

# What Is the COT Report? [Monitoring Hedge Fund and Market Maker Positions]

In **sentiment analysis** (market sentiment evaluation), the **COT (Commitments of Traders)** report is one tool that provides data on the trading positions of major traders in the options and **futures markets**.



The Commitments of Traders report presents traders' positions—retail, commercial, and non-commercial—in various formats

This report is published in various formats, including **Legacy**, **Disaggregated**, and **Traders in Financial Futures (TFF)**.

## What Is the COT Report?

The **COT report**, or **Commitments of Traders**, shows the position status of major market participants in futures and options trading.

The report is published weekly on Fridays by the **Commodity Futures Trading Commission (CFTC)** and includes information on trading positions closed by the preceding Tuesday.

## Types of COT Reports

The **COT report** is categorized into three general types based on the target market:



A glance at the types of COT reports (Legacy, Disaggregated, and Traders in Financial Futures)

### Legacy Report

The **Legacy** format is the oldest type of **Commitments of Traders** report; it includes trades in **commodities, metals, energy, forex, and U.S. stock indices**.

**In the Legacy report details, traders are divided into three categories:**

- ⚡ **Commercial traders:** This group includes large corporations, producers, exporters, and companies in the futures market that use hedging to manage risk;
- ⚡ **Non-commercial traders:** Professional market participants, investment managers, and hedge funds who are **Market makers in Forex** and other markets;
- ⚡ **Retail traders** (Non-Reportable Positions): Individual retail traders with lower trading volumes than the other groups.

## Disaggregated Report

The **Disaggregated** format was first introduced in 2009 and offers more detailed information about trader groups. The trader classifications in this report are:

- ⚡ **Producers and consumers:** Large commodity producers aiming to hedge risk
- ⚡ **Swap dealers:** Banks and institutions that deal with swaps and financial derivatives
- ⚡ **Hedge funds:** Hedge funds, investment managers, and institutional traders
- ⚡ **Other large traders:** Private or large individual market participants

**Note: Financial derivatives** are instruments whose value is derived from an underlying asset like stocks, bonds, currencies, commodities, or market indices. These instruments include **Futures, Options, Forwards, and Swaps.**

## Traders in Financial Futures Report (TFF)

This report **excludes commodity trading**, making it more suitable for **stock, bond, and forex market** participants. The trader types in the **TFF** report include:

- ⚡ **Dealers and intermediaries:** Banks and financial institutions aiming to create market liquidity and serve their clients
- ⚡ **Asset managers and institutional investors:** Pension funds, insurance companies, and institutional investors trading with long-term strategies
- ⚡ **Hedge funds and leveraged traders:** Hedge funds and large traders using leveraged strategies
- ⚡ **Other traders:** A mix of large firms and private traders

## Differences Between COT Report Types

The table below illustrates the **differences between the three main types of COT reports:**

| Report Type          | Trader Groups                                                                                           | Markets                         |
|----------------------|---------------------------------------------------------------------------------------------------------|---------------------------------|
| Legacy Report        | Commercial – Non-commercial – Retail traders                                                            | All futures and options markets |
| Disaggregated Report | Producers & Consumers – Large Financial Institutions & Banks – Hedge Funds – Other Traders              | Commodities – Energy – Metals   |
| TFF Report           | Financial Intermediaries – Asset Managers & Institutional Investors – Speculative Funds – Other Traders | Bonds – Forex – Stocks          |

## Trusted Sources for Studying the Commitments of Traders Report

Although the **Commitments of Traders Report** is published on the **CFTC website**, the user interface is not very intuitive and presents data in a very basic format.

The **Tradingster** website displays this report in a **simple and user-friendly** manner. The image below shows a snapshot of the **COT report** on the Tradingster platform:

| USD INDEX - ICE FUTURES U.S. (U.S. DOLLAR INDEX X \$1000)   |                |          |           |                  |          |           |               |          |           |
|-------------------------------------------------------------|----------------|----------|-----------|------------------|----------|-----------|---------------|----------|-----------|
| CFTC Code: #098662                                          |                |          |           |                  |          |           |               |          |           |
| Open Interest: 45,714 Total Changes: -44 Total Traders: 111 |                |          |           |                  |          |           |               |          |           |
|                                                             | Long           |          |           | Short            |          |           | Spread        |          |           |
|                                                             | Positions      | Open Int | # Traders | Positions        | Open Int | # Traders | Positions     | Open Int | # Traders |
| Dealer Intermediary                                         | 1,687<br>+275  | 3.7%     | 4         | 20,639<br>+3,880 | 45.1%    | 0         | 0<br>0        | 0.0%     | 0         |
| Asset Manager/ Institutional                                | 21,935<br>-516 | 48.0%    | 17        | 667<br>+462      | 1.5%     | 6         | 466<br>-5     | 1.0%     | 6         |
| Leveraged Funds                                             | 15,090<br>+549 | 33.0%    | 36        | 17,058<br>-5,031 | 37.3%    | 15        | 1,087<br>+305 | 2.4%     | 5         |
| Other Reportables                                           | 1,255<br>-748  | 2.7%     | 15        | 3,251<br>+1,138  | 7.1%     | 15        | 61<br>0       | 0.1%     | 6         |
| Nonreportable Positions                                     | 4,133<br>+100  | 9.0%     |           | 2,485<br>+11     | 5.4%     |           |               |          |           |

A view of the COT report for the Dollar Index on Tradingster website



On the left side, each trader category is visible:

- ⚡ **Dealer** (Retail Traders)
- ⚡ **Asset Manager**
- ⚡ **Leveraged Funds** (Professional Traders)

## How to Analyze the COT Report

In this report, a **sentiment or fundamental analyst** examines the ratio of long and short positions held by asset managers and professional traders.

The direction of positions that asset managers hold typically reflects the **long-term market trend**. In contrast, **leveraged traders** (hedge funds) usually reflect **short-term market movements**.

For instance, in the image below, the ratio of **long and short positions** is visible. The U.S. dollar may exhibit an **upward trend in the medium to long term**, as asset managers are in long positions.

However, professional traders hold nearly equal long and short positions in the short term. In other words, the dollar is likely to **remain range-bound** in the short term.



Trading positions of asset managers and speculative traders (professional traders) in the COT report

## Conclusion

The **COT report** is a tool in both **fundamental** and **sentiment analysis**, reflecting the **sentiment of traders** in the **forex, stock, bond, and commodity** markets through futures data. This tool can be used in conjunction with **interest rate expectations**, **economic data**, and **central bank meetings** to identify potential market trends.

### source:

#### 1.our website link :

<https://tradingfinder.com/education/forex/what-is-cot-report/>

#### 2.all Education :

<https://tradingfinder.com/education/forex/>

#### 3.TradingFinder Support Team (Telegram):

<https://t.me/TFLABS>



[TradingFinder](https://tradingfinder.com/)



[Educational link](https://tradingfinder.com/education/forex/)



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