

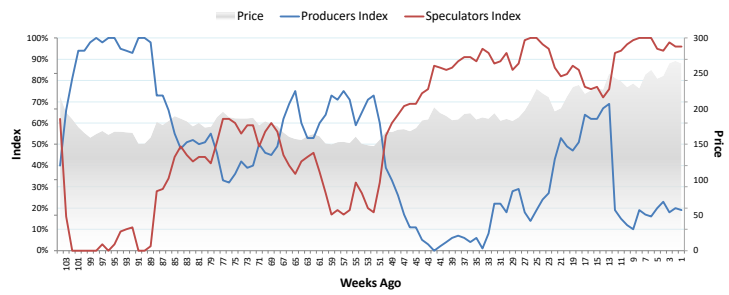


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Market Date	KC Zone	Producers			Speculators		
		Position	Index	Velocity	Position	Index	Velocity
1-Oct-24	Bullish	-48496	19%	Low	62403	96%	Low
24-Sep-24	Bullish	-47910	20%	Low	63015	96%	Low
17-Sep-24	Bullish	-49295	18%	Low	64859	98%	Low
10-Sep-24	Bullish	-45231	23%	Low	60454	94%	Low
3-Sep-24	Bullish	-47377	20%	Low	61288	95%	Low
27-Aug-24	Bullish	-50589	16%	Low	67117	100%	Low
20-Aug-24	Bullish	-49715	17%	Low	64218	100%	Medium
13-Aug-24	Bullish	-48450	19%	Medium	56244	100%	Low
6-Aug-24	Bullish	-55202	10%	Low	51334	99%	Low
30-Jul-24	Neutral	-54220	12%	Low	49669	97%	Low

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 19%. Previous reading was 20%.

Direction of Trade During the week producers were selling at low speed. They sold 586 contracts. Last 3 weeks show sporadic selling pattern.

Extreme Positioning Producers index sits in the lower quartile. During last weeks index moved towards extreme values. Current market balance indicates limited bullish potential (and good potential for 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 Low. 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 96%. Previous reading was 96%.

Direction of Trade During the week speculators were selling at low speed. They sold 612 contracts. Last 3 weeks show sporadic selling pattern.

Extreme Positioning Speculators index sits at extreme levels. During last weeks index moved towards extreme values. Current market balance indicates limited bullish potential (and good potential for bears), 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.

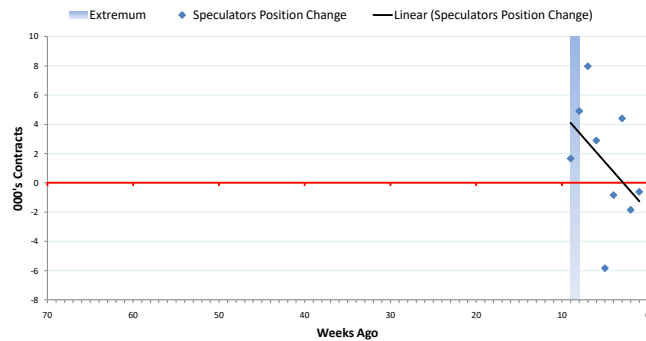
Following them you go with the flow, important is not to join too late.

Market Estimated Exposure Current market exposure, \$B 25.9
Highest market exposure, \$B 27.2

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 High. The trend continues.

Accumulation Distribution During this week Speculators sold 612 contracts. This was 4 highest distribution during current bullish zone. Speculators distributed 4 of 9 weeks. This distribution accounts for 6.7% distributed so far.

Regression Analysis Current angle of regression analysis chart is -34 degrees. Change from last week is 3 from -37 degrees. The music has not stopped yet.

Extremum

During this cycle market reached extremum values (when the gap between Producers and Speculators indices is the biggest) 8 weeks ago. Extremum was long time ago and although market 'mood' is unchanged it is very possible that the trend has been fading. In fact the price might have reversed already but COT indicators could be lagging. Such behaviour of indicators is possible. Extremum is a very powerful indicator and assuming it was quite long ago we may think of exiting or even reversing direction of our trade as market is stagnant. But if price trend is shockingly strong such behaviour tells that market is driven by emotions not fundamentals. In this case you may hold your positions but do not open new ones.