

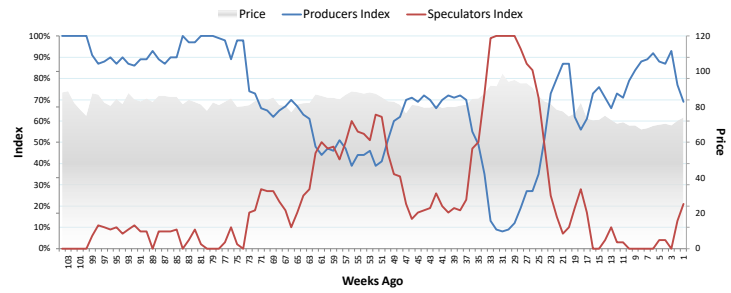


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Market Date	CT Zone	Producers			Speculators		
		Position	Index	Velocity	Position	Index	Velocity
24-Sep-24	Bearish	-26287	69%	Medium	-17111	21%	Medium
17-Sep-24	Bearish	-16851	77%	High	-26897	13%	High
10-Sep-24	Bearish	451	93%	Medium	-43428	0%	Medium
3-Sep-24	Bearish	-6049	87%	Low	-37162	4%	Low
27-Aug-24	Bearish	-5179	88%	Low	-36556	4%	Low
20-Aug-24	Bearish	-856	92%	Low	-41697	0%	Low
13-Aug-24	Bearish	-3886	89%	Low	-39120	0%	Low
6-Aug-24	Bearish	-4542	88%	Low	-36819	0%	Low
30-Jul-24	Bearish	-9829	84%	Low	-32954	0%	Low
23-Jul-24	Bearish	-15149	79%	Medium	-28752	0%	Medium

Special note: COT data is split into Old and New years for grains and softs. We calculate indices for each year but here we display only one index where OI is higher. Thus, there can be a sudden shift in indices around old year expiration.



Disclaimer - Errors and Parabolic Moves

There is room for error in every analytical model. This model is not an exception.

You need to take into consideration that this model cannot predict and detect parabolic moves. We do not analyse prices here, we look at changes to the size of positions. Positions do not need to grow in size during parabolic moves because it is fear and greed that move the price not fundamentals. So, if you see parabolic price moves not supported by significant changes to positions - ignore this analysis, your market is not driven by fundamentals, wait for emotions to calm down.

Weekly Summary - Producers

Index Index of producers is 69%. Previous reading was 77%.

Direction of Trade During the week producers were selling at medium speed. They sold 9436 contracts. Last 3 weeks show sporadic selling pattern.

Extreme Positioning Producers index sits in a neutral zone. During last weeks index moved away from extreme values. Current market balance indicates enough potential for both bulls and bears, however this indicator alone is not enough to make good decisions.

Understanding the Index This group of players is the most knowledgeable about actual supply/demand situation but they are always quiet. Unlike you they can wait and endure pain during long periods of adverse price trends as their positions are hedged with physical commodity. They do not come to speculate, they come to hedge the price of assets they deal with. Following producers (doing exactly what they do and when they do) is not wise because you are not hedged with physical asset and your pockets are not as deep as theirs.

Because they have first hand knowledge they begin building their positions in advance, often weeks or even months before market notices that.

Think of a bullish reversal when their index is around 100% and think of a bearish turn when the index is at 0%. However, the distance between index sitting at 100%/0% and price reversal may be in weeks or even months - do not jump in too soon! Guessing future price move is not enough, you also need to guess the right time or margin call will crash you.

Speculators Velocity Alert Current Speculators velocity level is Medium. Velocity is a measure of how fast Speculators build their position.

When velocity level is **Extreme** a follow through action during next few weeks is highly possible. Same holds true if 2 weeks in a row had **High** velocity, meaning that during 2 weeks Speculators increased their long/short positions significantly.

Weekly Summary - Speculators

Index Index of speculators is 21%. Previous reading was 13%.

Direction of Trade During the week speculators were buying at medium speed. They bought 9786 contracts. Last 3 weeks show sporadic buying pattern.

Extreme Positioning Speculators index sits in the lower quartile. During last weeks index moved away from extreme values. Current market balance indicates limited bearish potential (and good potential for bulls), however this indicator alone is not enough to make good decisions.

Understanding the Index Always remember that this group is vocal in media about their moves. They love making noise. Thus, their buying/selling can move markets strongly. HOWEVER, speculators become vocal only after they have established substantial positions. Be critical when listening to them if they have been bullish (or bearish) for an extended period of time - this can be weeks, sometimes months, we need to watch index and other indicators. Following speculators can be profitable until they stop their accumulation.

Following them you go with the flow, important is not to join too late.

Market Estimated Exposure Current market exposure, \$B 10.2
Highest market exposure, \$B 21.4

This is another gauge of how **hot** is the market at the moment.

Bullish (Euphoria) and Bearish (Depression) Zones - Discussion

Bullish and Bearish Zones - Chart



Confidence

We see current market confidence as Low. Speculators index is out of extreme area by 1 points. This is only marginal violation so do not rule out Speculators index returning in extreme area next week and confidence will be high again. Producers index is out of extreme area by 11 points.

Accumulation Distribution

During this week Speculators bought 9786 contracts. This was 2 highest accumulation during current bearish zone. Speculators accumulated 7 of 19 weeks. This accumulation accounts for 16.6% accumulated so far.

Regression Analysis

Current angle of regression analysis chart is 23 degrees. Change from last week is 7 from 16 degrees.

The strength of the trend is fading, the chart has become too flat which means that Speculators add/sell very small amounts to their positions.

The price can live its own life and be spiking though. If this happens - market has become driven by emotions not fundamentals. Such behaviour can last for some time but it always ends in a bust. But if the price behaviour is rather muted or reversed significantly then this is it - 'the music stopped' and you should think about unwinding your positions or even build small position in the opposite direction.

Extremum

During this cycle market reached extremum values (when the gap between Producers and Speculators indices is the biggest) 2 weeks ago. Extremum was not too long ago so the trend most likely maintains its strength.