

COT on forex and commodities

Saxo Bank · 2026-09-07 · English original

Key points:

- Our weekly Commitment of Traders update tracks hedge fund positioning across forex and commodity futures during the week ending 1 September 2026.
- Managed-money net longs across 25 major commodity futures reached a four-year high at 2.1 million contracts, representing a nominal value of more than USD 200 billion, with agriculture accounting for much of the latest increase.
- Agriculture positioning looks increasingly crowded: Combined grain and softs net length reached a record 1.37 million contracts, raising the risk of liquidation after a four-week buying surge.
- Metals selling was largely corrective: Gold, silver and platinum positions were reduced mainly through long liquidation rather than fresh short selling, in our view suggesting limited conviction in a bearish reversal.
- FX positioning masks a major yen misstep: The aggregate dollar long held near USD 26.9 billion, but speculators rebuilt sizeable JPY shorts just before the yen surged almost 3%, leaving USDJPY at its weakest weekly close since February.

Forex

The latest COT forex update covers the week to 1 September, when the dollar bounced back following Kevin Warsh's hawkish Jackson Hole speech, offsetting earlier weakness triggered by the US Treasury's bond buyback announcement.

Overall, speculators responded to the dollar rebound by maintaining a broadly unchanged gross dollar long of USD 26.9 billion across eight IMM futures contracts. Looking beneath the surface, however, buying of the euro and CAD, and to a lesser extent the antipodean currencies, was offset by fresh selling of CHF, GBP and, most notably, JPY.

The latter once again wrongfooted speculators, who had built the largest yen short since 28 July ahead of the near 3% rally that followed the reporting period, leaving USDJPY at its weakest weekly close on Friday since February.

Commodities

In commodities, three major themes drove price action during the latest reporting week to 1 September. Crude oil and refined products received a fresh boost from renewed tensions in the Middle East, while escalating Russian and Ukrainian attacks on each other's agricultural export infrastructure supported key crops, led by wheat. In metals, Kevin Warsh's hawkish Jackson Hole speech triggered a sharp reversal across both precious and industrial metals as markets increased speculation that the Fed may move closer to a rate hike on 16 September. With the following meeting on 28 October falling just days before the US midterm elections, some investors may also see September as a cleaner window for any policy adjustment, avoiding potential perceptions of political interference.

The result was a 3.5% increase in the Bloomberg Commodity Index, driven by a 7.8% jump in energy, a 7.1% rally in grains and a 3.1% rise in softs, only partly offset by a 6.3% slump in precious metals and a 1.1% decline in industrial metals.

Hedge funds, not surprisingly, responded to these strong moves by adding fresh length across crude oil, with buying in both WTI and Brent, as well as New York-traded gasoline and diesel. Precious metals and copper, meanwhile, saw net selling. Importantly, the reductions in gold, silver and platinum were almost entirely driven by long liquidation rather than fresh short selling. In our opinion, that supports the view that investors regarded the setback as a correction within an established trend rather than the beginning of a more fundamental bearish shift.

Record agriculture long leaves sector vulnerable

Ahead of the roughly 3% pullback that began after the latest reporting period, the aggregate agriculture net long had surged by almost 200% in just four weeks, while the BCOM Agriculture Index rallied to a three-year high. The speed and scale of the build-up highlight an increasingly crowded trade. With positioning now stretched, the sector has become more vulnerable to long liquidation should either the fundamental narrative soften or technical momentum deteriorate.

Record managed-money net longs were reached in corn at 431,000 contracts, soybean meal at 159,000, and cotton at 108,000, while multi-year highs were seen in soybeans, sugar, and not least wheat which saw particularly aggressive buying, with the CBOT wheat position flipping from a short to the biggest net long in four years as Black Sea supply concerns intensified.

Across the 25 major commodity futures tracked in this report, the combined managed-money net long rose by another 301,000 contracts to 2.16 million, a four-year high and equivalent to a nominal exposure of close to USD 200 billion. That broad increase underlines how rapidly speculative appetite has returned to commodities, while also leaving several markets increasingly exposed should momentum reverse.

What is the Commitments of Traders report?

The COT reports are issued by the U.S. Commodity Futures Trading Commission (CFTC) and the ICE Exchange Europe for Brent crude oil and gas oil. They are released every Friday after the U.S. close, covering positions held as of the previous Tuesday. The reports break down open interest in futures markets into different categories of market participants, depending on the asset class.

Commodities: Producer/Merchant/Processor/User, Swap Dealers, Managed Money, and Other Reportables
Financials: Dealer/Intermediary, Asset Manager/Institutional, Leveraged Funds, and Other Reportables
Forex: A broader breakdown between commercial and non-commercial participants, with the latter generally viewed as speculators

The main reasons we focus primarily on the behaviour of speculators, such as hedge funds and trend-following CTAs, are:

- They are more likely to have tight stops and no underlying physical exposure that needs to be hedged
- This makes them more reactive to changes in fundamental or technical price developments
- Their positioning provides insight into major trends, while extreme positions can also help identify when a reversal or correction may be looming

It is worth noting that this group tends to anticipate, accelerate and amplify price moves that have often

already been set in motion by fundamentals. As followers of momentum, these traders typically buy into strength and sell into weakness. As a result, they are often found holding their largest long exposure near the peak of a cycle or their largest short exposure ahead of a trough in the market. For that reason, positioning extremes can be useful contrarian indicators, but rarely in isolation: timing still depends on a fundamental or technical catalyst that changes the prevailing trend.

- Ole S Hansen's articles on Saxo
- For market commentary and insights - not trading advice - follow me and join the conversation on Twitter and Substack

Source: <https://www.home.saxo/content/articles/commodities/cot-on-forex-and-commodities---week-to-1-sept-2026-07092026>