



# COT Report

by Valknut Analytical

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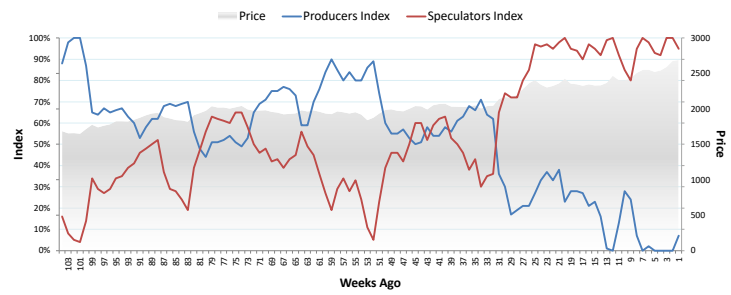


# Gold

# 1-Oct-24

Market Date	GC Zone	Producers			Speculators		
		Position	Index	Velocity	Position	Index	Velocity
1-Oct-24	Bullish	-73794	7%	Low	300700	95%	Low
24-Sep-24	Bullish	-78884	0%	Low	313939	100%	Low
17-Sep-24	Bullish	-76899	0%	Low	307764	100%	Medium
10-Sep-24	Bullish	-74305	0%	Medium	280627	92%	Low
3-Sep-24	Bullish	-67504	0%	Low	283073	93%	Low
27-Aug-24	Bullish	-65886	2%	Low	294857	98%	Low
20-Aug-24	Bullish	-66764	0%	Medium	299784	100%	Medium
13-Aug-24	Bullish	-57284	7%	Medium	275221	95%	Medium
6-Aug-24	Bullish	-48493	24%	Low	240184	80%	Low
30-Jul-24	Bullish	-46101	28%	Medium	251887	85%	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 7%. Previous reading was 0%.

**Direction of Trade** During the week producers were buying at low speed. They bought 5090 contracts. Last 3 weeks show sporadic selling pattern.

**Extreme Positioning** Producers index sits not far from extreme levels. During last weeks index moved away from 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 95%. Previous reading was 100%.

**Direction of Trade** During the week speculators were selling at low speed. They sold 13239 contracts. Last 3 weeks show sporadic buying pattern.

**Extreme Positioning** Speculators index sits not far from 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.

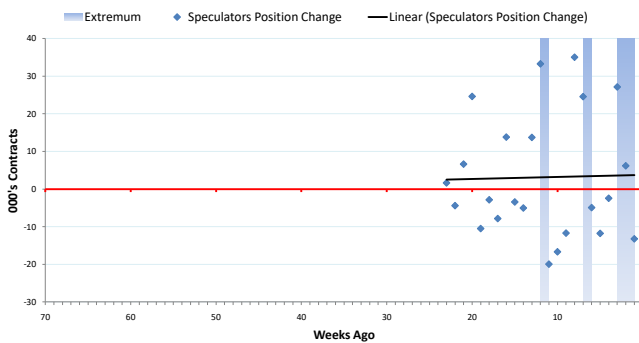
Following them you go with the flow, important is not to join too late.

**Market Estimated Exposure** Current market exposure, \$B 246.2  
Highest market exposure, \$B 266.1

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 13239 contracts. This was 3 highest distribution during current bullish zone. Speculators distributed 13 of 23 weeks. This distribution accounts for 11.5% distributed so far.

#### Regression Analysis

Current angle of regression analysis chart is 3 degrees. Change from last week is -12 from 15 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) 4 times and last time it reached extremum values was 1 weeks ago. The fact that the market refreshed extremum tells us that the trend is very strong. Extremum was not too long ago so the trend most likely maintains its strength.