non-commercial positions on total open interest (O.I.)



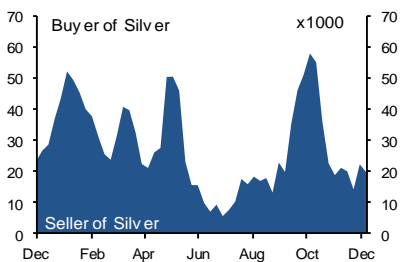
Copper price (c):orange line, rhs

Copper - Who is long, who is short? A disaggregated view



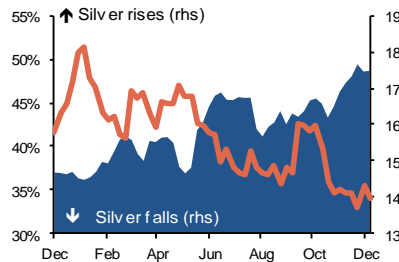
Long/Short: current net position (/1000 contracts)

Silver - Hedge Fund net positions



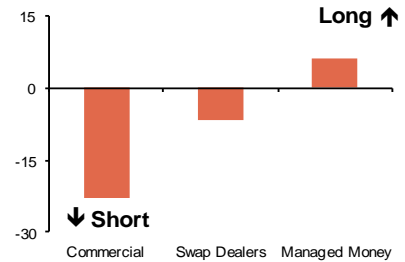
Net positions. Contracts of 5,000 troy ounces.

Silver price & non-commercial positions on total open interest (O.I.)



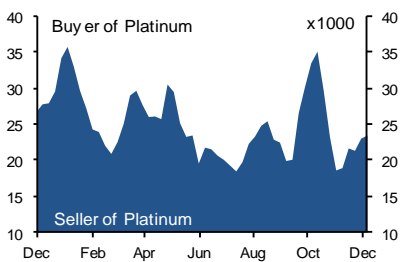
Silver price (\$):orange line, rhs

Silver - Who is long, who is short? A disaggregated view



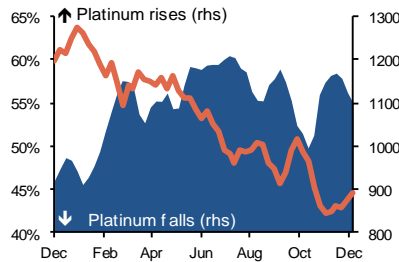
Long/Short: current net position (/1000 contracts)

Platinum - Hedge Fund net positions



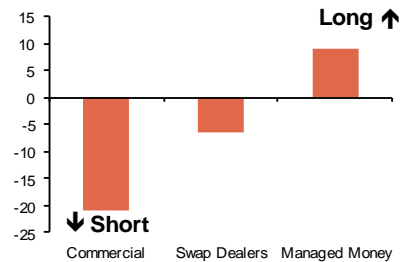
Net positions. Contracts of 50 troy ounces.

Platinum price & non-commercial positions on total open interest (O.I.)



Platinum price (\$):orange line, rhs

Platinum - Who is long, who is short? A disaggregated view



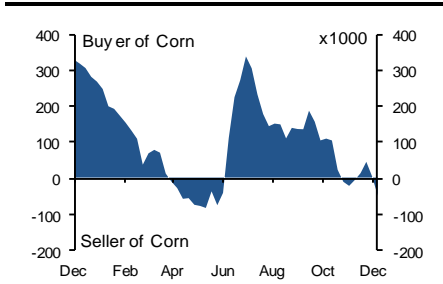
Long/Short: current net position (/1000 contracts)

Sources for all charts on this page: CFTC, Datastream, SG Cross Asset Research/Global Asset Allocation

Agricultural commodities

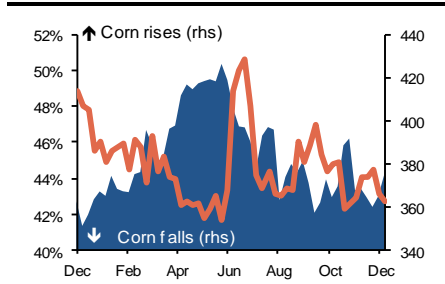
(net positions, positions as % of total OI, price, disaggregated positions)

Corn - Hedge Fund net positions



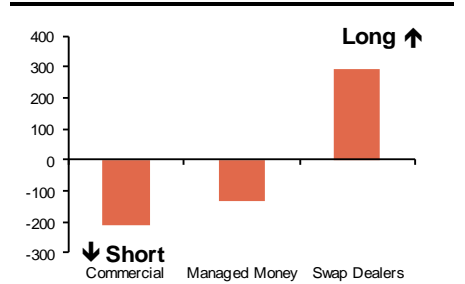
Net positions. Contracts of 5,000 bushels.

Corn price & non-commercial positions on total open interest (O.I.)



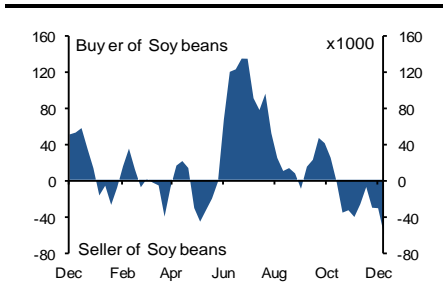
Corn price (\$):orange line, rhs

Corn - Who is long, who is short? A disaggregated view



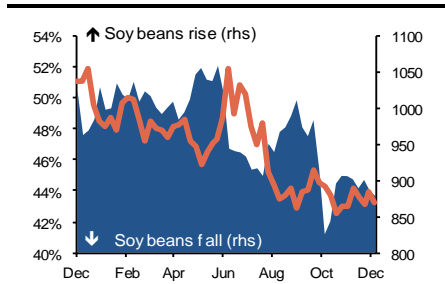
Long/Short: current net position (/1000 contracts)

Soybeans - Hedge Fund net positions



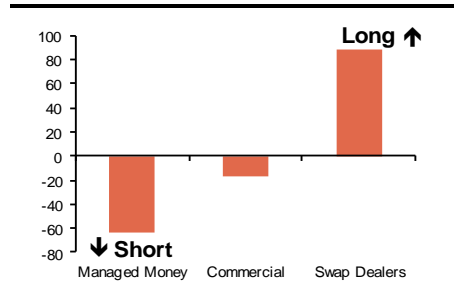
Net positions. Contracts of 5,000 bushels.

Soybeans price & non-commercial positions on total open interest (O.I.)



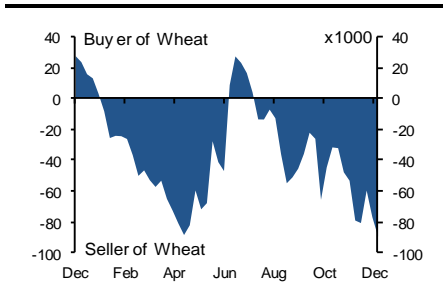
Soybean price (\$):orange line, rhs

Soybeans - Who is long, who is short? A disaggregated view



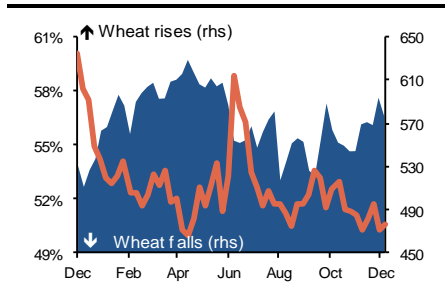
Long/Short: current net position (/1000 contracts)

Wheat - Hedge Fund net positions



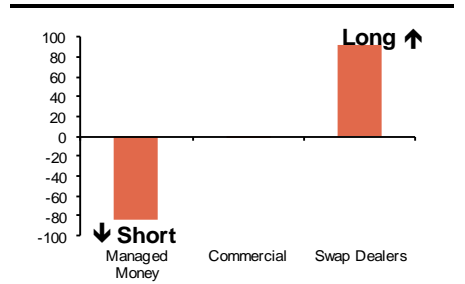
Net positions. Contracts of 5,000 bushels.

Wheat price & non-commercial positions on total open interest (O.I.)



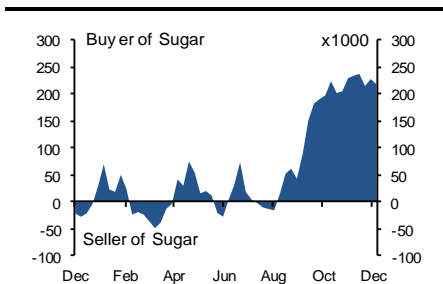
Wheat price (\$):orange line, rhs

Wheat - Who is long, who is short? A disaggregated view



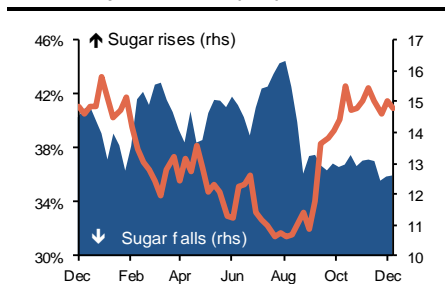
Long/Short: current net position (/1000 contracts)

Sugar - Hedge Fund net positions



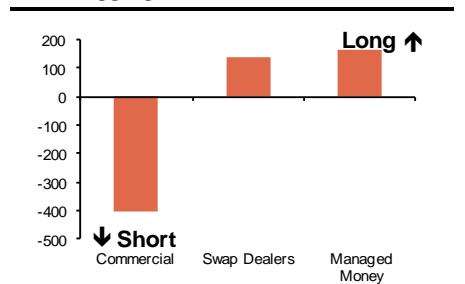
Net positions. Contracts of 112,000 pounds.

Sugar price & non-commercial positions on total open interest (O.I.)



Sugar price (\$):orange line, rhs

Sugar - Who is long, who is short? A disaggregated view



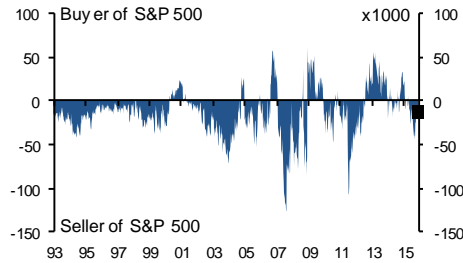
Long/Short: current net position (/1000 contracts)

Sources for all charts on this page: CFTC, Datastream, SG Cross Asset Research/Global Asset Allocation

Hedge Fund net positions – Long-term view

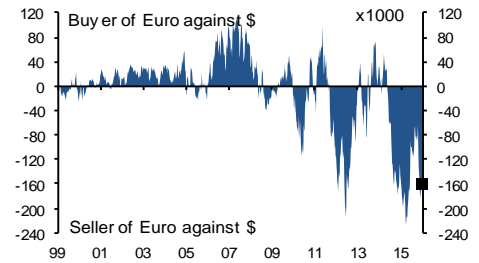
(net positions, positions as % of total OI (E-Mini contracts inc), price)

Hedge Fund net positions on S&P 500



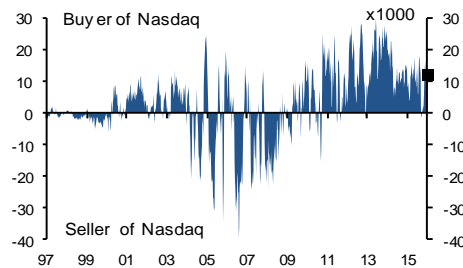
Net positions on S&P 500: Combination of standard (\$250) contracts and E-Mini contracts (\$50). Start date: 26/01/1993

Hedge Fund net positions on €/€



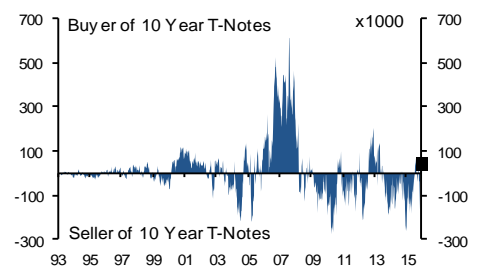
€/€ price (contracts of €125,000). Start date: 05/01/1999

Hedge Fund net positions on NASDAQ 100



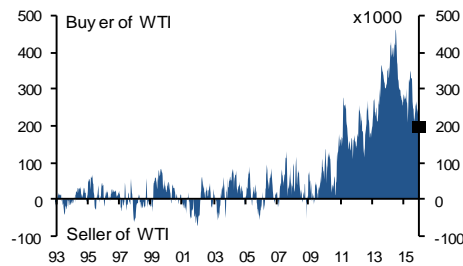
Net positions on NASDAQ 100: Combination of standard (\$100) contracts and E-Mini contracts (\$20). Start date: 07/01/1997

Hedge Fund net positions on US 10Y Treasury Notes



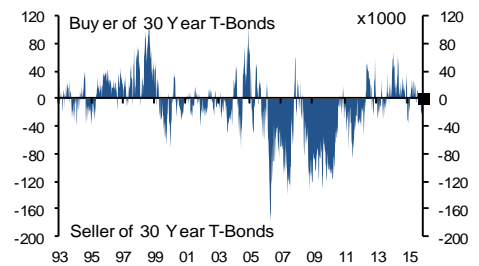
(contracts of \$100,000 face value). Start date: 26/01/1993

Hedge Fund net positions on Crude Oil



Net positions on Crude Oil (contracts of 1,000 barrels). Start date: 05/01/1993

Hedge Fund net positions on US 30Y T-Bonds

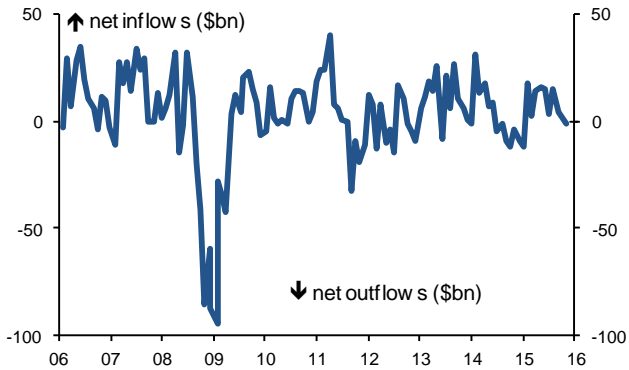


(contracts of \$100,000 face value). Start date: 26/01/1993.

Sources for all tables on this page: CFTC, SG Cross Asset Research/Global Asset Allocation
Latest data as of 29/12/15, released 04/01/16.

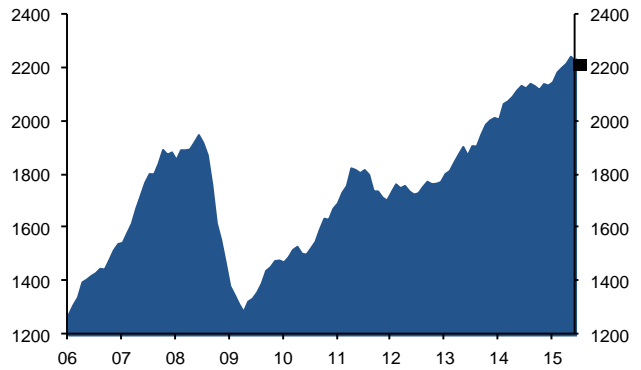
Hedge Fund strategies (1): Flows and assets

Global net inflows / net outflows (in \$bn)



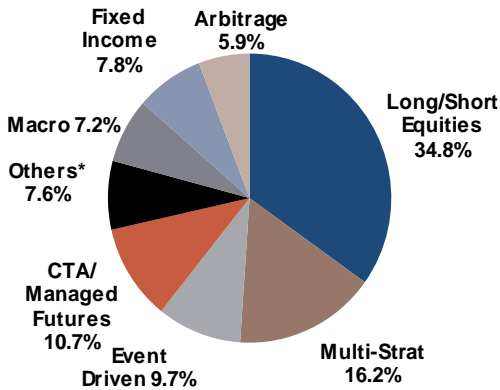
Global equals total of all types of hedge funds. Net inflows in \$bn.

Global Assets under management (AuM in \$bn)



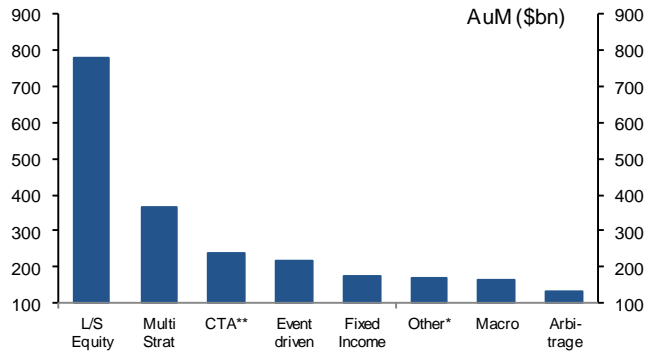
Global Assets under management in \$bn.

Assets under management, as a % of Global AuM



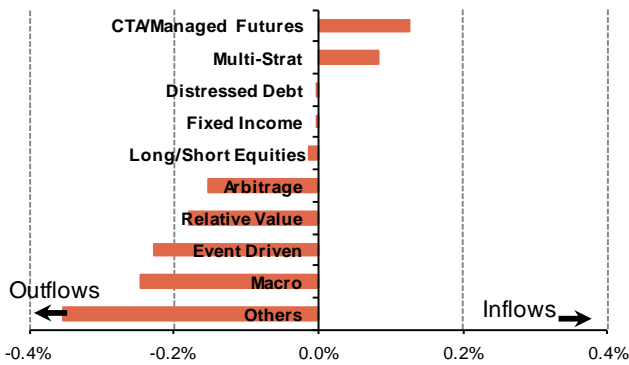
Assets under management by HF strategy, as a percentage of global Assets under Management. CTA**: Commodity Trading Advisor (CTA) / Managed Futures. Other*: distressed debt, relative value, others.

Assets under management by strategy (in \$bn)



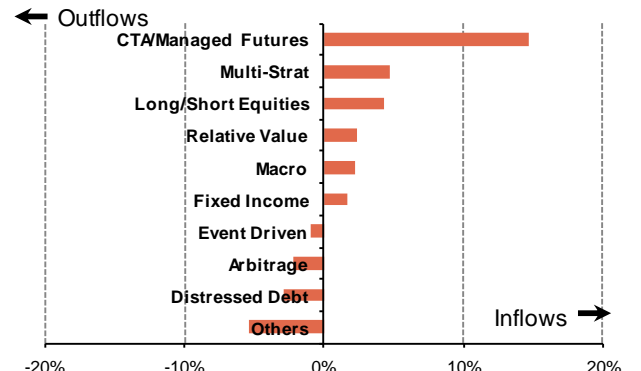
Assets under management by HF strategy, in \$bn. CTA**: Commodity Trading Advisor (CTA) / Managed Futures. Other*: distressed debt, relative value, others.

Latest monthly net inflows or net outflows, as a % of AuM



Latest monthly net inflows/ net outflows, as a percentage of assets under management (AuM) The AuM taken into account is the one at the beginning of the month.

Net inflows or net outflows since the start of 2015, as a % of AuM



Total net inflows or net outflows, as a percentage of assets under management (AuM) The AuM taken into account is the one at the beginning of January 2015.

Hedge Fund strategies – based on funds reporting to EUREKAHEDGE. Latest data for Dec-2015, collected up to 29/12, representing an estimated 41.72% of its universe.

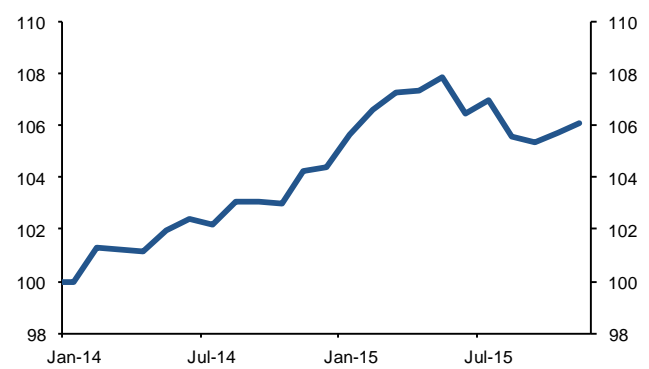
Hedge Fund strategies (2): Performance

Global Hedge Fund performance since 2006



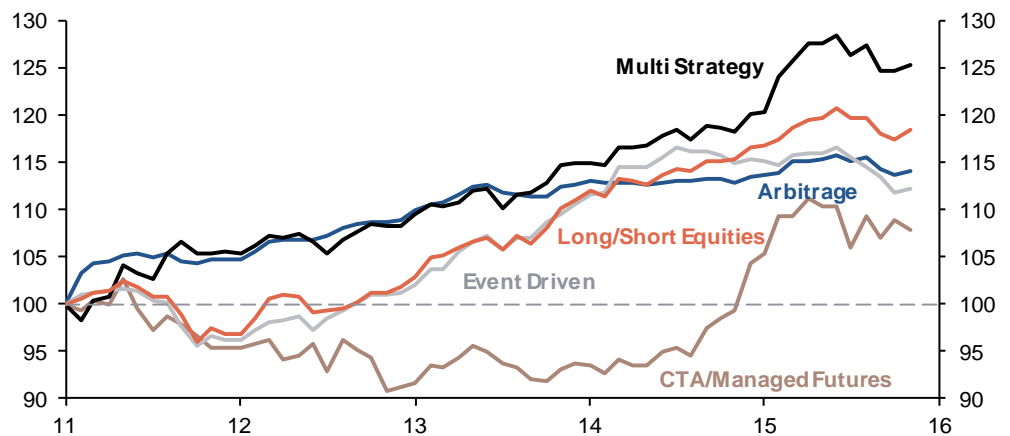
Global Hedge Funds performance, in US\$ (Base 100 = 01/01/2006).

Global Hedge Fund performance since January 2014



Global Hedge Funds performance, in US\$ (Base 100 = 01/01/2011)

Hedge Fund strategy performance since January 2011



Strategies index performance, in US\$ (Base 100 = 01/01/2011). Source: SG Cross Asset Research, Eurekahedge

Inflow analysis by strategy

Assets under Management		Strategy	Net inflows		Performance	
\$bn	% of total		in Dec-15 \$bn	since Jan-15 \$bn	in Dec-15 %	since Jan-15 %
783	34.8%	Long/Short Equities	-0.1	31.4	0.2%	1.0%
365	16.2%	Multi-Strat	0.3	15.6	0.7%	1.8%
218	9.7%	Event Driven	-0.50	-2.2	0.0%	-2.2%
241	10.7%	CTA/ Managed Futures	0.3	30.1	2.1%	0.8%
132	5.9%	Arbitrage	-0.2	-3.0	0.1%	0.3%
163	7.2%	Macro	-0.4	3.4	0.2%	-0.5%
175	7.8%	Fixed Income	0.0	2.9	0.0%	-0.7%
59	2.6%	Distressed Debt	0.0	-1.8	-0.2%	-0.9%
56	2.5%	Others	-0.10	1.3	0.0%	0.2%
57	2.5%	Relative Value	-0.20	-3.2	0.4%	2.5%
2247	100	GLOBAL	-1.0	74.5	0.4%	10.3%

Net inflows (in \$bn) into hedge funds by strategy. Monthly performances in percentage, based in US\$. CTA: Commodity Trading Advisor
Source: SG Cross Asset Research, Eurekahedge

Hedge Fund strategies – based on funds reporting to EUREKAHEDGE. Latest data for Dec-2015, collected up to 29/12, representing an estimated 41.72% of its universe.

Methodology

Eurekahedge

All Hedge Fund strategy data is provided by EUREKAHEDGE, an independent data provider that tracks over 24,686 alternative funds globally. Indices are equally weighted averages of price performance in local currency. New and obsolete funds are frequently added in order to maintain a fund universe that is as representative as possible and to avoid survivorship bias. Historical index values are altered accordingly. We will indicate on the cover of our report which month the latest data corresponds to – based on fund reporting until that date – and the estimated percentage of funds represented as part of the total universe of funds reporting to Eurekahedge.

Hedge Fund strategies

Below are some brief descriptions of the Hedge Fund strategies mentioned in this report. They are meant to facilitate the reading of our report, not to provide complete or exclusive definitions such as employed by Eurekahedge when classifying the funds it covers.

Long short Buying long equities that are expected to increase in value and selling short equities that are expected to decrease in value.

Multi-Strategy The use of several strategies within the same pool of assets.

Event Driven Taking significant positions in companies with "special situations".

CTA/Managed futures Going long or short in futures contracts in areas such as metals, grains, equity, soft commodities as well as foreign currency and US government bond futures.

Arbitrage Exploits the price differentials that exist as a result of market inefficiencies.

Macro Holdings primarily based on overall economic and political views of various countries.

Fixed Income Exploits arbitrage opportunities in interest rate securities.

Distressed debt Becoming a major creditor of a company whose bonds trade at very low prices.

Relative value Going long a certain instrument while going short another instrument in a way that has no net exposure to broad market moves (also called a market neutral strategy).

CFTC: Commodity Futures Trading Commission

The mission of the Commodity Futures Trading Commission (CFTC) is to protect market users and the public from fraud, manipulation, and abusive practices related to the sale of commodity and financial futures and options, and to foster open, competitive, and financially sound futures and option markets.

The CFTC assures the economic utility of the futures markets by encouraging their competitiveness and efficiency; ensuring their integrity; protecting market participants against manipulation, abusive trading practices, and fraud; and ensuring the financial integrity of the clearing process. Through effective oversight, the CFTC enables the futures markets to serve the important function of providing a means for price discovery and offsetting price risk.

How to read the way SG monitors Hedge Fund positions

1. CFTC definitions

Net position The difference between the open long contracts and the open short contracts held by a trader in any one commodity. Data we use have at least a lag of one week with real positions.

Open interest The total number of futures contracts long or short in a delivery month or market that has been entered into and not yet liquidated by an offsetting transaction or fulfilled by delivery.

2. E-Mini Futures contracts and US equity index Futures contracts on CME

Futures on the S&P500, the Nasdaq and Russell 2000 come in two sizes; the large ones are the standard futures that continue to trade on the floor of the Chicago Mercantile Exchange (CME); the smaller ones are E-Mini futures (1/5 of the size of standard CME futures) where trade is fully electronic. Trading volume in the standard futures has now been surpassed by that of the E-Minis, which are now the most highly traded stock-index futures in the world.

E-Mini S&P 500 futures are legally binding agreements to buy or sell the cash value of the S&P500 Index at a specific future date. The contracts are valued at \$50 x the future price. For example, if the Mini S&P 500 future price is at \$920.00, the value of the contract is \$46,000 (\$50.00).

On US equity index graphs of this report, we have decided to combine the two contracts. Example for the S&P500:

We add 1/5 of the E-Mini futures (\$50) to the standard contracts (\$250).
 $(\text{S\&P 500 Standard} \times \$250.00) + (1/5 \text{ E-Mini S\&P 500} \times \$50.00)$

Disaggregated COT (Commitment of Traders Report)

In the commodity section, the CFTC provides a breakdown into the four following categories:

1. **Commercials** - producers, merchants, processors and end users. The largest of these market participants often dispose of fully equipped and well staffed trading rooms.
2. **Swap dealers** - primarily banks that use futures to manage over-the-counter (OTC) risks associated with their swaps book or index fund offerings (flow of funds into commodity indices).
3. **Managed money** – registered commodity trading advisors or commodity pool operators that actively trade on behalf of clients, frequently hedge funds (hence the title of this report).
4. **Other reportables** – traders that do not fit in any of the other categories. Traditionally the CFTC adds this category to that of managed money, a practice that we continue to follow for example in our net inflow graphs and table, but not in the bar charts with the disaggregated view.

Please observe that what we call “commercials” here is not directly comparable with the other breakdown provided by the CFTC between commercial and non-commercial traders.

Addendum

A specific Future contract for each asset class

Equity & Volatility

S&P 500 stock index - Chicago Mercantile Exchange	(S&P 500 index x \$250.00)
E-Mini S&P 500 stock index - Chicago Mercantile Exchange	(S&P 500 index x \$50.00)
NASDAQ -100 stock index - Chicago Mercantile Exchange	(NASDAQ 100 index x \$100)
E-Mini NASDAQ -100 stock index - Chicago Mercantile Exchange	(NASDAQ 100 index x \$20)
E-Mini Russell 2000 stock index future – InterContinental Exchange.	(Russell 2000 index x \$100)
VIX futures - CBOE futures exchange	(\$100 x VIX)
Nikkei stock average - Chicago Mercantile Exchange	(Nikkei index x \$5.00)

Bonds & Money Market

10-year US Treasury notes - Chicago Board of Trade	(contracts of \$100,000 face value)
US Treasury bonds - Chicago Board of Trade	(contracts of \$100,000 face value)
30-day federal funds - Chicago Board of Trade	(interest on \$5,000,000 fed funds)

Currencies

Euro fx - Chicago Mercantile Exchange	(contracts of €125,000)
British pound sterling - Chicago Mercantile Exchange	(contracts of £62,500)
Swiss franc - Chicago Mercantile Exchange	(contracts of SF125,000)
Japanese yen - Chicago Mercantile Exchange	(contracts of ¥12,500,000)
Russian Ruble – Chicago Mercantile Exchange	(contracts of RUB 2,500,000)
Mexican Pesos - Chicago Mercantile Exchange	(contracts of MXN 500,000)
Brazilian Real - Chicago Mercantile Exchange	(contracts of BRL 100,000)
Canadian Dollar - Chicago Mercantile Exchange	(contracts of CAD 100,000)

Energy & Metals

Crude oil, light sweet - New York Mercantile Exchange	(contracts of 1,000 barrels)
Natural Gas - New York Mercantile Exchange	(contracts of 10,000 British Thermal Units)
Henry Hub Gas Swap - New York Mercantile Exchange	(contracts of 2,500 British Thermal Units)
Gold - Commodity Exchange Inc.	(contracts of 100 troy ounces)
Copper-grade #1 - Commodity Exchange Inc.	(contracts of 25,000 pounds)
Silver - Commodity Exchange Inc.	(contracts of 5,000 troy ounces)
Platinum - Commodity Exchange Inc.	(contracts of 50 troy ounces)

Agricultural Commodities

Corn - Chicago Board of Trade	(contracts of 5,000 bushels)
Soybeans - Chicago Board of Trade	(contracts of 5,000 bushels)
Wheat - Chicago Board of Trade	(contracts of 5,000 bushels)
Sugar No. 11 - Chicago Board of Trade	(contracts of 112,000 pounds)

Source: SG Cross Asset Research, CFTC

APPENDIX

ANALYST CERTIFICATION

The following named research analyst(s) hereby certifies or certify that (i) the views expressed in the research report accurately reflect his or her or their personal views about any and all of the subject securities or issuers and (ii) no part of his or her or their compensation was, is, or will be related, directly or indirectly, to the specific recommendations or views expressed in this report: **Alain Bokobza, Arthur van Slooten, Praveen Singh, Gaëlle Blanchard, Sophie Huynh**

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SG EQUITY RESEARCH RATINGS on a 12 month period

BUY: absolute total shareholder return forecast of 15% or more over a 12 month period.

HOLD: absolute total shareholder return forecast between 0% and +15% over a 12 month period.

SELL: absolute total shareholder return forecast below 0% over a 12 month period.

Total shareholder return means forecast share price appreciation plus all forecast cash dividend income, including income from special dividends, paid during the 12 month period. Ratings are determined by the ranges described above at the time of the initiation of coverage or a change in rating (subject to limited management discretion). At other times, ratings may fall outside of these ranges because of market price movements and/or other short term volatility or trading patterns. Such interim deviations from specified ranges will be permitted but will become subject to review by research management.

Sector Weighting Definition on a 12 month period:

The sector weightings are assigned by the SG Equity Research Strategist and are distinct and separate from SG equity research analyst ratings. They are based on the relevant MSCI.

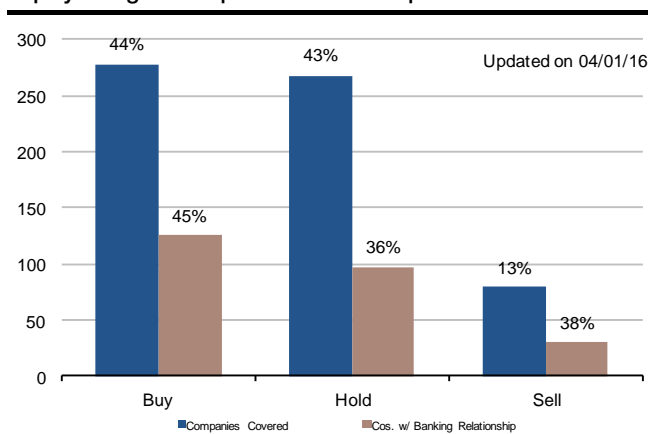
OVERWEIGHT: sector expected to outperform the relevant broad market benchmark over the next 12 months.

NEUTRAL: sector expected to perform in-line with the relevant broad market benchmark over the next 12 months.

UNDERWEIGHT: sector expected to underperform the relevant broad market benchmark over the next 12 months.

The Preferred and Least preferred stocks are selected by the covering analyst based on the individual analyst's coverage universe and not by the SG Equity Research Strategist.

Equity rating and dispersion relationship



Source: SG Cross Asset Research/Equity

All pricing information included in this report is as of market close, unless otherwise stated.

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