

CTAs end 2016 on a positive note

CTAs continued to head north during the last two weeks of December adding to an already positive month. The currency bucket was the leading contributor. Systems benefited from their long USD positioning as global currencies continued to fall versus the greenback.

Equities also led to profits with major contributions from the Japanese and European markets especially during the 3rd week of the month right before Christmas.

Interestingly, the upward move in developed markets' rates did not hurt CTAs' performances. Indeed, after spending most of the year with an overall net long exposure, the recent switch to short duration enabled the strategy to perform well during the post-Trump election period. CTAs benefited from their allocations to Australian, German and U.S. rates.

Finally, the commodities bucket was the sole detractor, but with a limited impact.

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