

## 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
<b>Legacy Report</b>	Commercial – Non-commercial – Retail traders	All futures and options markets
<b>Disaggregated Report</b>	Producers & Consumers – Large Financial Institutions & Banks – Hedge Funds – Other Traders	Commodities – Energy – Metals
<b>TFF Report</b>	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)										Trading Finder	AS OF	
										Open Interest: 45,714	Total Changes: 44	Total Traders: 111
	Long			Short			Spread			Open Int	# Traders	
	Positions	Open Int	# Traders	Positions	Open Int	# Traders	Positions	Open Int	# Traders			
Dealer Intermediary	1,687	3.7%	4	20,639	45.1%	0	0	0.0%	0	45,714	111	
Asset Manager/ Institutional	21,935	48.0%	17	667	1.5%	6	466	1.0%	0	45,714	111	
Leveraged Funds	15,090	33.0%	36	17,058	37.3%	15	1,087	2.4%	0	45,714	111	
Other Reportables	1,255	2.7%	15	3,251	7.1%	15	61	0.1%	0	45,714	111	
Nonreportable Positions	4,133	9.0%	0	2,485	5.4%	0	0	0.0%	0	45,714	111	

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>



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