

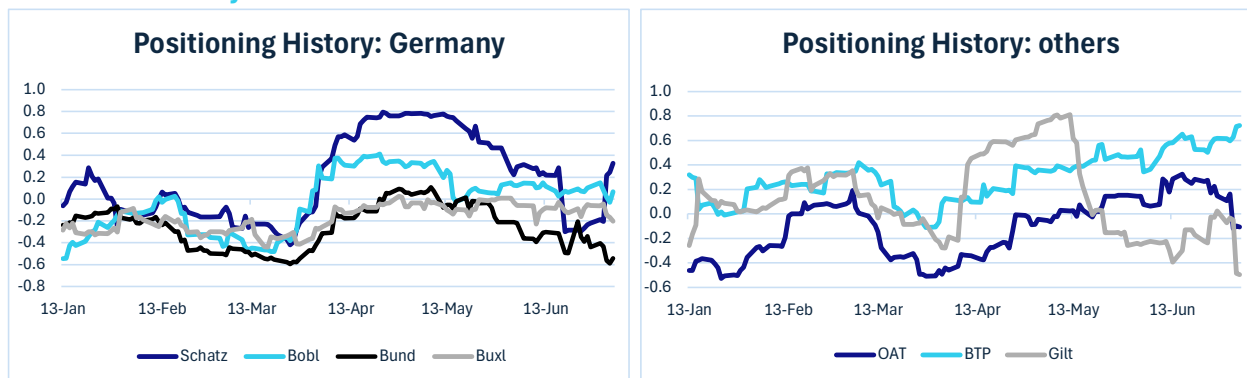


MNI Pi (Positioning indicator)



MNI Comment: European bond futures positioning is about as mixed as we have seen it all year: three contracts are structurally short/very short, two are flat, and two are long/very long. Indeed BTPs are as "long" and Gilts as "short" as they've been in 2025 so far, while the German curve is extremely mixed. There was a mix of indicative trading last week as well, with longs set in Germany, but shorts set/short cover elsewhere.

Six month history of MNI Pi Estimates



Updated Jul 7, 2025 based on OI/price data through Jul 4, 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. **Source:** Eurex, ICE, Bloomberg Finance L.P., MNI Calculations

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

If there is a theme in German contracts' structural positioning, it's twist steepening. After being "short" in our last biweekly update, **Schatz** has reverted to "**long**", where it was most of April/May. Conversely, **Bund** has moved to "**very short**" from "short", and **Buxl** has moved to "**short**" from "flat". **Bobl** is the only non-mover, remaining **flat**. Longs were set across all four contracts last week.

OAT has reverted to **flat** from a brief stint in "long" structural positioning in our last update. The most recent week's trade was indicative of short setting.

Gilt structural positioning has moved to its **shortest** level of the year - in sharp contrast to two months earlier when it was "very long". Shorts were set last week.

BTP remains in "**very long**" territory and indeed has extended that slightly since our last update. Trade indicative of short cover was seen last week.

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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

Contract Price Chg		Open interest direction	
		Up	Down
		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.