

COT on forex and commodities

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Key points:

- Our weekly Commitment of Traders update tracks hedge fund positioning across forex and commodity futures during the week ending 8 September 2026.
- Yen positioning flips: Speculators aggressively bought JPY, most notably against the dollar and euro, flipping a sizeable short into a small net long ahead of the BoJ meeting
- Dollar longs retreat: The aggregate dollar long against eight IMM futures fell to a 14-week low, driven primarily by the sharp unwind of yen shorts.
- Copper and soybeans attract buyers: The HG copper net long reached a five-year high ahead of the US tariff wobble, while soybean positioning climbed to an all-time high..
- Grain and softs length remains crowded: Despite profit-taking across grains and softs, the combined speculative net long remained close to last week's record at 1.36 million contracts.

Forex

The latest COT forex update covers the week to 8 September, a period when traders grew increasingly confident that the Bank of Japan will deliver a quarter-point rate hike on 18 September, potentially accompanied by sufficiently hawkish guidance to keep expectations for another move in December alive. Two days earlier, on Wednesday, the FOMC is also increasingly expected to raise rates following Friday's CPI report, setting the stage for a potentially volatile week across currencies and rates.

During the reporting week, the yen surged 4.2% against the dollar and 3.6% against the euro, helping set the broader tone for positioning. Speculators cut their aggregate dollar long against eight IMM currency futures by 29% to USD 19.5 billion, the lowest in 14 weeks and well below the USD 50 billion peak reached earlier this year.

The standout move was a dramatic reversal in yen positioning. Speculators bought a net 103,000 contracts, equivalent to USD 8.4 billion, flipping the position from a sizeable short to a small net long of 10,800 contracts. The move highlights how rapidly expectations for Bank of Japan policy have shifted and, given the scale of the yen rally during the reporting period, suggests a significant element of short covering alongside fresh long exposure. The Canadian dollar also attracted demand, with its net short reduced by 35% to USD 70,500 contracts.

Elsewhere, the table highlights that recent yen shorts were not only held against the dollar but also through euro-yen exposure. The sharp reversal in EURJPY therefore contributed to renewed selling of euro futures, with the euro net short increasing by 71% to 42,600 contracts after speculators sold a net 17,700 contracts, equivalent to USD 2.6 billion.

Commodities

In commodities, the latest update covers the week to 8 September, when the Bloomberg Commodity Index gained 0.5%, with strength in energy (+1.9%), precious metals (+1.3%) and industrial metals (+2.4%) offset by losses in grains (-2.2%) and, particularly, soft commodities (-5%).

At the individual contract level, managed-money buying was concentrated in crude oil, copper and soybeans. WTI buying lifted the net long close to its one-year high, while the HG copper net long reached a five-year high just ahead of the subsequent tariff-related correction. Despite higher prices on the week, gold's recent struggle to break out of an established 200-dollar wide range between USD 4,300 and USD 4,500 triggered both long and short liquidation which overall left the net long slightly lower. Across the agriculture sector, soybean positioning reached an all-time high at 266k contracts, while the sugar net long edged higher to another near four-year high. Buying in these two contracts helped offset modest selling across most other grain and soft contracts, leaving the combined net long down by just 9k contracts from last week's record to 1.36 million contracts. As per the above table, the most notable positions besides sugar and the soybean complex which also includes meal and oil, are currently held in corn, while the CBOT wheat position continues to hover near flat having failed to attract buyers despite the recent price surge driven by Black Sea supply disruptions.

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.

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