

ICE Futures Europe Commitments of Traders Report

Explanatory notes

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The ICE Futures Europe Commitments of Traders (COT) report provides a breakdown of open interest in certain of the Exchange's commodities according to the category of trader holding the position. The Exchange publishes the reports to increase the transparency of the participation in its markets.

The reports are designed to be as similar in format and content as possible to the established U.S. Commodity Futures Trading Commission Commitments of Traders reports (<http://cftc.gov/MarketReports/CommitmentsofTraders/index.htm>). ICE Futures Europe COT reports use the same format as the CFTC Long Format Disaggregated COT, as this provides the most information about traders' participation in the market.

Basis of report

The report is generated and published on a weekly basis for the position data reported to the Exchange for the Tuesday of each week. The Exchange currently publishes its report on the Monday of the following week (subject to US Federal holidays).

For each commodity reported on, two reports are produced – one containing data on futures positions in the commodity only, and another containing futures positions combined with options positions (option positions are converted to delta futures-equivalent positions).

Report formats

The report is available in two formats:

- 1) Each commodity reported has two pdf files generated weekly, one for the futures-only and another for the combined futures and options report.
- 2) All commodities reported are combined into a single csv format file, with separate lines for futures and combined reports per commodity. The formatting of the csv file follows the format for the comma separated version of the CFTC COT to allow existing systems to process the information with the minimum of changes. Details of fields can be found at https://www.theice.com/publicdocs/futures/CoT_Fields.pdf.

Report contents

ICE Futures Europe requires market participants to report positions according to the reportable thresholds set out in:

https://www.theice.com/publicdocs/futures/ICE_Futures_Europe_Threshold.pdf

However in order to provide as much consistency as possible with the CFTC COT reports the Exchange generates its COT reports to match the CFTC's own reporting thresholds for oil products as closely as possible. Traders who are to be included in the Exchange COT therefore must hold positions that exceed the following thresholds:

ICE Commodity Code	ICE Commodity	COT inclusion threshold	Comments
T	ICE WTI Crude Futures and Options	350 lots	Directly defined by CFTC – “Crude Oil, Sweet”
B	ICE Brent Crude Futures and Options	350 lots	Closest CFTC equivalent “Crude Oil, Sweet”
G	ICE Gas Oil Futures and Options	250 lots	Closest CFTC equivalent “No. 2 Heating Oil”
C	Cocoa Futures and Options	100 lots	
W	White Sugar Futures and Options	100 lots	
RC	Robusta Coffee Futures and Options	100 lots	
T	Wheat Futures and Options	100 lots	

The thresholds apply to individual months but trigger inclusion of all positions – as soon as a trader as a position in one month that crosses the reportable threshold, all of its positions for that commodity become reportable in the COT.

e.g. Trader 1 has positions of 349 lots in Sep11, Oct11, Nov11, Dec11 Brent and no other positions – will not be included in the COT

Trader 2 has positions of 10 lots in Sep11, Oct11, Nov11 Brent and 351 lots in Dec11 Brent – all of Trader 2's positions will be included in the COT.

Sections of the report

Each report is divided into two main sections

- A section breaking down open interest by category of trader.
- A section showing the concentration of open interest held by the 4 and 8 largest traders in a market regardless of categorisation (ICE Energy Contracts Only).

Category breakdown

WTI	Commitments of Traders	Futures only	SAMPLE											
		Producer/Merchant/Processor/User			Swap Dealers			Managed Money			Other Reportables			Nonreportable Positions
	Open Interest	Long	Short	Long	Short	Spreading	Long	Short	Spreading	Long	Short	Spreading	Long	Short
1	All	467537	165639	180931	34697	71713	116012	52247	4625	42357	7727	10764	27607	21251
	Old	467537	165639	180931	34697	71713	116012	52247	4625	42357	7727	10764	27607	21251
	Other	0												13528
Percent of Open Interest Represented by Each Category of Trader														
2	All	100.0%	35.4%	38.7%	7.4%	15.3%	24.8%	11.2%	1.0%	9.1%	1.7%	2.3%	5.9%	4.5%
	Old	100.0%	35.4%	38.7%	7.4%	15.3%	24.8%	11.2%	1.0%	9.1%	1.7%	2.3%	5.9%	4.5%
	Other													2.9%
Number of Traders in Each Category														
3	All	151	52	50	19	21	37	23	8	22	11	8	22	
	Old	151	52	50	19	21	37	23	8	22	11	8	22	
	Other													
Percent of Open Interest Held by the Indicated Number of the Largest Traders														
By Gross Position														
		4 or Less Traders				8 or Less Traders				By Net Position				
	All	16.3	14.4	27.7	25.6	6.5	9.2	12.2	15.1					
	Old	16.3	14.4	27.7	25.6	6.5	9.2	12.2	15.1					
	Other	0	0	0	0	0	0	0	0					

Figure 1 - Sample COT highlighting categories of traders section

The Exchange will determine classifications based on all available information. The categories used by the Exchange are defined similarly to those used by the CFTC, and are as follows:

- **Producer/Merchant/Processor/User**
Entities with exposure to the underlying physical market for the commodity which use the futures market to hedge the risks associated with such exposure. "Commercial" participants. Examples would include oil exploration and drilling firms, specialist commodity trading firms with physical exposures, producers, exporters/importers, coffee roasters, cocoa processors, sugar refiners, food and confectionary manufacturers, millers, crushers. utility companies who consume oil to generate power.
- **Swap Dealer**
Entities dealing primarily in "swap" or other Over The Counter ("OTC") transactions in the commodity in question and who use the futures market to hedge this exposure. Examples would include investment banks and other complex financial institutions.

- **Managed Money**

Entities managing futures trading on behalf of clients; investment firms. Examples include hedge funds, pension funds, registered US commodity trading advisors or commodity pool operators.

- **Other Reportables**

Every other reportable trader. Examples would include proprietary (multi-asset) trading houses, algorithmic traders and local traders.

- **Nonreportable Positions**

This is a balancing figure and consists of the total reportable long, short and spreading positions subtracted from the overall open interest figure for the commodity.

“Spreading” and numbers of traders

In accordance with CFTC practice, positions for categories other than Producer/Merchant/Processor/User are set out in the report using a “spreading” algorithm which sets out the number of offsetting positions held in different calendar months (or the same calendar month in the case of an offsetting option position) by a trader. As an example, if Trader 1 (a Swap Dealer) was long 750 Nov11 Gas Oil and short 1100 Dec11 Gas Oil, their position would be included in the COT as Long 0, Short 350, Spreading 750.

This may have the effect that the sum of the number of traders in each category may exceed the total number of traders in the market. Traders may fall into both the “Long” or “Short” and the “Spreading” columns of the report and hence be in effect counted twice. Commercial participants may also be both “Long” and “Short”.

Information contained in the section

The numbers below refer to the callouts in the sample COT image shown in Figure 1:

1. **Positions**

Positions reported as described above, including total open interest and nonreportable positions balancing figure.

2. **Percentages**

Percentage of total open interest in each category. Rounding issues may mean that the sum of all individual percentages may not equal 100%.

3. **Number of traders**

Number of traders in each category as described above.

“Old” and “Other” rows

Please note that the “Old” and “Other” rows are included for compatibility with the CFTC COT reports only. They are used by the CFTC for certain agricultural commodities but have no utility in ICE Futures Europe markets. The “Old” rows will never be anything other than duplicate values of the “All” rows; the “Other” rows will never be anything other than zero/blank.

Concentration ratios

WTI	Commitments of Traders	Futures only													
		SAMPLE													
		Open Interest	Producer/Merchant/Processor/User		Swap Dealers			Managed Money			Other Reportables			Nonreportable Positions	
			Long	Short	Long	Short	Spreading	Long	Short	Spreading	Long	Short	Spreading	Long	Short
All		467537	165639	180931	34697	71713	116012	52247	4625	42357	7727	10764	27607	21251	13528
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All		16.3	14.4	27.7	25.6	6.5	9.2	12.2	15.1						
Old		16.3	14.4	27.7	25.6	6.5	9.2	12.2	15.1						
Other		0	0	0	0	0	0	0	0						

Figure 2 - Sample COT highlighting concentration ratio section

The ICE Futures Europe Energy Contracts reports set out the percentage of open interest held by the four and eight largest reportable traders irrespective of categorisation. The data is displayed on both a gross and net position basis. Traders with large but balanced positions (i.e. large positions on both long and short sides) will probably appear in both the long and short gross top four/eight, but not in the long and short net sections.