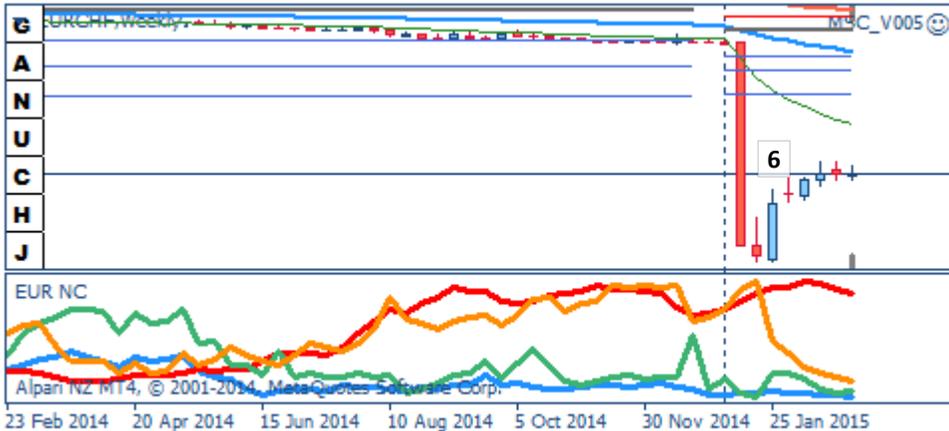
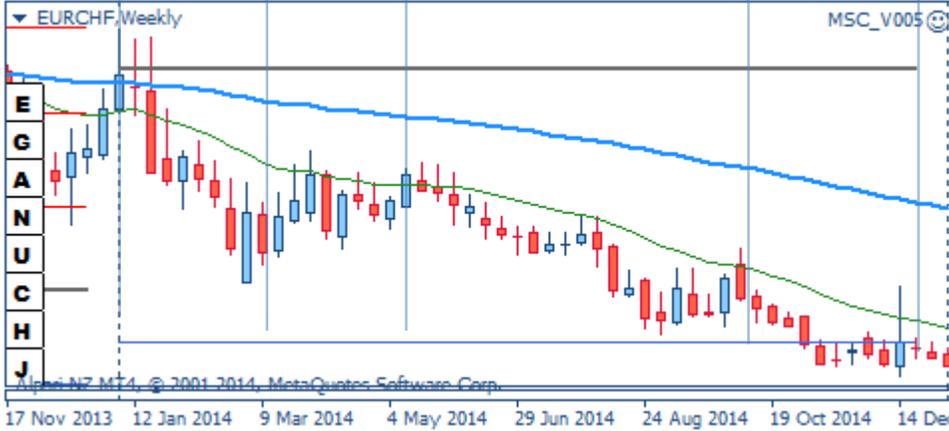
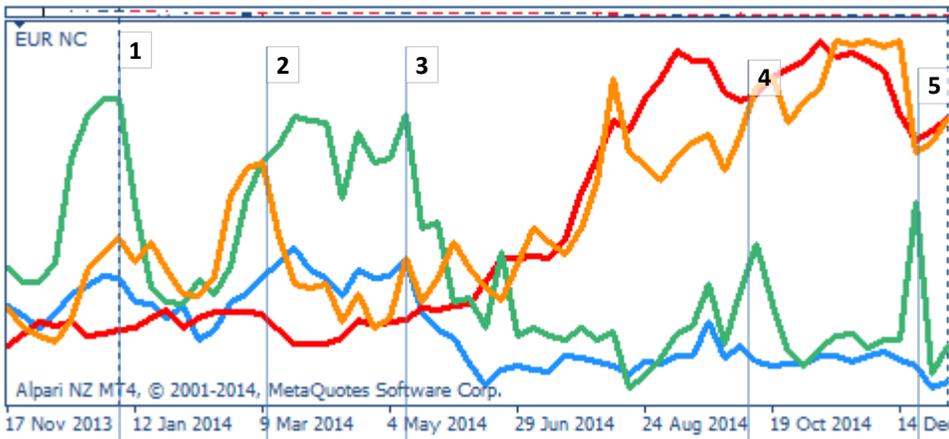


# EURCHF Monday, 9<sup>th</sup> of March 2015



Because of high correlation between EUR and CHF it is difficult to analyze this pair – we can see that EUR and CHF net positions are often on one side, pulling the pair in different directions. There are a couple potentially interesting points worth noting though.

**(1)** The price reached 100 EMA and yearly pivot by the start of 2014 and the week closed rejected. Note high volume of CHF sells on COT data – they closed most positions however, as soon as the price went in their direction (see UH analysis). Combined with price action this is a sign of bearish bias for EH, no matter how weak.

**(2)** This time CHF shorts spiked up, and also bailed out as soon as the price started going in their direction. After CHF shorts closed, longs continued to grow, pushing the EH price down.

**(3)** We can see that UHG longs ultimately failed if we look on UH and see that the longs started closing when had started trending up. From this point EH had started moving down very slowly, most likely based on EUR losing its strength slightly slower than CHF. Compared to the trends in EU and UH during the same period, it would be an obvious decision to skip EH in favor of trading the strong trend on major pairs.

**(4)** CHF longs spiked out creating a temporal imbalance between EUR and CHF – enough to push the price a little bit lower.

**(5)** The big spike in price we can see on Weekly and Daily chart was the result of many traders being sure that it is safe to buy from artificially created boundary at 1.2000. Apparently, there were enough traders being sure that they can push the price back to the bottom.

I don't think that many traders saw what was coming and large speculators lost a lot of money in it as well. The Commercials however, being on the other side, and mostly representing the biggest banks, made a lot of money at the same time.

**(6)** Once again we can see that large traders did not accept the loss right away, pushing the price a little bit higher first with additional short positions on CHF.

1.17710  
1.11110  
1.06335  
1.04310  
0.97710  
243633.1  
31769.85