

COT on forex and commodities

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Key points:

- The Commitment of Traders update highlights futures positions and changes made by hedge funds and other speculators across commodities and forex during the week to last Tuesday, 29 September 2026.
- Dollar longs rebuilt rapidly: The aggregate USD long against eight IMM futures jumped 39% to USD 25.3 billion, up from just USD 6 billion two weeks earlier.
- Broad commodity selling continued: Managed money were net sellers in 18 of 25 major commodity futures as rising Treasury yields and dollar strength drove another 2.1% Bloomberg Commodity Index decline.
- Gold investors diverge: Hedge funds cut their gold long by 2.7 million ounces during September, while ETF investors added 1.7 million ounces, lifting holdings to a four-year high.
- Record grain length starts to unwind: The combined grains net long fell from above 1 million to 923,000 contracts, with positioning still elevated ahead of the latest corn-led price setback.

Forex

The latest COT forex update covered a week when an accelerating sell-off in US Treasuries saw the 10-year yield jump 27 basis points to 5.24%, underpinning the dollar, which gained around 1% against a broad basket of major peers.

For a second consecutive week, these developments triggered a significant shift in speculative FX positioning as traders rushed back into dollar longs. The aggregate dollar long against eight IMM currency futures jumped 39% to USD 25.3 billion, a four-week high and up sharply from just USD 6 billion two weeks earlier.

As the table shows, dollar buying was broad-based, with the CHF the only exception, while the largest shifts were seen against CAD, EUR, JPY and AUD. Beyond the yen, the only other remaining net long was in MXN, where bullish exposure was cut by 30% to a 14-month low.

Commodities

Broad selling by managed money accounts continued across key commodities in the week to 29 September, as a stronger dollar and another surge in US Treasury yields created significant headwinds. The Bloomberg Commodity Index fell 2.1%, following a near 2% decline in the previous reporting week. All sectors except softs suffered setbacks, led by precious and industrial metals as well as grains.

Energy also traded softer as tanker-tracking data pointed to a rapid recovery in crude shipments through the Strait of Hormuz, more than offsetting continued uncertainty surrounding the unresolved conflict between the US and Iran.

Overall, managed money accounts were net sellers in 18 of the 25 major commodity futures tracked in

this update. Selling was led by crude oil, where the combined WTI and Brent net long was cut by 31,000 contracts to 335,000, a five-week low. Major reductions were also seen in natural gas, gold, silver, soybeans and corn. The limited buying that did emerge was concentrated in agriculture, most notably soybean meal, sugar and cattle.

In precious metals, the divergence between hedge funds and ETF investors remains noteworthy. During September, managed money accounts responded to weaker prices, rising Treasury yields, higher rate expectations and a stronger dollar by cutting their net gold long by 27,000 contracts, equivalent to 2.7 million ounces. ETF investors moved in the opposite direction, adding around 1.7 million ounces and lifting total holdings to a four-year high. The continued inflows despite adverse yield and dollar developments suggest longer-term investors may be looking beyond the immediate monetary-policy headwinds towards growing fiscal and debt concerns.

In agriculture, speculators have started, albeit at a moderate pace, to reduce the record long position accumulated rapidly during August. The combined grains net long reached a record above 1 million contracts last month, but broad selling during the latest reporting week reduced it to a still-elevated 923,000 contracts. Notably, around 40% of that exposure is held in corn, which slumped 4% on Wednesday after a quarterly stocks report exceeded all estimates. The extent to which this setback, together with broader strong-dollar-driven declines, has triggered further liquidation will only become apparent in the next COT update.

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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