



SWORD AND SHIELD FOREX

COT SPOTLIGHT MARCH 20, 2018 – JAPANESE YEN

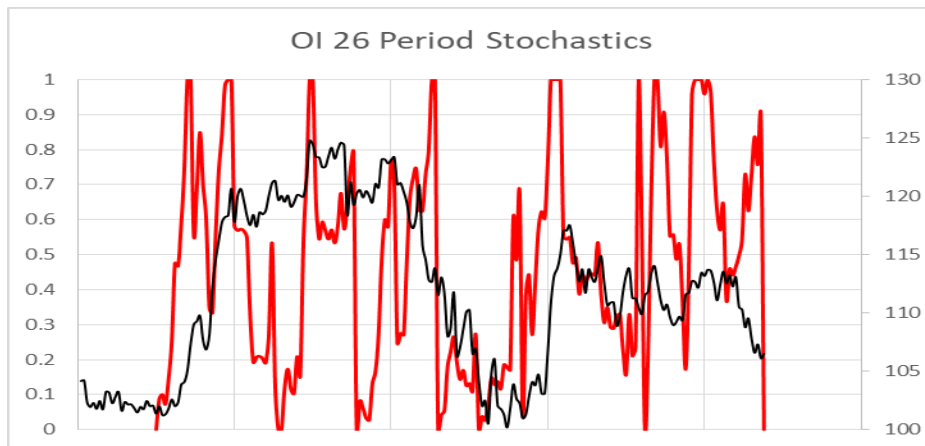
Will the strength continue?

YEN	Price Percent Change	Net Spec Percent Change	Net Comm Percent Change	OI Percent Change	Percent Change Specs Long	Percent Change Comms Short	Percent Change Specs Short	Percent Change Comms Long	OI Total	OI 14 Period Std Dev Position	Spec/Comm Spread 14 Period Std Dev
NOW	-0.38%	74.67%	-77.36%	-42.22%	-4.31%	-46.25%	-48.94%	-59.20%	160250.00	-2	2
1WK	1.11%	10.15%	-13.20%	5.42%	12.39%	17.90%	-3.04%	2.60%	277327.00	1	2
2WK	-0.69%	10.79%	-8.99%	-3.02%	-2.40%	5.37%	-8.30%	-2.22%	263066.00	1	2
3WK	1.14%	6.21%	-9.18%	4.27%	7.88%	18.35%	-2.43%	2.01%	271271.00	1	2

There were some major changes in Net positions with Speculator bullish positions increasing (+74.67 percent change) and Commercial players increasing their bearish positioning (-77.36 percent change) for a net bullish signal. Yet looking closely at changes in positions by group suggest that this Spec increase in bullish positioning is largely a result of a short squeeze. Longs actually decreased their positioning by 4.31%; whereas shorts decreased their positioning by 48.94%.

14 Period Standard Deviations for both OI and the spread between com/spec positioning is now at extremes.

26 Period stochastics are also suggesting OI is at very low levels.



After price broke the 105.25 level there was little support to stop the decline of USD vs the JPY. JPY ended the week strongly now at the 104.70 level and next week will may approach some technical support around the 104.50 area.



In sum:

Shorts have been shaken out of this market and with extreme readings in both positioning spreads and Open Interest there is potential for a shift in positioning here. There was little indication of conviction from bullish players (reducing longs this week) and there will be some technical support to hinder the JPY strength. With the shorts now on the sidelines, some risk-off sentiment could spark a strong rebound in USDJPY.