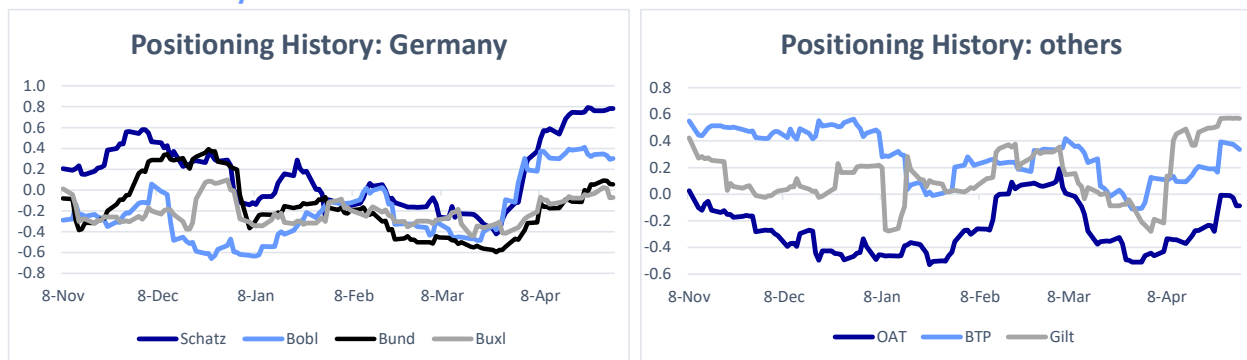




MNI Pi (Positioning indicator)



Six month history of MNI Pi Estimates



Updated May 2, 2025 based on OI/price data through April 30 (EGBs)/May 1 (Gilts), 2025. MNI Pi provides an estimate of fast money positioning in futures. Calculations are for guidance only, and are not trade recommendations in any way.

For full methodology visit: <https://tinyurl.com/MNI-PI-Methodology>

MNI Comment: Structural positioning continues to move toward the long side across European bond futures. There are now no contracts in "short" territory, while there are two "very long". Overall, contracts are the longest/least short they have been since autumn 2024. Trade in the latest week (excluding the May 1 holiday for EGBs) was mostly indicative of long-setting.

German contracts have consistently headed away from "short" territory since mid-March, led by **Schatz** and **Bobl**, which are now "very long"/"long", respectively. **Bund** and **Buxl** are each in **flat** positioning, but this compares to "very short/short" a month ago. Shorts were set in Schatz in the last week, with longs reduced in Bobl and Bund. Buxl saw longs set.

OAT has returned to "flat" structural positioning, after a spell in short territory. The most recent week's trade was indicative of long setting.

Gilt structural positioning has notably shifted to "very long", compared with "flat" where it spent most of then prior 7 months. The latest week saw some some longs set.

BTP has returned to its typical "long" territory vs "flat" in our prior update, with some some long-setting seen in the most recent week.

MNI Pi (Positioning indicator)

Explanation: MNI Pi provides an estimate of the fast money positioning in futures markets. Conceptually, the calculation looks first at the general direction of the bond market. For example, if prices are rising they can be fresh buyers or short covering. If open interest is rising as market prices improve, then we assume that fresh buyers are arriving. By contrast, if markets rise because of short covering, then open interest would fall. More specifically, MNI looks at correlations between daily changes in open interest and market direction over a six week period. We use front-month open interest and we exclude particularly heavy contract rolling days. These calculations are for guidance only and are not trade recommendations in any way.

The matrix below shows the 4 possible combinations of movement between open interest and price changes and what these combinations imply for market positioning.

Matrix: relationship between price direction and open interest changes

		Open interest direction	
		Up	Down
Contract Price Chg	Up	Fresh Longs	Short cover
	Down	Fresh Shorts	Liquidate Longs

Uses: Estimating market positioning is useful for determining whether a contract might have a price bias in the future. However, it becomes more interesting as the contract approaches delivery and investors roll into the next calendar date. Rolling a long position would put upward pressure on the new contract and downward pressure on the current and vice versa.

How to Read: For each contract we report a summary of the market positioning i.e. flat/long/short, a chart of the position to give more accuracy, the most recent trade (past week), a Z-score of the 3 month price move so the reader can quickly see if prices are rising/falling and then finally small chart of a 1 month price history.