

# CoT (Commitment of Traders) Data

[www.the-utc.com](http://www.the-utc.com)

The Commitment of Traders (CoT) report is a weekly publication that shows the aggregate holdings of different groups of traders in various futures markets.

## Key Components

1.

### Commercial Traders:

- Hedgers using futures to offset business risks

2.

### Non-Commercial Traders:

- Large speculators, typically hedge funds and institutional investors

3.

### Non-Reportable Positions:

- Small speculators whose positions are below reporting levels

## Report Details

1. Published every Friday by the CFTC (Commodity Futures Trading Commission)
2. Covers major futures markets: currencies, commodities, indexes
3. Shows long and short positions for each trader category
4. Data is as of the preceding Tuesday

## Interpreting CoT Data

1.

### Commercial Positions:

- Often considered "smart money"
- Tend to be counter-trend traders
- Large commercial short positions might indicate a potential market top

2.

### Non-Commercial Positions:

- Often trend followers
- Large non-commercial long positions might indicate a crowded trade

3.

### Non-Reportable Positions:

- Can be used as a contrarian indicator
- Extreme positions often coincide with market turning points

## Trading Strategies Using CoT Data



### 1. Trend Confirmation:

- Align trades with non-commercial positions for trend following



### 2. Contrarian Approach:

- Look for extreme positions as potential reversal signals



### 3. Divergence Trading:

- Identify divergences between price and CoT positioning



### 4. Seasonal Analysis:

- Combine CoT data with known seasonal patterns in commodities

## Risk Management



Use CoT data in conjunction with other technical and fundamental analysis



Be aware that CoT data is released with a delay and may not reflect current market conditions



Avoid over-relying on any single indicator, including CoT data

## Limitations of CoT Data

1. Delayed reporting (3 days old when published)
2. Doesn't show individual trader positions
3. Doesn't account for options positions
3. May not be as relevant for very short-term trading

## Tips for Using CoT Data

Focus on net positions and their changes over time

Compare current positions to historical extremes

Consider the overall trend when interpreting CoT data

Use CoT data as a part of a broader market analysis strategy