

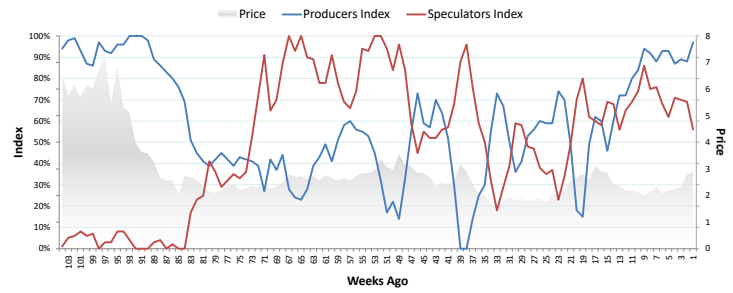


follow us



Market Date	NG Zone	Producers			Speculators		
		Position	Index	Velocity	Position	Index	Velocity
1-Oct-24	Bearish	-46799	97%	Medium	-107509	56%	Medium
24-Sep-24	Bearish	-57132	88%	Low	-90505	69%	Low
17-Sep-24	Bearish	-55574	89%	Low	-89352	70%	Low
10-Sep-24	Bearish	-58267	87%	Low	-87925	71%	Medium
3-Sep-24	Bearish	-51747	93%	Low	-100723	62%	Low
27-Aug-24	Bearish	-51897	93%	Low	-92820	68%	Medium
20-Aug-24	Bearish	-56914	88%	Low	-81839	76%	Low
13-Aug-24	Neutral	-52410	92%	Low	-82394	75%	Medium
6-Aug-24	Neutral	-50045	94%	Medium	-68344	86%	Medium
30-Jul-24	Neutral	-60551	84%	Low	-84957	74%	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 97%. Previous reading was 88%.

**Direction of Trade** During the week producers were buying at medium speed. They bought 10333 contracts. Last 3 weeks show sporadic buying pattern.

**Extreme Positioning** Producers index sits at extreme levels. During last weeks index moved towards 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** 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 56%. Previous reading was 69%.

**Direction of Trade** During the week speculators were selling at medium speed. They sold 17004 contracts. Last 3 weeks show active selling pattern.

**Extreme Positioning** Speculators 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** 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 43.8  
Highest market exposure, \$B 184.8

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 24 points.

**Accumulation Distribution** During this week Speculators sold 17004 contracts. This was highest distribution during current bearish zone. Speculators distributed 5 of 7 weeks. This distribution accounts for 44.2% distributed so far.

**Regression Analysis** Current angle of regression analysis chart is -43 degrees. Change from last week is -92 from 49 degrees. The music has not stopped yet.

**Extremum** During this cycle market has not reached extremum values yet (when the gap between Producers and Speculators indices is the biggest).