

Crowded Market Analysis

ANALYSIS OF THE COMMITMENTS OF TRADERS DISCLOSED
BY THE CFTC ON 2024-10-11

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Introduction and explanatory notes

The Commitments of Traders reports are released every Friday at 3:30 New York time zone by the Commodity Futures Trading Commission. These reports contain traders' positions in U.S. futures and options contracts as of the Tuesday of the same week they are released. This document aims to report CFTC positioning data and to analyze it in order to build systematic trading strategies. This document focuses on the *Legacy* CFTC positioning report that categorizes traders into three groups:

- **Commercials** (aka *Hedgers*) : use futures contracts for hedging the futures underlying. For commodity markets, the commercial participants are for example mining firms that have access to the cash market and therefore have additional information on supply and demand. This category also includes sell side entities from financial organizations.
- **Non-Commercials** (aka *Large Speculators*) : use futures markets for money management. This category includes CTAs, Hedge Funds, and major players in the buy-side industry.
- **Non-Reportable** (aka *Small Speculators*) : are typically retail investors that use futures markets for personal investing.

Analyzing the absolute levels of investors' positioning is not particularly relevant, as participants in futures markets engage for various reasons. For instance, in the case of physically settled oil futures, commercial entities like oil producers tend to maintain a net short position most of the time, as they aim to secure prices for selling their assets.

Therefore, interpreting market sentiment based on the positioning of futures market participants requires a comparison of current positions against historical ranges. The indicator used in this report is the COT index, a positioning metric defined as follows:

$$COT\ Index = 100 * \frac{Net_{Last} - \text{Min}(Net_{Lookback\ Period})}{\text{Max}(Net_{Lookback\ Period}) - \text{Min}(Net_{Lookback\ Period})} \in [0; 100]$$

Where parameters are:

- $Net = \text{Long Positions} - \text{Short Positions}$
- $Lookback\ Period = 2\ \text{years}$

The COT Index of non-commercials getting closer to 100 means traders are building much more long positions than usual whereas 0 levels mean short positions are stronger than usual.

Interpreting COT Index week-on-week change:



The COT Index **decreases** when there are:

- Long liquidations + short building
- Short building > long building
- Long liquidations > short covering

The COT Index **increases** when there are:

- Long building + short covering
- Long building > short building
- Short covering > long liquidations

COT Index heatmap

	COT Large Spec			COT Commercials			COT Small Spec			COT Large Spec			COT Commercials			COT Small Spec			COT Large Spec			COT Commercials			COT Small Spec			COT Large Spec		
Contract	08/10/2024			01/10/2024			24/09/2024			17/09/2024			10/09/2024																	
S&P 500	74	28	78	76	23	88	69	26	95	69	30	85	81	23	76															
NASDAQ-100	79	11	78	79	8	83	72	13	83	57	28	75	52	29	79															
DOW JONES	74	25	74	72	28	67	74	23	82	71	27	73	62	33	85															
RUSSELL 2000	88	10	82	84	14	85	72	23	98	65	31	88	75	24	70															
S&P 400 MID CAP	24	52	68	20	50	79	17	53	79	19	59	61	28	50	66															
S&P 500 ANNUAL DIVIDEND	84	15	84	85	15	81	83	17	78	81	19	78	81	20	67															
S&P CONSUMER STAPLES INDEX	67	52	22	65	20	78	70	4	100	72	24	67	73	23	67															
S&P ENERGY INDEX	8	79	48	22	67	44	28	49	78	21	72	34	22	71	33															
S&P FINANCIAL INDEX	100	5	72	98	0	88	100	9	61	100	0	81	98	3	84															
S&P UTILITIES INDEX	87	5	94	78	30	71	74	21	83	66	42	65	64	28	82															
DOW JONES U.S. REAL ESTATE	86	35	69	89	35	67	90	37	65	85	37	68	83	37	67															
NIKKEI STOCK AVERAGE YEN DENOM	53	17	80	58	21	70	57	16	77	53	20	77	41	22	84															
MSCI EAFE	50	53	51	55	48	57	44	58	54	37	65	47	38	65	46															
MSCI EM INDEX	74	26	69	78	22	75	72	26	77	74	25	71	78	22	71															
VIX	99	1		55	86	7	87	82	13	85	89	3	100	93	0	100														
FED FUNDS	55	47	38	47	52	57	25	73	67	37	61	68	47	51	66															
SOFR-1M	30	70	73	39	61	77	55	45	75	66	34	51	71	30	50															
SOFR-3M	99	1	92	93	7	87	89	11	87	80	20	87	83	16	89															
2-YEAR NOTES	40	49	84	41	47	89	36	53	93	26	65	97	28	61	100															
5-YEAR NOTES	1	100	95	1	99	98	6	97	88	0	100	100	0	100	99															
10-YEAR NOTES	2	100	86	4	92	99	15	77	100	0	100	98	4	80	100															
ULTRA 10-YEAR NOTES	82	0	76	72	6	77	63	13	85	53	27	80	47	30	88															
30-YEAR BONDS	62	15	87	73	0	100	80	0	97	73	6	95	75	2	100															
ULTRA 30-YEAR BONDS	91	8	48	100	0	44	100	0	28	79	22	39	65	34	49															
USD INDEX	58	54	0	56	54	0	55	55	1	49	60	3	50	60	0															
EURO FX	53	44	67	63	36	65	60	38	67	44	56	46	32	69	32															
BRITISH POUND	75	19	98	84	14	89	75	20	94	64	31	88	55	40	84															
JAPANESE YEN	100	0	100	100	0	100	100	0	100	100	0	97	100	0	80															
SWISS FRANC	58	34	79	57	38	70	51	44	64	49	49	57	57	42	56															
CANADIAN DOLLAR	59	40	42	58	39	57	39	58	48	14	84	26	7	90	30															
AUSTRALIAN DOLLAR	79	21	85	84	14	94	74	24	86	58	46	54	55	53	36															
NEW ZEALAND DOLLAR	35	55	100	40	52	92	25	70	68	14	81	55	11	86	42															
MEXICAN PESO	43	62	0	44	60	0	44	59	0	46	57	1	54	49	0															
BRAZILIAN REAL	23	78	20	4	84	100	2	99	36	4	97	32	1	100	31															
SOUTH AFRICAN RAND	100	0	89	99	0	96	94	2	100	92	5	100	95	3	100															
BITCOIN	44	67	23	54	56	21	48	61	26	46	65	20	60	48	25															
ETHEREUM	36	75	14	59	48	12	61	42	19	49	52	31	51	46	42															
BBG COMMODITY INDEX	69	31	63	67	32	63	67	33	64	67	33	65	67	33	65															
CRUDE OIL	1	100	37	18	82	47	42	61	37	40	59	58	44	57	48															
BRENT CRUDE OIL	72	32	16	77	27	13	68	37	13	80	24	10	82	23	0															
GASOLINE RBOB	6	100	1	11	96	0	15	90	10	10	96	0	5	97	1															
HEATING OIL	0	100	9	17	92	16	24	92	9	18	100	0	19	90	4															
NATURAL GAS	72	35	7	62	44	14	68	38	10	77	28	12	77	25	23															
GOLD	95	6	69	97	4	69	100	0	84	100	0	73	92	7	73															
PLATINUM	45	48	63	22	65	100	60	33	72	58	35	73	50	42	77															
PALLADIUM	22	82	27	17	86	31	15	88	27	12	88	48	13	86	58															
SILVER	78	25	55	80	23	60	88	14	67	84	15	77	79	20	75															
COPPER	45	55	52	45	54	54	49	48	71	52	46	65	48	49	70															
ALUMINUM	0	100	48	0	100	51	0	100	62	0	100	56	0	100	62															
STEEL	48	54	36	54	49	24	43	60	31	40	62	32	33	70	29															
COCOA	43	55	86	43	55	91	41	56	100	39	58	91	41	57	80															
COFFEE	88	12	82	88	12	83	91	8	100	88	11	100	83	16	95															
COTTON	0	100	0	3	97	13	4	96	15	0	99	17	0	99	16															
ORANGE JUICE	34	47	88	30	53	80	32	53	76	26	59	75	20	57	95															
SUGAR	24	78	23	27	74	29	18	81	28	8	93	12	14	87	19															
LUMBER	21	81	6	24	77	21	25	76	18	32	69	29	26	72	56															
WHEAT-SRW	79	23	7	68	33	21	63	35	35	70	30	21	57	43	27															
WHEAT-HRW	53	49	48	39	62	55	33	69	52	29	75	32	34	69	43															
CORN	36	67	48	29	72	65	19	81	72	17	85	65	18	82	76															