

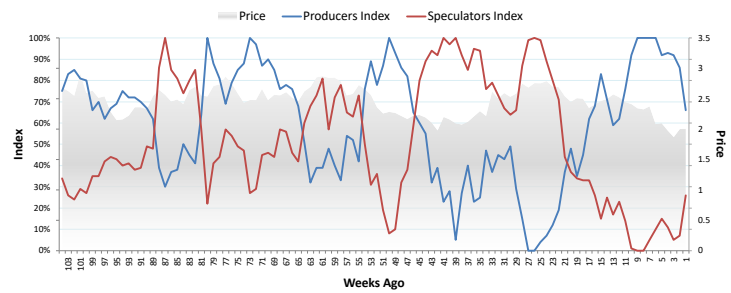


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Market Date	RB Zone	Position	Producers		Speculators		
			Index	Velocity	Position	Index	Velocity
24-Sep-24	Bearish	-57440	66%	Extreme	30563	26%	Extreme
17-Sep-24	Bearish	-41163	86%	Medium	16769	7%	Low
10-Sep-24	Bearish	-35770	92%	Low	15551	5%	Medium
3-Sep-24	Bearish	-34958	93%	Low	19778	11%	Low
27-Aug-24	Bearish	-36210	92%	Medium	22458	15%	Low
20-Aug-24	Bearish	-29531	100%	Low	18603	10%	Low
13-Aug-24	Bearish	-30425	100%	Medium	14944	5%	Low
6-Aug-24	Bearish	-36582	100%	Extreme	11588	0%	High
30-Jul-24	Neutral	-53430	100%	High	23019	0%	Medium
23-Jul-24	Neutral	-67807	92%	Medium	31873	1%	Medium

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 66%. Previous reading was 86%.

Direction of Trade During the week producers were selling at extreme speed. They sold 16277 contracts. Last 3 weeks show active selling pattern.

Extreme Positioning Producers 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 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 Extreme. 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 26%. Previous reading was 7%.

Direction of Trade During the week speculators were buying at extreme speed. They bought 13794 contracts. Last 3 weeks show sporadic buying 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 28.5
Highest market exposure, \$B 57.4

This is another gauge of how **hot** is the market at the moment.

Extreme Velocity Level

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 6 points. This is only marginal violation so do not rule out Speculators index returning in extreme area next week and confidence will be high again. Producers index is out of extreme area by 14 points.

Accumulation Distribution

During this week Speculators bought 13794 contracts. This was 1 highest accumulation during current bearish zone. Speculators accumulated 5 of 8 weeks. This accumulation accounts for 53.3% accumulated so far.

Regression Analysis Current angle of regression analysis chart is 58 degrees. Change from last week is 28 from 30 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) 7 weeks ago. Extremum was not too long ago so the trend most likely maintains its strength.