



# COMMITMENTS OF TRADERS (COT) -ADDON-

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commitments-of-traders-report-software](http://www.agenatrader.com/commitments-of-traders-report-software)

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## BRIEF DESCRIPTION OF COT PACKAGE

### **WARNING!**

Dear customers, before you start working with the COT workspace and indicators, we ask that you read these instructions thoroughly before modifying any settings.

The COT AddOn is an advanced tool that contains a large number of settings and parameters – incorrect settings made due to “curiosity” may lead to undesired behavior.

### **IMPORTANT!**

The COT data appears weekly, which is why it makes sense to display the COT data in weekly charts. A monthly chart can provide an additional longterm overview, the daily chart may be used for timing your market-entry in detail. Using smaller timeframes in combination with the COT indicators may not be very useful.

You are free to carry out any and all changes; however, we recommend that you only touch those setting which you are already familiar with.

Since large amounts of data have to be downloaded and processed for the COT indicators, you may have to wait for the indicators to be completely loaded. Please allow your AgenaTrader to fully load the indicators before making any further entries in order to maintain the stability of AgenaTrader.

You can find more detailed information about the COT reports on the CFTC’s website under the following links:

- [About the COT Report](#)
- [Release Schedule of the Reports](#)
- [Explanatory Notes](#)
- [Disaggregated Explanatory Notes \(Commodities\)](#)
- [Disaggregated Explanatory Notes \(Financial\)](#)

With best regards,  
Your AgenaTrader support team



## INSTRUCTIONS FOR PACKAGE INSTALLATION

- I. After the purchase, you receive the necessary .atpack file and a download link sent to you by email:
  - a. The COTPackageInstitutional.atpack: this file is the actual package including all components contained within.  
**ATTENTION!** If you are using InternetExplorer or MicrosoftEdge, the browser automatically converts the atpack file to a .zip-file. After the download you therefore have to rename the COTPackageInstitutional.zip to COTPackageInstitutional.atpack!
- II. Save the .atpack file on your hard disk.
- III. You now need to enter our license for the package in AgenaTrader. For this, click on the symbol with the question mark, select About → Entering Activation Key, navigate to "COTPackageInstitutional" and enter your activation key that you have received by email. Click on "Activate". Once you receive the notice that your license has been successfully activated, close this window.
- IV. Now open Tools → Packages → Import Package, read the following backup information and if you have already carried out a backup, click on OK. In the next window, navigate to the storage location of the COTPackageInstitutional.atpack file, click on it and select "Open". Confirm the Agena restart request with OK so that your AgenaTrader can be restarted.
- V. After the restart, the first step is to establish a connection to your futures data feed. To be able to use the COT package, it is necessary that you have a futures data feed.
- VI. As soon as you have established a connection to your futures data feed, select Main → Workspace → CommitmentOfTradersInstitutional to load the COT workspace. As soon as all charts are completely loaded, the COTPackageInstitutional is fully ready to go.

## CONTENT COMMITMENTS OF TRADERS (COT) - ADDON

The Commitments of Traders Report is a valuable report that is made available by the regulatory authority – the CFTC – once a week. The aim of this report is to bring transparency to the trading activities of all market participants.

In this context, there are two types of report: the abridged form, which has been made available to the traders since 1986 (=Legacy-reports), as well as the detailed version, which has been published since 2009 (=Disaggregated-reports). Both reports can be displayed in AgenaTrader and used for semi-automated trading as well as for analyzing and realtime-scanning the markets. The COT report is not only interesting for futures trading, but is also ideally suited for swing-trading with IndexCFDs, CommodityCFDs and Forex.

Using AgenaTrader in combination with the new COT AddOn is an extremely efficient way to work with the CFTC data and carry out your analyses.

To make trading and analyses using the COT data as simple and intuitive as possible, the COT AddOn contains the following components:

1. Predefined **workspace** for effective application of the COT indicators
2. **COT Legacy indicators:**
  - 2.1. COTReportLegacy
  - 2.2. COTOpenInterestLegacy
  - 2.3. COTAggregatedIndexPositionLegacy
  - 2.4. COTCommercialIndex
3. **COT Disaggregated indicators:**
  - 3.1. COTReportDisaggregated
  - 3.2. COTOpenInterestDisaggregated
  - 3.3. COTAggregatedIndexPositionDisaggregated
4. **Additional COT indicators:**
  - 4.1. COTStockDummy
  - 4.2. COTLargeTraderActivity
  - 4.3. MarketValue
5. **COT Legacy conditons:**
  - 5.1. CommercialsBuySilentMarket / CommercialsSellExcitedMarket
  - 5.2. CommercialIndexLong / CommercialIndexShort
6. **COT Disaggregated conditions:**
  - 6.1. ProducerGoldenOpportunityLong / ProducerGoldenOpportunityShort
  - 6.2. DealerTakeTheChanceLong / DealerTakeTheChanceShort
7. **Additional conditions:**
  - 7.1. COTStockDummyLong / COTStockDummyShort
  - 7.2. UnderValuedMarket / OverValuedMarket
8. Predefined **trade-setups** for the COT conditions

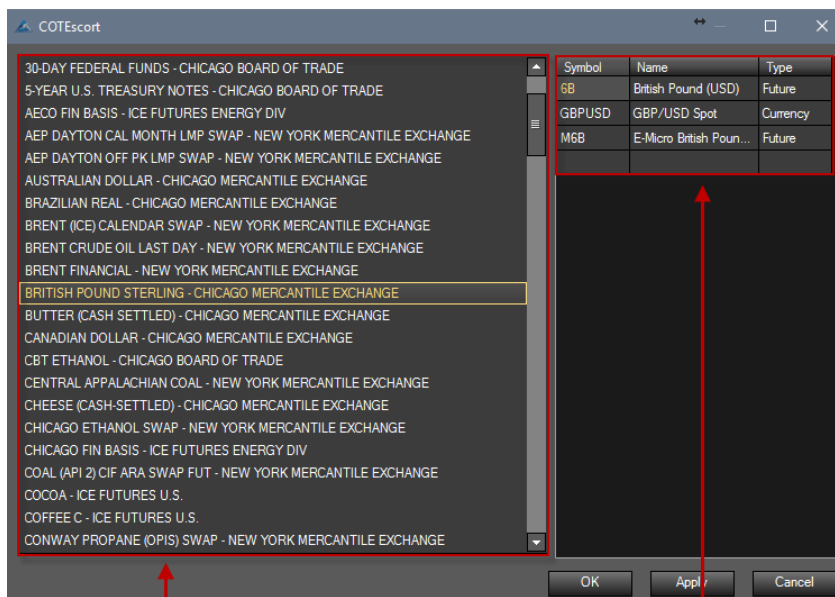
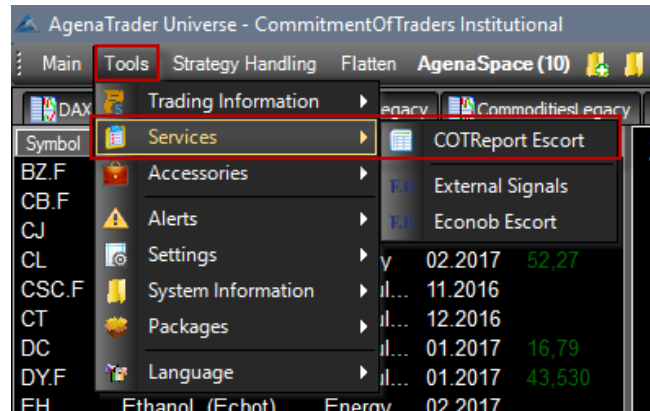
## 1. THE COT REPORT ESCORT

The COTReportEscort forms the connecting link between the COT data from the CFTC and your charts. Using this tool, you can carry out assignments for which COT data should be displayed on which chart/instrument.

You can reach the COTReportEscort via Tools->Services->COTReportEscort.

When you open the COTReportEscort, you will find all available COT data listed on the left side. If you now select one of the entries, the assigned instruments will appear in the right-hand window.

In the example below, I would like to have the COT data for the "British pound sterling" future of the CME displayed in the 6B, M6B and GBPUSD charts. To do so, I select the entry British Pound Sterling in the column on the left. In the right-hand column, I now enter the exact symbol name under Symbol, so first "6B", and then I click "Enter". If AgenaTrader recognizes the symbol, the correct entry for this instrument should now appear under "Name". I carry out exactly the same procedure for GBPUSD and the M6B.



With this, the COT mapping for the British pound is fully executed; I confirm with "Apply" and then click "OK" to close the COTReportEscort.

When you now open a chart from 6B, M6B or GBPUSD and load a COT indicator, the COT data for the British pound will be read in and displayed after a brief processing time.

With the COTReportEscort, you have complete flexibility when it comes to assigning the COT data. You can map the COT data for the corresponding Forex pairs; you can also assign the COT data to CFD values.

You can download a prefabricated mapping file for the most important futures [HERE](#). You need to copy the COTInstruments.txt into your data directory; you can access this via ConfigurationEscort->Directories->DataDirectory. In the DataDirectory, there is a folder named COTReport; here, replace the existing COTInstruments.txt with the newly downloaded version. Restart AgenaTrader, and the new mappings should now be available.

## 2. THE COT WORKSPACE



Figure 1 - the COT workspace

The following content is predefined in the COT workspace:

- 2.1. **Instrument lists DAX30 & NASDAQ100** including indicators of interest for the stocks. You can pull up these preset indicators to carry out analyses for all asset classes and markets.

The following components are available in the COTStocks-template:

- ✓ Weekly chart (main chart):
  - (1) COTStockDummy (yellow)
  - (2) LargeTraderActivity (green)
  - (3) Conditions COTStockDummyLong (StoDL) & COTStockDummyLong (StoDS) are activated in the chart and are displayed with yellow (Long) and blue (Short) arrows.
- ✓ Actionbar of the weekly chart
  - (1) EntryEscort „COTSwingWeekly“ Buy/Sell
  - (2) EntryEscort „COTSwingDaily“ Buy/Sell
  - (3) StoDu = COTStockDummy
  - (4) LaTra = LargeTraderActivity
  - (5) MaVal = MarketValue (Gold)
  - (6) StoDL = COTStockDummyLong
  - (7) StoDS = COTStockDummyLong
  - (8) Trenline green
  - (9) Trendline red
  - (10) Rectangle green
  - (11) Rectangle red
- ✓ Daily chart (upper right chart)
  - (1) MarketValue
- ✓ Monthly chart (lower right chart)

## 2.2. Instrument list with the most important **financial futures**:

### 2.2.1. **"FinancialsLegacy"** including presets for the COT Legacy indicators.

The following components are available in the COTFinancialsLegacy-template:

- ✓ Weekly chart (main chart)
  - (1) COTReportLegacy (absolute values, display: net-positions of the Commercials [green], NonCommercials [cyan], NonReportables [red])
  - (2) COTReportLegacy (absolute values, display of the long-positions [cyan] & short-positions [dark blue] of the Commercials
  - (3) COTOpenInterestLegacy (stochastic values, display: total OpenInterest, StochasticPeriod=26)
- ✓ Actionbar of the weekly chart
  - (1) EntryEscort „COTSwingWeekly" Buy/Sell
  - (2) EntryEscort „COTSwingDaily" Buy/Sell
  - (3) Report = COTReportLegacy
  - (4) OiLeg = OpenInterestLegacy
  - (5) Colnd = CommercialIndex
  - (6) MaVal = MarketValue (DollarIndex)
  - (7) AgLeg = COTAggregatedIndexPositionLegacy
  - (8) CBSM = CommercialsBuySilentMarket
  - (9) CSEM = CommercialsSellExitedMarket
  - (10) CIL = CommercialIndexLong
  - (11) CIS = CommercialIndexShort
  - (12) Trenline green
  - (13) Trendline red
  - (14) Rectangle green
  - (15) Rectangle red
- ✓ Daily chart (upper right chart)
  - (1) MarketValue (DollarIndex)
- ✓ Monthly chart (lower right chart)
  - (1) COTAggregatedIndexPositionLegacy (Display of the Commercial net-positions in the DowJones, Nasdaq, Russell2000 und SP500)

### 2.2.2. **"FinancialsDisaggregated"** including presets for the COTDisaggregated indicators

The following components are available in the COTFinancialsDisaggregated-template:

- ✓ Weekly chart (main chart)
  - (1) COTReportDisaggregated (absolute values, display: net-positions of the Dealer [green], LeveragedFunds [cyan], NonReportables [yellow], Others [grey], AssetManager [red])
  - (2) COTReportDisaggregated (absolute values, display: long-positions [light green] & Short-Positionen [dark green] of the Dealer
  - (3) COTOpenInterestLegacy (stochastic values, display: total OpenInterest, StochasticPeriod=26)
  - (4) Conditions DealerTakeTheChanceLong (DTCL) & DealerTakeTheChanceShort (DTCS) are activated in the chart and are displayed with green (long) and red (short) arrows.
- ✓ Actionbar of the weekly chart
  - (1) EntryEscort „COTSwingWeekly" Buy/Sell
  - (2) EntryEscort „COTSwingDaily" Buy/Sell
  - (3) Report = COTReportDisaggregated
  - (4) OiDis = OpenInterestDisaggregated
  - (5) AgDis = COTAggregatedIndexPositionDisaggregated
  - (6) MaVal = MarketValue (Gold)
  - (7) DTCL = DealerTakeTheChanceLong



- (8) DTCS = DealerTakeTheChanceShort
- (9) Trenline green
- (10) Trendline red
- (11) Rectangle green
- (12) Rectangle red
- ✓ Daily chart (upper right chart)
  - (1) MarketValue (Gold)
- ✓ Monthly chart (lower right chart)
  - (1) COTAggregatedIndexPositionLegacy (display: Commercial net-positions in the DowJones, Nasdaq, Russell2000 und SP500)

2.3. **Instrumenten liste** list with the most important **commodity futures:**

2.3.1. **"CommodityLegacy"** including presets for the COT Legacy indicators.

The COTCommoditiesLegacy-template contains the same components as the COTFinancialLegacy-template, see point 1.3.1).

The only difference is that the MarketValue is set to: „CompareTo=Gold“

2.3.2. **"CommodityDisaggregated"** including presets for the COTDisaggregated indicators.

The COTCommoditiesDisaggregated-template contains the same components as the COTFinancialDisaggregated-template, see point 1.3.2).

The only difference is that the MarketValue is set to: „CompareTo=Gold“

Furthermore instead of the conditions „DTCL & „DTCS“ the conditions „ProducerGoldenOpportunityLong“ (PGOL) & „ProducerGoldenOpportunityShort“ (PGOS) are activated in the chart and available in the actionbar.

2.4. **TabChartgruppen** for keeping an **overview of the market:**

**2.4.1. MarketOverviewIndices**

In this section the most important indices are displayed in the 1-minute timeframe as a mountain-chart. With the small "+" button you can add the instruments you want to have in this list. With those charts you will always keep informed about the latest market moves of the major markets.

**2.4.2. MarketOverviewCommodities**

In this section the most important commodities are displayed in the 1-minute timeframe as a line-chart. With the small "+" button you can add the instruments you want to have in this list. With those charts you will always keep informed about the latest market moves of the major markets.

2.5. **Scanner-Templates** with useful info for each asset class

Following templates are available: COTStocks, COTCurrencies, COT Legacy, COTFinancialsDisaggregated, COTCommoditiesDisaggregated

### 3. COT LEGACY INDICATORS

#### 3.1. COTReportLegacy (ReportL)

This indicator is the core element of the COT analysis, with which one can directly display the pure data that the indicator reads from the reports published weekly by the CFTC ([www.cftc.gov/CommitmentsofTraders](http://www.cftc.gov/CommitmentsofTraders)).

The published reports can be viewed by every market participant. The legacy data is published in the so called short reports you can find on the CFTC-website.

The following parameters are available in the COTReportLegacy:

- **Comparative Period:** with this setting, you can enter a comparative period with which the stochastic display is calculated (=StochasticPeriod). The system only triggers this parameter when "IndexType = Stochastic" is set.
- **CotType:** under [All/Other/Old], select which contracts should be used for the display; more details are available [HERE](#).
- **IndexType:** choose between [Absolute/Stochastic] as to how the values should be outputted.
  - o Absolute = the values are outputted in whole numbers, just as they are read out from the reports.
  - o Stochastic = the values are outputted and calculated as an oscillator with values between 0-100. With the ComparativePeriod, you can set with which period the Stochastic should be calculated.
- **ReportType:** under this parameter, you select whether the data from the reports should be read out only for futures, or for futures + options.
- **ReturnType:**
  - o Net: outputs the net position (=LongContracts – ShortContracts) of the selected market participants
  - o Long/Short: outputs the long i.e. short contracts of the selected market participants
  - o OI: outputs the total OpenInterest of this instrument; for a more precise and advanced display of the OpenInterest, please use the indicator OpenInterestLegacy
- **ShowCommercials:** select [True] if you would like to have the data for the Commercials displayed. For detailed information on the definition of which market participants are classified as Commercials, please have a look [HERE](#).
- **ShowNonCommercials:** select [True] if you would like to have the data for the NonCommercials displayed. For detailed information on the definition of which market participants are classified as NonCommercials please have a look at the link provided above.
- **ShowNonReportables:** select [True] if you would like to have the data for the NonReportables displayed. For detailed information on the definition of which market participants are classified as NonCommercials please have a look at the link provided above.



Figure 2 - COTReportLegacy, IndexType=Absolute, Return Type=Net

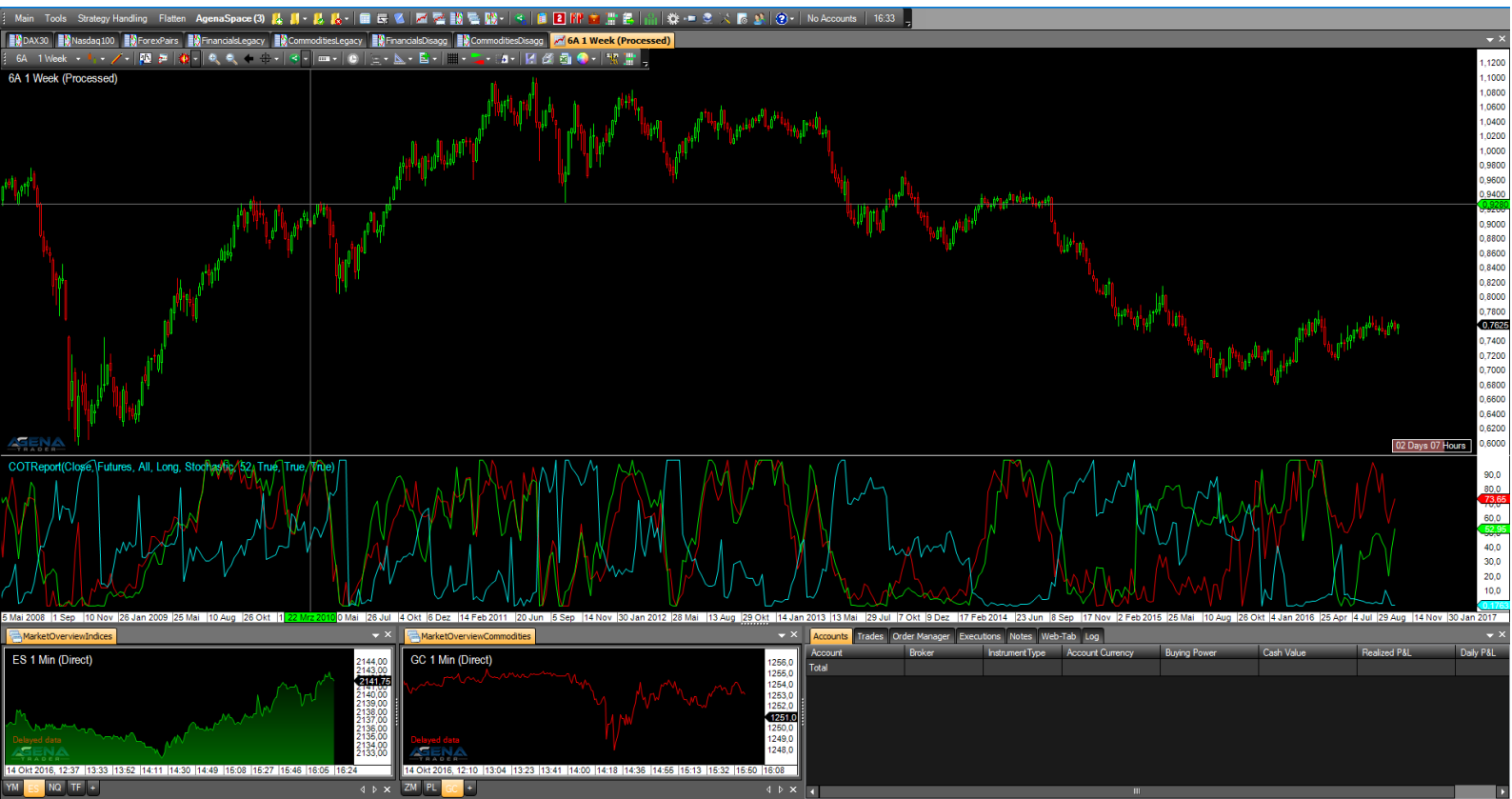


Figure 3 - COTReportLegacy, IndexType=Stochastic, Return Type=Long

## 2.2.1 How does one read COT Legacy data?

### a. The commercials:

The commercials are regarded as the largest (most financially sound) and most informed group of market participants; first and foremost, this means large companies. Among the market participants that are viewed as commercials, in turn, there are 2 groups:

- i. The producers: these are the market participants that produce a commodity themselves.
- ii. The processors: this designates the market participants that commercially process a commodity.

These two groups have different reasons as to why they take up positions on the financial markets.

To better illustrate this, we will take the gold future as an example; here the producers are gold mine owners, and the processors may be jewelry retailers, for example. We will now assume that the price for a standard gold future contract currently lies at 1,000 USD. Within the next month, the price of the gold contract rises to 1,200 USD. Which position do the commercials assume – and why?

Let us first take a look at the producers. The producers themselves possess the commodity that serves as an underlying for the future. The gold mine owner therefore has gold in his possession that he would like to sell; manufacturing costs. By means of the futures market, via the **sale** of gold contracts, the gold mine owner can secure a price at which he can sell his gold.

The producer sells a gold contract not to speculate on falling prices, but instead in order to secure the price at which he can sell his commodity!

In this concrete example, therefore, the gold price rises by 200 USD; the gold mine owner will sell an increased number of gold contracts, which means that when prices are rising he places himself on the short side. The more the price rises, the more short contracts a producer will take up, since this means that ever better deals will come about for the producer.

The producers tend to primarily hold short positions in futures.

The procedure taken by the processors is different. When the gold price rises, for the processing jeweler this means that he must buy his required gold at an ever more expensive price. This is why in times of rising commodity prices, processors have only a very low activity level in the futures markets. Now if, for example, the price of the gold future sinks back down to 1,000 USD, then the processors will become active. In order to ensure this now lower gold price for themselves, the processors **buy** gold contracts; in turn, when the markets are falling, the producers will take almost no action on the financial market. The processors buy gold contracts to secure a current low price of the underlying for themselves; speculative arguments play no role for processors. The processors hold, above all, long positions in futures.

You can see, therefore, that the commercials do not enter into any speculative positions, but instead use the financial markets principally for securing their transactions – i.e. for hedging.

### PRINCIPLE

**When the prices fall, the commercials (processors) buy; when the prices rise, the commercials (producers) sell.**

**b. The non-commercials:**

In order to be counted as part of the group of non-commercials, a certain number of contracts must be held, e.g. 250 contracts for ZC (corn); as soon as one holds more than this number of contracts, one is included in this group of market participants. The non-commercials, therefore, are those market participants who are not producers or processors, but who trade with very large amounts of money on the futures market. Included among the non-commercials, above all, are hedge funds, financial institutes such as pension funds and investment banks.

In order to invest such large sums of money in the financial markets, only trading in the trend direction is suitable, which is why the non-commercials are deemed trend followers. The non-commercials tend to be more strongly invested long in futures. This means that the non-commercials buy when the prices are rising and sell when they are falling. The further a trend goes, the larger the positions that the non-commercials accumulate in the trend direction become.

**PRINCIPLE**

**The non-commercials are trend followers; the longer a trend runs, the larger the non-commercials' positions in the trend direction become.**

**c. The non-reportables:**

The non-reportables include all traders who are not part of the commercials or non-commercials, meaning especially private market participants i.e. smaller funds that lie below the contract limit of the non-commercials.

A statement on the behavior of the non-reportables is as good as impossible, since in this group, a huge variety of traders are going about their business. Trend traders as well as counter-cyclical investors and traders with 1 contract are considered non-reportables just as much as traders with 150 contracts. A global statement about the trading direction of the non-reportables is therefore not possible.

When you analyze the non-reportables, you pay particular attention to extreme values, i.e. long or short positions to an extent that has not been seen for a long time. From these extreme positions, you can conclude that there is an unusual situation present in the market and you can carry out analyses of the other market participants. What can be observed with the non-reportables is that non-reportables often place emotional trades. When a market collapses, the non-reportables sell heavily, which can be considered a panic sell; the same goes for extremely overheated markets, in which the small investors continue to heavily buy.

**PRINCIPLE**

**Analyze the market positioning of the non-reportables with a certain amount of skepticism!**

### 3.2. COTOpenInterestLegacy (OiLeg)

The open interest specifies the number of all currently held contracts; a high open interest, therefore, indicates that the market participants have great interest in this value; vice versa, low open interest shows that a value has only few held contracts and therefore little activity from the market participants.

There are two options for calculating the OpenInterest:

$$1) \text{ Commercial[Long]} + \text{ NonCommercial[Long]} + \text{ NonCommercial[Spread]} + \text{ NonReportable[Long]} = \text{OpenInterest}$$

$$2) \text{ Commercial[Short]} + \text{ NonCommercial[Short]} + \text{ NonCommercial[Spread]} + \text{ NonReportable[Short]} = \text{OpenInterest}$$

Since for every long contract, there is also a market participant on the short side, both calculation methods yield exactly the same value.

*Additional info: with the CFTC, the open interest is not calculated; the CFTC can simply see the open interest by counting all contracts that are open in the market. With known open interest, the NonReportable positions are then calculated, since the following equation must be valid: TotalReportable + NonReportable = OpenInterest. TotalReportable and OpenInterest are known, allowing the NonReportables to be calculated.*

The following parameters are available for the OpenInterestLegacy:

- **CotType:** see 2.1) COTReportLegacy - CotType
- **ReportType:** see 2.1) COTReportLegacy - ReportType
- **StochasticPeriod:** see 2.1) COTReportLegacy - ComparativePeriod
- **IsNative:** outputs the OpenInterest as an absolute number, just as it is read out from the CFTC reports
- **IsStochastic:** the OpenInterest is outputted and calculated as an oscillator with values between 0-100. With the StochasticPeriod, you can set with which period the Stochastic should be calculated.
- **IsCommercialLong/IsCommercialShort:** select [True] if you would like to have the data for the NonCommercials displayed. The outputted values are percentages; if, for example, you set IsCommercialLong=True, the percentage of long positions of the Commercials that make up the total OpenInterest is outputted. A value of 0.5, for example, means that the OpenInterest consists of 50% long positions of the Commercials, which can be considered a very large long position of the Commercials.
- **IsNonCommercialLong/IsNonCommercialShort:** if you select [True], the percentage of NonCommercial long positions i.e. NonCommercial short positions that make up the total OpenInterest is outputted.
- **IsNonReportableLong/IsNonReportableShort:** if you select [True], the percentage of NonReportable long positions i.e. NonReportable short positions that make up the total OpenInterest it outputted.
- **IsTotalReportableLong/IsTotalReportableShort:** if you select [True], the percentage of TotalReportable long positions i.e. TotalReportable short positions that make up the total OpenInterest is outputted. (TotalReportable = Commercials+NonCommercials).



Figure 4 - COTOpenInterestLegacy, above: Show=IsNative, below: Show=IsStochastic

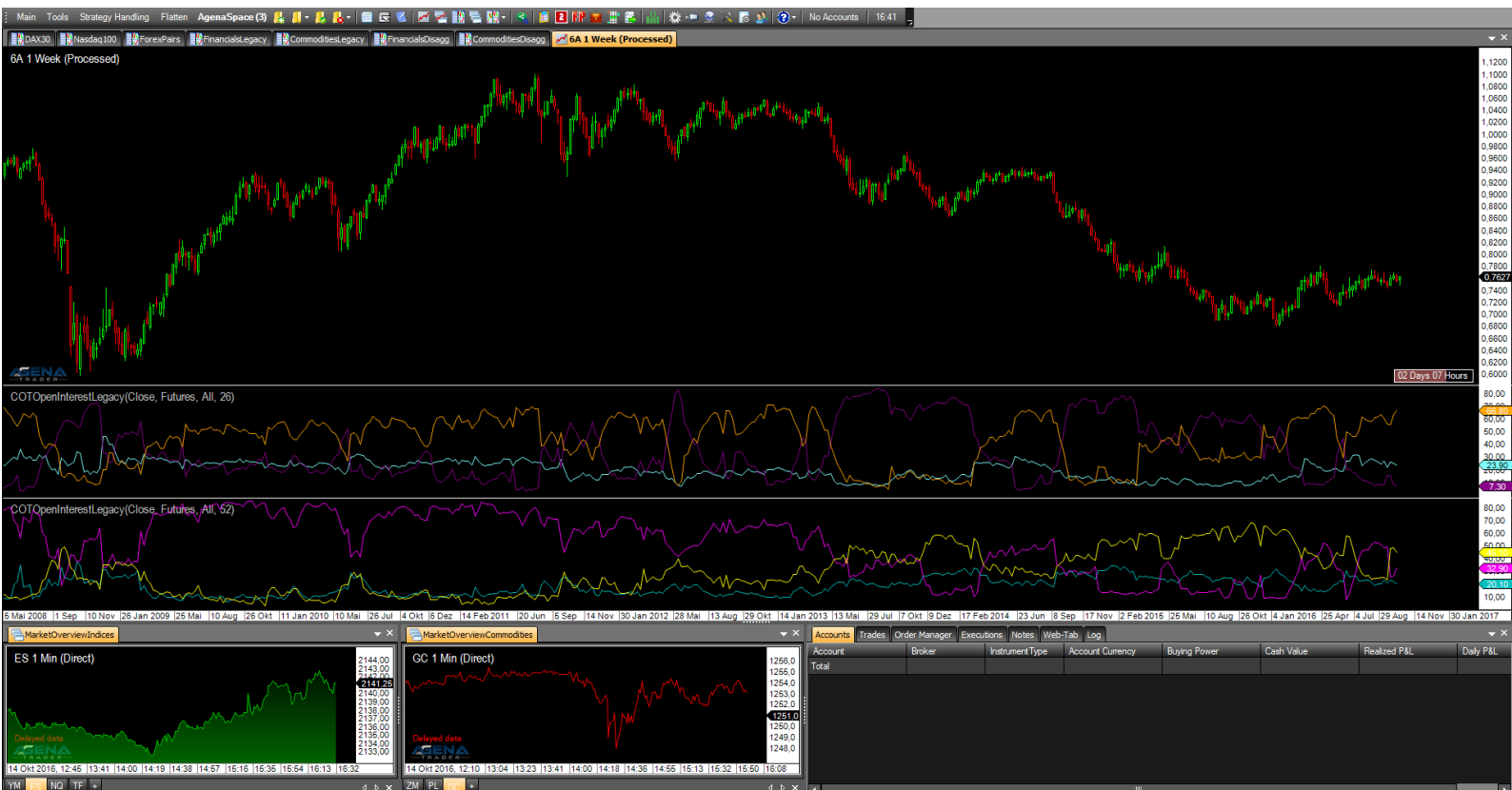


Figure 5 - COTOpenInterestLegacy, above: IsCommercialLong=True, IsNonCommercialLong=True, IsNonReportableShort=True.  
below: IsCommercialShort=True, IsNonCommercialShort=True, IsNonReportableShort=True

### 3.3. COTAggregatedIndexPositionLegacy (AgLeg)

This is a unique indicator with which you can get an overview of the entire American stock market. The indicator works in a very similar way to the normal COTReportLegacy, with the difference that the data is not outputted for a single market, but instead for up to 4 accumulated markets. Available to choose from are the 4 most important American indices, which have a strong influence on global trading every day: DowJones, SP500, Russell2000 and Nasdaq100.

You can interpret the indicator data in exactly the same way as the normal COT data, with the difference that you now get an insight as to how the market participants are behaving **in the ENTIRE American market**.

The following parameters are available for the COTAggregatedIndexPositionLegacy:

- Indices:
  - o **DowJones**: select [True] if the positions of the DowJones should be added to the overall result.
  - o **Nasdaq100**: select [True] if the positions of the Nasdaq100 should be added to the overall result.
  - o **Russell2000**: select [True] if the positions of the Russell2000 should be added to the overall result.
  - o **SP500**: select [True] if the positions of the SP500 should be added to the overall result.
- Positions:
  - o **Commercials**: select [True] if the positions of the Commercials should be displayed.
  - o **NonCommercials**: select [True] if the positions of the NonCommercials should be displayed.
  - o **NonReportables**: select [True] if the positions of the NonReportables should be displayed.
- Return Type:
  - o **IndexType**: [Absolute/Stochastic] - see 2.1) COTReportLegacy - IndexType.
  - o **ShowLongPositions**: [True] shows the long positions of the selected market participants.
  - o **ShowNetPositions**: [True] shows the net positions of the selected market participants.
  - o **ShowShortPositions**: [True] shows the short positions of the selected market participants.





Figure 6 – COTAggregatedIndexPositionLegacy, Positions: Commercials=True, ReturnType: ShowNetPositions=True, IndexType=Absolute.

### 3.4. COTCommercialIndex (CoInd)

The CommercialIndex is a very telling COT indicator. It puts two of the most important COT-parameters in relation to each other – the net position of the commercials to the open interest. These values are normalized and subsequently outputted. A high value of the CommercialIndex shows strong buying behavior of the commercials, whereas a low value shows strong sell pressure from the commercials.

The parameters are similarly structured as with the COTReport.

The following parameters are available for the COTCommercialIndex:

- **CotType:** 2.1) COTReportLegacy - CotType
- **ReportType:** 2.1) COTReportLegacy - ReportType
- **StochasticPeriod:** see 2.1) COTReportLegacy – ComparativePeriod
- **OpenInterestType:** Here you can choose between [Native/Stochastic], which determines whether absolute values or the stochastic values of the positions of the commercials should be used for the calculation. The default setting is "Native"; do not change this if you wish to keep the informative value of the indicator.

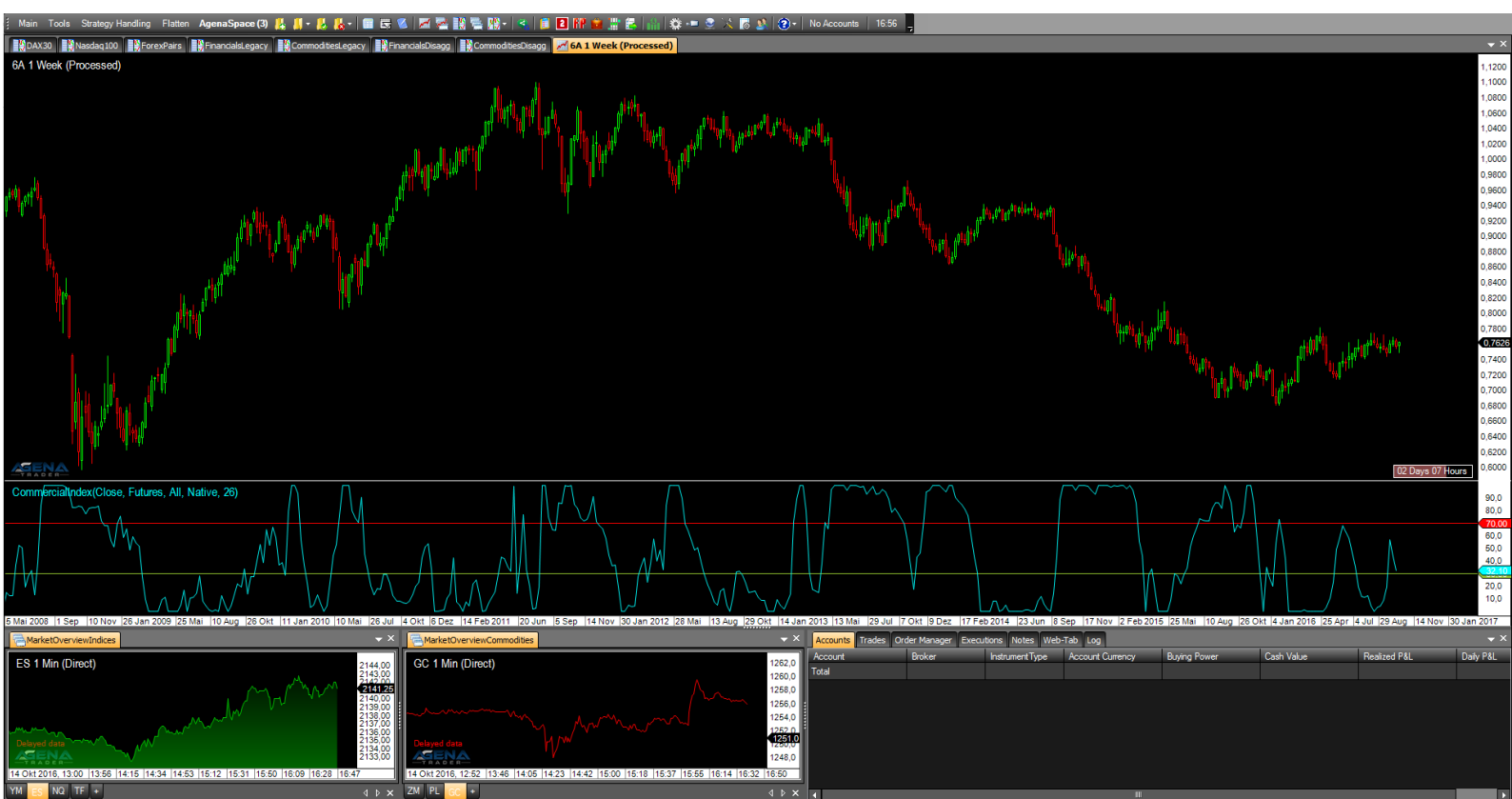


Figure 7 – COTCommercialIndex, OpenInterestType=Absolute, StochasticPeriod=26

## 4. COT DISAGGREGATED INDICATORS

### 4.1. COTReportDisaggregated (ReportD)

The COTReportDisaggregated accesses the detailed disaggregated reports of the CFTC, which have been published since 2009 and can be regarded as a further development of the legacy reports. The necessity for improvement has resulted in the drastically changing and constantly developing market environment since the introduction of the COT reports in 1986.

The market participants are now divided more subtly and are organized into 5 categories. These 5 categories vary according to whether we are dealing with a commodity future or a financial future.

The **commodity futures** are divided into the following groups:

- Producer/Merchant/Processor/User
- SwapDealers
- ManagedMoney
- Other Reportables
- Nonreportables
- You can find more information about the classification of the commodities [HERE](#)

For the **financial futures**, there are the following groups:

- Dealer/Intermediary
- AssetManager/Institutional
- Leveraged Funds
- Other Reportables
- Nonreportables
- You can find more information about the classification of the financials [HERE](#)

The following parameters are available for the COTReportDisaggregated:

- **Categories Commodity/Categories Financial:**
  - Select [True] for the groups that you would like to have displayed in the chart. If you have opened a commodity chart, only settings made under "Categories Commodity" will be taken into account, and vice versa if you have opened a financial chart.
- Database:
  - **CotType:** see 2.1) COTReportLegacy - CotType
  - **IndexType:** see 2.1) COTReportLegacy - IndexType
  - **ReportType:** see 2.1) COTReportLegacy - ReportType
  - **StochasticPeriod:** see 2.1) COTReportLegacy - ComparativePeriod
- Display:
  - **LongPosition:** select [True] to display the long positions of the desired market participants
  - **ShortPosition:** select [True] to display the short positions of the desired market participants
  - **NetPosition:** select [True] to display the net positions of the desired market participants



Figure 8 – COTReportDisaggregated, IndexType=Absolute

### 3.1.1. How does one read COT disaggregated data?

#### a. **Commodity futures:**

For the disaggregated data of the commodity futures, the commercials are divided into the groups producers/merchants/processors/users (hereafter simply referred to as producers) and swap dealers; the swap dealers now form their own group of market participants in order to retain a more detailed division of the data.

Regarded as **producers**, therefore, are the market participants who produce, process, or package a commodity and who use the futures markets for hedging their activities with this commodity.

Producers tend to sell in rising markets and buy in falling markets. Please see section 2.1.1. for detailed explanations of this.

**Swap dealers** include those market participants who predominantly trade swaps on commodities and who use the futures markets for this as a hedge against the risk of the swap transactions.

**Money managers** are, amongst others, registered asset managers or also unregistered funds. This group of market participants trades on the futures market in order to invest the managed client money in a profitable manner. The money managers can be found as non-commercials in the legacy data. Money managers are mainly trend followers.

**Other reportables** are all those traders who exceed the limit of contracts at which one must report to the CFTC, but who cannot, however, be assigned to any of the above-mentioned groups.

**Non-reportables** have the same interpretation as for the legacy data (see section 2.1.1).

#### b. **Financial futures:**

**Dealer/intermediary:** these are the market participants who sell financial products to customers; this includes banks as well as financial institutes that sell securities, swaps and other derivatives. The dealers/intermediaries should, therefore, be interpreted in a similar manner as the producers in the commodities, since these market participants want to sell a product, and can therefore mainly be found on the short side of the market, since they can thereby hedge their risk and can secure the price at which they can sell a financial product in the future. Generally, the dealers/intermediaries can be analyzed along the same lines as the producers i.e. the commercials.

The following categories represent the buy side of the financial futures, i.e. the market participants who buy from the dealers/intermediaries.

**Asset manager/institutional:** these include institutional investors (pension funds, insurances, portfolio managers of institutional customers). In the legacy data, this group is part of the non-commercials, meaning that we are mainly talking about trend followers.

**Leveraged funds:** similarly to the money managers in the commodity futures, here we are referring to registered asset managers or also unregistered funds. This group of market participants trades on the futures markets in order to invest the managed client money (of non-institutional clients) in a profitable

way. The leveraged funds can be found as non-commercials in the legacy data and similarly are mainly trend followers.

**Other reportables** are all those traders who exceed the limit of contracts at which one must report to the CFTC, but who cannot, however, be assigned to any of the above-mentioned groups.

**Non-reportables** have the same interpretation as for the legacy data (see section 2.1.1).

#### 4.2. **COTOpenInterestDisaggregated** (OiDis)

This indicator corresponds to the mode of operation of the COTOpenInterestLegacy, instead using, however, the more finely broken down data of the disaggregated reports. For the functionality and interpretation of the open interest, please read more under 2.2) COTOpenInterestLegacy.

The calculation also occurs analogously to the legacy reports, and since for each long contract, there must also be a market participant on the short side, two calculation methods are possible (here for commodity futures):

1)  $\text{Producer[Long]} + \text{SwapDealer[Long]} + \text{SwapDealer[Spread]} + \text{ManagedMoney[Long]} + \text{ManagedMoney[Spread]} + \text{OtherReportables[Long]} + \text{OtherReportables[Spread]} + \text{NonReportable[Long]} = \text{OpenInterest}$

2)  $\text{Producer[Short]} + \text{SwapDealer[Short]} + \text{SwapDealer[Spread]} + \text{ManagedMoney[Short]} + \text{ManagedMoney[Spread]} + \text{OtherReportables[Short]} + \text{OtherReportables[Spread]} + \text{NonReportable[Short]} = \text{OpenInterest}$

The following parameters are available for the COTOpenInterestDisaggregated:

- **Categories: Commodity**
  - o **OpenInterest\_Comm:** (=total OpenInterest for Commodities)
    - [Absolute]: outputs the OpenInterest as an absolute number
    - [Stochastic]: OpenInterest as an oscillator with values between 0-100
    - [None]: no output for the OpenInterest
  - o **%ofOIProd Long/Short/Spread:**  
(=Percent of OpenInterest for Producer Long/Short/Spread – Position) – select [True] if this value should be displayed. This here is the percentage that the positions of the producers have of the overall OpenInterest. A value of 0.5, for example, means that the producers have built up long positions in the size of 50% of the entire OpenInterest.
  - o **%ofOISwapDealer Long/Short/Spread:**  
(=Percent of OpenInterest for SwapDealers Long/Short/Spread – Position) – select [True] if this value should be displayed.
  - o **%ofOIManagedMoney Long/Short/Spread:**  
(=Percent of OpenInterest for ManagedMoney Long/Short/Spread – Position) – select [True] if this value should be displayed.
  - o **%ofOIComOther Long/Short/Spread:**

- (=Percent of OpenInterest for Other Traders in Commodities Long/Short/Spread – Position) – select [True] if this value should be displayed.
- **%ofOIComNonreportables Long/Short/Spread:**  
(=Percent of OpenInterest for NonReportables in Commodities Long/Short/Spread – Position) – select [True] if this value should be displayed.
- **Categories: Financial**
  - All parameters work analogously to the settings under "Categories: Commodity"; the only difference lies in the division into various groups of market participants
- **Data base:**
  - **CotType:** see 2.1) COTReportLegacy - CotType
  - **ReportType:** see 2.1) COTReportLegacy - ReportType
  - **StochasticPeriod:** see 2.1) COTReportLegacy – ComparativePeriod

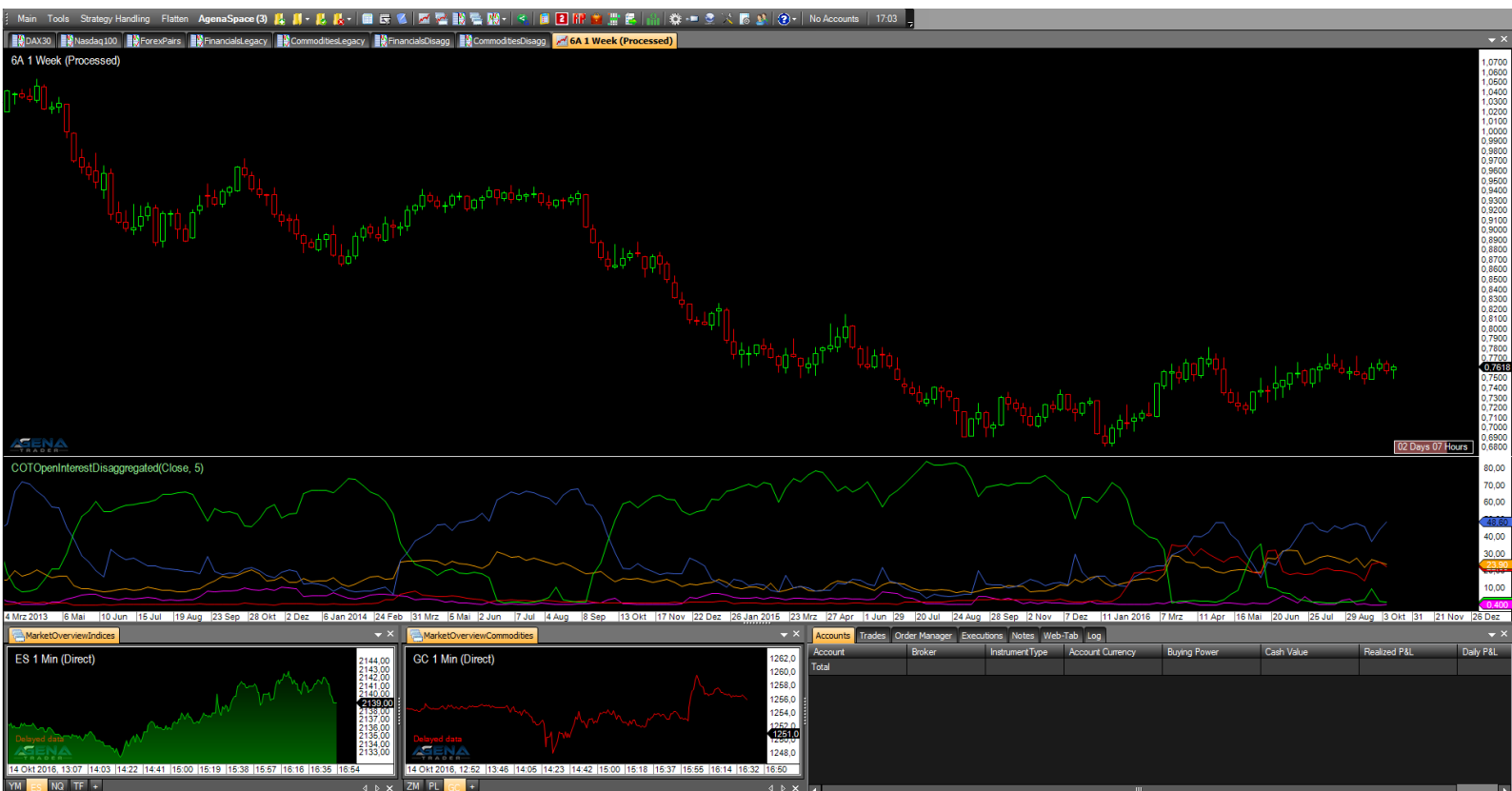


Figure 9 – COTOpenInterestDisaggregated, %ofOIAssetManagerLong=True, %ofOIDealerIntermediaryLong=True, %ofOIFinNonreportablesLong=True, %ofOIFinOtherLong, %ofOILeveragedFundsLong

### 4.3. COTAggregatedIndexPositionDisaggregated (AgDis)

This indicator also works in the same way as the COTAggregatedIndexPositionLegacy; for interpretation and more detailed information, please read more under 2.3) COTAggregatedIndexPositionLegacy. The difference here, in turn, consists in the usage of the detailed disaggregated data for calculating the indicator.

For the COTAggregatedIndexPositionDisaggregated, the following parameters are available:

- AddIndices:
  - o **DowJones**: select [True] if the positions of the DowJones should be added to the overall result.
  - o **Nasdaq100**: select [True] if the positions of the Nasdaq100 should be added to the overall result.
  - o **Russell2000**: select [True] if the positions of the Russell2000 should be added to the overall result.
  - o **SP500**: select [True] if the positions of the SP500 should be added to the overall result.
- **Categories: Financial**
  - o Here you can only select the categories of the Financials, since this indicator addresses 4 financial markets. However, you can load the indicator in Financials AND Commodities.
  - o Select [True] for the categories for which the positions for the selected markets should be added up and displayed.
- Data base:
  - o **ReportType**: see 2.1) COTReportLegacy - CotType
- Display:
  - o **LongPosition**: select [True] to display the long positions of the desired market participants
  - o **ShortPosition**: select [True] to display the short positions of the desired market participants
  - o **NetPosition**: select [True] to display the net positions of the desired market participants

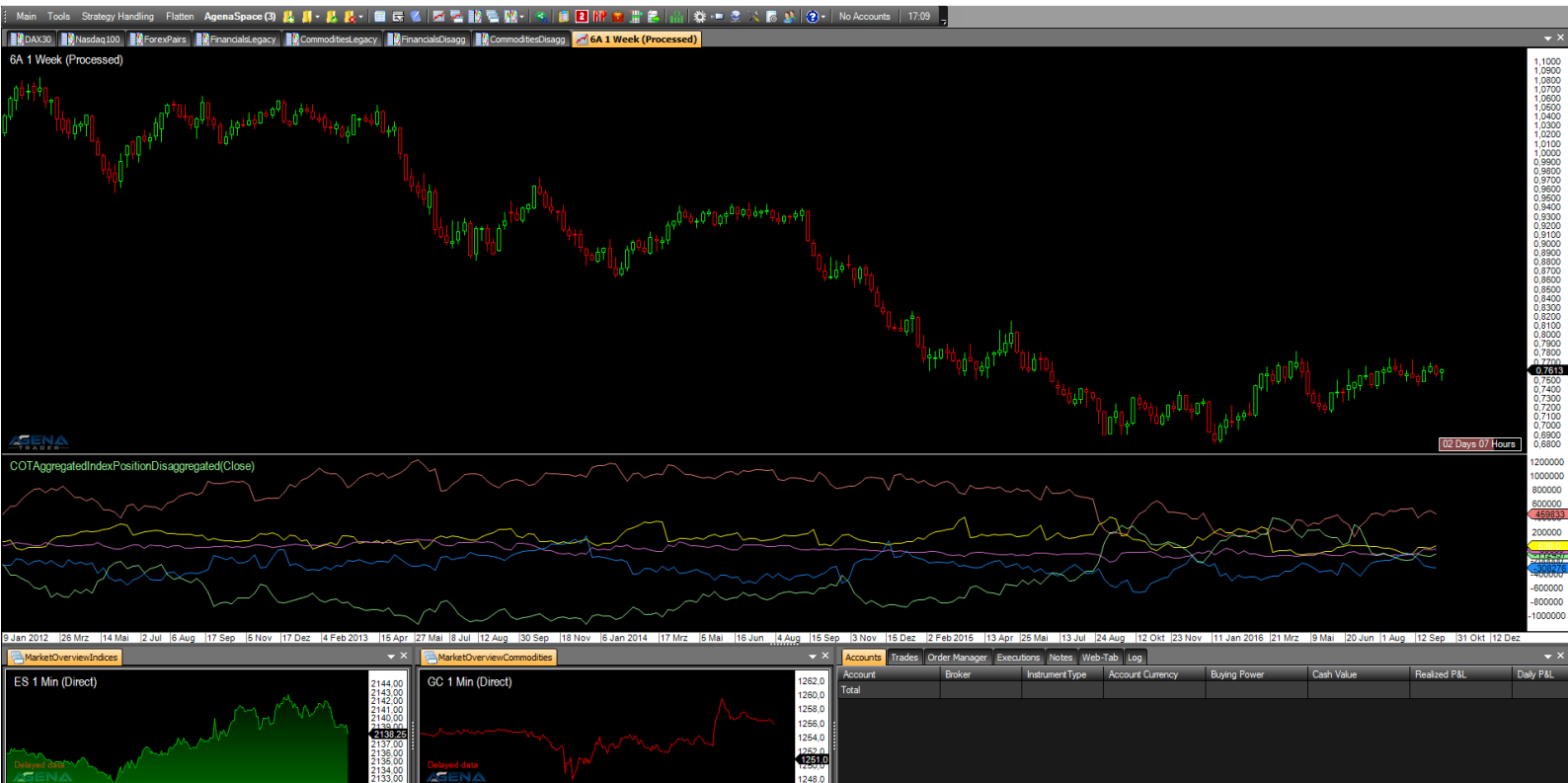


Figure 10 – COTAggregatedIndexPositionDisaggregated, Display: NetPosition=True

## 5. ADDITIONAL COT INDICATORS

### 5.1. COTStockDummy (StoD)

This indicator attempts to simulate the behavior of the commercials in stock markets using a special algorithm. The values are outputted as Stochastic, meaning that they oscillate between values of 0-100. The interpretation of this indicator is analogous to the interpretation of the commercial data in the standard COT indicators.

The output of this indicator should be confirmed with other indicators; you must be aware that we are not talking about real COT data from market participants, but about calculations from the price data.

As for the COT data, an analysis in the weekly chart is also recommended for the COTStockDummy.

The following parameters are available for the COTStockDummy:

- **ComparativePeriod:** input period for the stochastic calculation
- **Stochastic:** [True] outputs normalized values (values between 0-100)
- **Period:** this is a period that is necessary for calculating the data. If you do not have detailed information about how this indicator works, please leave this period on the default setting.

### 5.2. COTLargeTraderActivity (LaTra)

The COTLargeTraderActivity indicator, like the COTStockDummy, is based not on real COT data, but instead on algorithmically calculated outputs. This indicator attempts to simulate the behavior of the large traders in markets for which no COT data is available. Here, the interpretation takes place analogously to the analysis of the NonCommercials in the standard COT indicators.

As with the COTStockDummy, we point out that other indicators should be consulted, since we are not dealing with real COT data.

The following parameters are available for the COTLargeTraderActivity:

- **Period:** this is a period that is necessary for calculating the data. If you do not have detailed information about how this indicator works, please leave this period on the default setting.





Figure 11 – above: COTStockDummy, Period=26, ComparativePeriod=52, Stochastic=True  
 below: COTLargeTraderActivity, Period=8

### 5.3. MarketValue (MaVal)

This indicator compares the value of a market with the current price of gold or the dollar index. This means that markets are placed in relation to the gold price or the dollar, whereby over- and undervaluation can be determined very well in instruments. A low MarketValue means that a market is cheap relative to gold/dollar index; vice versa, a higher value means that the market is relatively expensive.

In general, commodities should be compared to the gold price, and financials to the dollar index. However, depending on the market environment, it may be useful to deviate from this rule.

The following parameters are available for the MarketValue:

- **CompareTo:** select [Gold/Dollar Index] depending on which market the current symbol should be placed in relation to.
- **EMA1:** this is a period that is necessary for calculating the data. If you do not have detailed information about how this indicator works, please leave this period on the default settings. (Default value = 21)
- **EMA2:** this is an EMA period that is necessary for calculating the data. If you do not have detailed information about how this indicator works, please leave this period on the standard settings. (Default value = 3)

It is not yet possible to use the MarketValue indicator in the ConditionEscort, since a multi-instrument indicator cannot be depicted there. Since the MarketValue requires the price data from the current chart and also from gold i.e. the dollar index, this is a multi-instrument indicator, which, as mentioned, currently cannot be represented in the ConditionEscort.



Figure 12 – MarketValue, CompareTo=DollarIndex, EMA1=21, EMA2=3

## 6. COT LEGACY CONDITIONS

### 6.1. CommercialBuySilentMarket (CBSM) / CommercialSellExcitedMarket (CSEM)

This condition scans for long signals according to the highs of the Commercial net positions combined with a simultaneous low of the NonCommercial net positions. In order to refine the results, there must be low OpenInterest of all market participants. This means that it looks for a market that the commercials are buying in great measure, while the non-commercials and non-reportables show no interest in this market.

### 6.2. CommercialIndexLong (CIL) / CommercialIndexShort (CIS)

For this condition, the CommercialIndex and the OpenInterest are used to generate signals.

For long signals, there must be an extremely high commercial index, combined with relatively low OpenInterest. The logic behind the signal is the same as for the conditions under 5.1. – we are looking for a market that is currently receiving little attention from the market participants, but is being bought massively by the commercials. The signals partially overlap with the signals from 5.1., but often, however, with the CommercialIndex, these conditions can find signals that would otherwise be overlooked.

## 7. COT DISAGGREGATED CONDITIONS

### 7.1. ProducerGoldenOpportunityLong (PGOL) / ProducerGoldenOpportunityShort (PGOS)

This condition can **only be used in commodity values**. What is being scanned for here is long signals after an extremely positive net position of the producers; besides that, there must be a positive net position of the swap dealers and a strongly negative net position of the managed money market participants; vice versa for short signals.

### 7.2. DealerTakeTheChanceLong (DTCL) / DealerTakeTheChanceShort (DTCS)

This condition can **only be used in financial values**. To create a long signal, there must be a very strong positive net positioning of the dealers. In addition, there should be a strongly negative net positioning of the leveraged funds.

## 8. ADDITIONAL CONDITIONS

### 8.1. COTStockDummyLong (StoDL) / COTStockDummyShort (StoDS)

In the long condition, higher values of the COTStockDummy in combination with low values of the COTLargeTraderActivity are searched for. Since the StockDummy is a synthetic depiction of the commercials, and the LargeTraderActivity can be largely equated to the non-commercial activity in the futures markets, here, again, we are talking about a very classic COT signal: large buying positions of the commercials and large selling positions of the non-commercials offer a long entry; the opposite is true for a short entry.

### 8.2. UnderValuedMarket / OverValuedMarket

Will be activated as soon as the market value indicator can be depicted in the ConditionEscort; for more details see "4.3. MarketValue".

## 9. PREDEFINED SETUPS

9.1. **CotSwingMovement:** (for swing-trades with a very tight trailing-stop)  
InitialStop: PivotFast HardStop: PivotFast SoftStop: BarByBar Targets: NoTarget

9.2. **CotSwingTrend:** (for swing-trades with a more relaxed trailing-stop)  
InitialStop: PivotMedium, HardStop: PivotMedium, SoftStop: PivotFast, Targets: NoTarget