

Index

- A Complete Guide to the Futures Market* (Schwager), 183, 185
- ADM Grain, 185
- Algorithmic trading models, 53
- Amaranth Advisors, 41
- Analysis. *See also* Analysts; Chart analysis
- Bollinger bands, 121–122
 - bottom formations, 106–108
 - calculations of net position in COT Index, 63–65
 - currency markets, 127–144
 - hedging pressure, 88–89
 - interpreting COT index, 69–72
 - look-back periods in COT Index, 66–67, 69
 - Moving-Average Convergence/Divergence (MACD)–Histogram, 117–120
 - need for cyclical and technical, 72–73
 - net position compared against historical range, 33
 - normalization of data in COT Index, 67–68
 - short-term exchange rates, in Klitgaard and Weir's study, 93–94
 - stochastics indicator, 115–117
- Analysts. *See also* Analysis; Chart analysis
- fundamentalists, 183
 - commercial versus noncommercial categories, 31–32
 - seasonal average of COT data, 43–45
- Anyone Can Still Make a \$Million* (Schulman), 5
- Appel, Gerald, 117
- Arnold, Curtis, 63, 146
- Asarco, 158
- Ashanti Goldfields Co., 158
- Aspray, Thomas, 117
- Backwardation and contango, 84–85
- Bank for International Settlements, 128
- Bank of America, 35, 129
- Behavior and Performance of Major Types of Futures Traders, The* (Wang), 90–93
- Black Monday (1987), 147
- Board of Trade Clearing Corporation, 4
- Bollinger, John, 121
- Bollinger bands, 121–122
- Bottom formations:
- chart patterns, 106–108
 - COT Movement Index indications, 108
 - double bottoms, 107
- British Petroleum, 168
- Bull and bear markets:
- chart pattern validation, 108–113
 - 40-point surge rules, 75–79
 - soybeans (example of bull move), 183–185
- Bungee, 185
- Business Conduct Committee of the Chicago Board of Trade (CBOT), 4
- Buying and selling. *See also* Net positions; Trading indicators; Trading signals
- capacity, 54–55
 - 40-point surge rules, 75–79
 - opportunities, in Wang's study, 91
- Can Speculators Forecast Prices?* (Houthakker), 85–86
- Capacity of buying and selling, 54
- Cargill-Continental, 185
- Carrying costs, 84–85
- Categories of traders:
- commercial hedgers, 11–13, 31–33
 - commercial versus noncommercial, 27–37
 - commodity index, 31, 34–37
 - Commodity Pool Operators (CPOs), 34, 54
 - Commodity Trading Advisors (CTAs), 34, 54
 - momentum (trend-following), 51–56
 - nontraditional commercial (CIT), 217–218
 - “open interest” combined with “commercial,” 25

- Categories of traders (*Continued*)
- short-term, 66
 - small traders, 29, 36–37
 - speculative funds, 29
 - swap dealers, 25, 35, 148, 218
 - terms used in this book, 31
- CBOT. *See* Chicago Board of Trade
- CEA. *See* Commodity Exchange Authority
- Central Soya, 185
- CFTC. *See* Commodity Futures Trading Commission
- CFTC *Backgrounder*, 10, 20
- Chang, E. C., 86
- Chart analysis. *See also* Analysis; Analysts
- Schwager's "most important rule," 183
 - validation of patterns, 105–113
- Chart patterns. *See* Patterns of trading
- Chevron Texaco, 168
- Chicago Board of Trade (CBOT):
- Grain Futures Act, 3–4
 - Liquidity Data Bank, 31
 - soybean oil market, 4
 - during World War I, 3
- Chicago markets, 8
- Chicago Mercantile Exchange (CME), 4, 127
- Citibank, 129
- Citigroup Inc., 35
- Clearing Corporation, 4
- Coleman, Senator Norm, 10
- Commercial category versus noncommercial, 27–37
- Commercials (hedgers). *See also* Hedgers;
- Large commercial hedgers
 - advantages of, 32
 - bias toward short positions, 49
 - categories in COT reports, 27–37
 - "commercial capitulation," 40, 58
 - copper and unusual market conditions, 157–158
 - COT Index calculations, 63–65
 - COT Movement Index, 75–79
 - currencies markets, 129
 - exemption rules, 10–13
 - institutions as, in Treasury futures, 176
 - interest rates futures, 176
 - livestock futures, 196–197
 - long or short hedging, 42
 - metals markets, 158–161
 - mirroring price movements, 67–68
 - negative-feedback or counter-trend, 57, 59, 91
 - net position patterns, 25
 - versus noncommercial traders, 27–37
- nontraditional (commodity index funds), 31–33
- oil sector, 165–168
- oilseed and grain complex, 185–188. *See also* Soybeans
- open interest held by, 31
- orange juice, 205–207
- previously termed "hedgers," 8
- soybeans market, 184–185
- terms used in this book, 31
- Commitments of Traders* (COT) report. *See also* COT Index; Long Form (COT); COT Movement Index; Short Form (COT)
- COT-Supplemental Commodity Index Trader* report, 11–13, 15, 23, 24–26
- Futures Only* report, 9, 15, 23–24
- history of, 4–5
- long and short reports, 15
- Long Form, 17–23
- modern data, 6, 8
- Options and Futures Combined* report, 8–9, 15, 23–24
- publishing lag, 102–103
- Short Form, 23–24
- U.S. Dollar Index, 129–132
- 30-year Treasury bonds, 175–176
- CommitmentsofTraders.org, 67, 83
- Commodities, physical, 129. *See also* Food and fiber:
- Commodities* (magazine). *See* *Futures* (magazine)
 - Commodity Exchange Act of 1936, 4
 - Commodity Exchange Authority (CEA), 4, 5, 15
 - "Commodity Futures Statistics" (report), 4
 - Commodity Futures Trading Commission (CFTC):
 - CFTC Backgrounder*, 10, 20
 - commercial versus noncommercial traders, 27–37
 - commodity index traders, long only, in reports, 34
 - "Comprehensive Review of the *Commitments of Traders* Reporting Program," 9–10
 - COT-Supplemental Commodity Index Trader* report, 11, 15, 23, 24–26, 217–218
 - Futures Only* report, 9, 15, 23, 24

- Graham, Wendy, former chair, 10
- hedge exemptions, 10–13
- history of, 5
- modern COT data, 6, 8
- Office of the Chief Economist, 10
- Options and Futures Combined* report, 5, 8–9, 15, 23–24, 97–103
- reporting system for large traders, 31
- warning about hypothetical trading, 100–101
- www.cftc.gov, 5, 15–16, 23, 97
- Commodity index funds:
- oil sector, 165
 - soybeans market, 184–185
- Commodity index traders (CIT). *See also* Swap dealers
- combined with commercials in reports, 34–36
 - largest players, 34–36
 - long only, in reports, 34
 - long open interest held by, 42–43
 - patterns of trading, 60–61
 - versus small traders, 36
- Commodity Insider, The* (Arnold), 146
- Commodity mutual funds, 35, 49–50
- Commodity Pool Operators (CPOs), 34, 54–55
- Commodity Trading Advisors (CTAs), 34, 54–55
- “Comprehensive Review of the *Commitments of Traders* Reporting Program” (CFTC), 9–10
- Computer trading systems, 99–100
- Conoco Phillips, 168
- Contango and backwardation, 84–85
- Continuation patterns, 111–113
- Continuous commodity index, 206
- Contracts, standardization in reporting, 15–17
- Copper market, 157–158
- Correlation tables:
- currency markets, 132–135
 - metals markets, 160–161
 - oil sector, 168–170
 - soy and grain complex markets, 186–193
 - stock indexes futures, 148–150
 - Treasury futures, 176–178
- COT. *See Commitments of Traders* (COT) report
- COT Cross Index for cross-rates (currency), 131–132
- COT Index. *See also* COT Movement Index
- Black Monday (1987), 147
 - calculation of commercial net positions, 63–65
 - combined with COT Movement Index, 75–79
 - compared with MACD-histogram, 118–119
 - COT signals, 69–72
 - currencies markets, 127–144
 - flat, sideways trending markets, 70, 78–79
 - food and fiber indicators, 205–208
 - 40-point COT surge rules, 76–79
 - histograms, 65–66, 75–79
 - interpreting, 69–72
 - look-back periods, 66–67, 69
 - normalizer of historic data, 67–69
 - personalized, 67
 - self-righting signals, 72–73
 - stock indexes futures, 146–148
- COT Movement Index. *See also* COT Index
- combined with COT Index, 75–79
 - commercial movement, 75–76
 - compared with Relative Strength Index, 120–121
 - stochastics indicator, 117
 - stock indexes futures, 146–148
 - surges indicating minor tops and bottoms, 108
- COT-Supplemental* (COT report):
- commodity index traders, 11–13, 31
 - comments to CFTC, 217
 - historical charts, 218–231
 - index traders listed, 217–218
 - long-only commodity index traders, 34
 - recent publication, 24–26
- Cotton market, New York Cotton Exchange, 4
- Crop year figures, 17–23
- Currency markets:
- correlation tables, 132, 134–135
 - COT Cross Index for cross-rates (currency), 131–132
 - FOREX (spot foreign exchange) markets, 127–129, 133, 139–144
 - historical COT charts and Treasury futures, 132–139
 - negative correlation studies, 135
 - positive correlation studies, 134
 - U.S. Treasury debt instruments, 129
 - www.csidata.com, 133
- Cutten, Arthur, 4
- Dennis, Richard, 6
- De Ron, F., 88–89

- Donchian, Richard, 99
Downtrends, 70–71, 106
Draw-downs:
 masked by long track record, 102
 resulting from simplified rule set, 100
- Elder, Dr. Alexander, 123
Elkind, Peter, 10
E-mini contracts (stock indexes futures),
 145–148
Entry and exit points, 106
Eurodollars, 175
*Exchange Rate Changes and Net Positions of
 Speculators in the Futures Market*
 (Klitgaard & Weir), 93–94, 127–129
Exchange Traded Funds (ETFs), 35
Exchange Traded Notes (ETNs), 35
Exxon Mobile, 168
- FCM. *See* Futures Commission Merchants
Feeder cattle, live cattle, live hogs, and pork
 bellies markets, 4
Flag (or pennant) formations in charts,
 111–113
Flat, sideways trending markets, 70, 78–79
Food and fiber markets:
 buying opportunities apparent in COT
 Index, 205–206
 COT-Supplemental historical charts,
 218–231
 historical COT charts, 208, 213–216
 negatively correlated markets, 211–213
 orange juice, 205–207
 positively correlated markets, 208–211
Forecasting ability:
 currency markets, 127–129
 of different traders, in Houthakker's study,
 86
 large commercial hedgers versus large
 speculators, 86–88
 small versus large traders, 86
 trader sentiment as indicator, 89–90, 109
FOREX (spot foreign exchange) markets,
 127–129, 133, 139–144
40-point COT surge rules, 76–79
Friedman, Milton, 89
Fund Movement Index, 79–81
Futures Commission Merchants (FCM or
 broker), 8
Futures contracts, notional values for large
 trader report thresholds, 27–29, 145
- Futures* (magazine), 8
Futures market:
 chart analysis, 105–113
 examples of producers and users, 32–33
 hedging pressures on, in Wang's study, 91
 zero-sum (short sellers match long buyers),
 40–43
Futures Only (COT report), 9, 15, 23, 24, 31
- Garcia, P., 88
Gold market, 155–157
Goldman Sachs Commodity Index (GSCI), 34
Gold/silver ratio, 157
Government oversight of trading, 3–4
Graham, Wendy, 10
Grain Futures Act, 3–4
Grain Futures Administration, 3–4
Grain speculators during World War I, 3
GSCI. *See* Goldman Sachs Commodity Index
- Harding, Warren G., 3
Hartzmark, M. L., 87
Hedge funds, 54–55
Hedgers. *See also* Commercials (hedgers);
 Large commercial hedgers
 advantages of commercial, 32–33
 assumed as profit centers, 57
 versus “commercial” category, 8, 11–13, 31
 exemption from position limits, 10–13
 large, as net losers, in Houthakker's study,
 86
Hedging:
 compared to seasonal average, 43–45
 pressures exerted by, 85, 88–89
 producers and users, 106
 transfer of risks, 89–90
*Hedging Demand and Foreign Exchange
 Risk Premia* (Tien), 89
Hedging Pressure Effects in Futures Markets
 (De Roon, Nijman, & Veld), 88–89
Histograms:
 COT Index, 65–66, 75–79
 Moving Average Convergence/Divergence
 (MACD), 117–120
Historical COT charts:
 currency markets, 132–139
 food and fiber, 208, 213–216
 livestock futures, 197–203
 metals markets, 161–164
 oil sector, 169–173
 oilseed and grain complex, 189–193

- soybeans market, 189–193
- stock indexes futures, 148, 150–153
- Treasury futures, 132–139, 176, 179–181
- Holding periods and returns (Wang’s study), 90–94
- Houthakker, H. S., 85–86
- How I Made One Million Dollars Last Year Trading Commodities* (Williams), 5
- HSBC, 129
- Hypothetical trading:
 - CFTC warning, 100–101
 - rules test on 35 futures markets, 101
- IMM. *See* International Monetary Market
- Institutional investors, 129, 176
- Institutional Investor’s “Platinum List of the 100 Largest Hedge Funds,”* 34
- Interest rates futures. *See also* Treasury futures
 - commercial hedgers, 176
 - Treasury futures correlation tables, 176–178
- Internal Revenue Service ruling on mutual funds and commodity index funds, 9
- International. *See* Food and fiber
- International Monetary Market (IMM), 127
- International Swaps and Derivatives Association, 35, 218
- Investor Sentiment and Return Predictability in Agricultural Futures Markets* (Wang), 89–90
- Jiler, William L., 43
- JP Morgan Chase & Co., 35, 129
- Kansas City Board of Trade, 8
- Kaufman, Perry, 121
- Kearns, J., 94–95
- Kellogg, 185
- Kennecott, 158
- Keynes Theory of Normal Backwardation, 84–85
- Klitgaard, T., 93–94, 127–129
- Lane, George, 63, 115
- Large commercial hedgers. *See also* Commercials (hedgers)
 - effect on foreign exchange, in Tien’s study, 89
 - forecasting of price reversals, 89–90
 - interest as a contrarian indicator, 89
 - negative-feedback or counter-trend trading, 57, 59, 91
 - profit earnings, in Leuthold, Garcia, and Lu study, 88
 - profit earnings, in Hartzmark’s study, 87
 - stock indexes futures, 148
- Large speculators. *See also* Speculators
 - effect on foreign exchange, in Tien’s study, 89
 - forecasting skill, in Houthakker’s study, 86
 - forecasting skill, in Wang’s study, 90
 - holding periods and returns, in Wang’s study, 90–93
 - interest as a timing indicator, 89
 - momentum trading, 91
 - positive-feedback traders, in Kearns and Manners’ study, 94–95
 - profit earnings, in Leuthold, Garcia, and Lu study, 88
 - profit earnings, in Hartzmark’s study, 87
 - tracking with short-term exchange rates, in Klitgaard and Weir’s study, 93–94
- Large traders. *See also* Speculators
 - media terms for, 31
 - report thresholds, 145
- Large versus small traders and profitability, 87
- Leuthold, R. M., 88
- Levin, Senator Carl, 10
- Livestock futures, 189–193
 - commercial hedgers, 196–197
 - historical COT charts, 201–203
 - negatively correlated markets, 201
 - positively correlated markets, 197–201
- Long Form (COT), 17–23. *See also* Short Form (COT)
- Long or short hedging, 42
- Long-term horizon, 84–85
- Look-back periods:
 - price cycles and COT Index, 66–67
 - stochastics indicator, 117
 - trading signals, 69
- Lu, R., 88
- Luck versus Forecast Ability: Determinants of Trader Performance in Futures Markets* (Hartzmark), 87
- Mahathir bin Mohamad, Prime Minister (Malaysia), 89
- Managed money traders (MMT), 10
- Manners, P., 94–95
- Market conditions, unusual, 157

- Market corrections, 40-point COT surge rules, 76–79
- Market liquidity, effect of speculation, 83–84
- Markets:
- agricultural, in COT Supplemental report, 12
 - coffee, 12
 - currency, 127–144
 - food and fiber, 205–216
 - hedging pressures on, in Wang’s study, 91
 - livestock futures, 195–203
 - metals, 155–164
 - oil sector, 165–173
 - oilseed and grain complex, 185–193
 - old- and new-crop, in *Long Form*, 17–23
 - soybeans market, 189–193
 - stock indexes futures, 145–153
 - Treasury futures, 132–139, 176, 179–181
- Market trends:
- chart formations, 97–113
 - downtrends, 70–71
 - flat, sideways trending markets, 70, 78–79
 - producers and commercial users, 33
 - theory, 105–106
 - trading ranges, 70
 - uptrends, 71–72
- McLean, Bethany, 10
- Media coverage of stock market:
- copper and unusual market conditions, 157–158
 - large trader activities, 31
- Metals markets:
- commercials, 158–161
 - commercial traders, 158–161
 - copper, 157–158
 - correlation tables, 160–161
 - gold/silver ratio, 157
 - historical COT charts, 161–164
 - negative correlations, 162
 - positive correlations, 159–161
- Minneapolis Grain Exchange, 8
- MMT. *See* Managed money traders (MMT)
- Mobius, Mark, 132
- Momentum trading of large speculators, 51–56, 91
- Moving-Average Convergence/Divergence (MACD)–Histogram, 117–120
- Mutual fund companies, 9–10, 50–51
- Myths of trading, 39–45
- NASDAQ futures (example), 108–109
- Negative-feedback or counter-trend trading, 57, 59, 91
- Net positions:
- capacity of buying and selling, 54–55
 - charting, 47–48, 50
 - “commercial capitulation,” 40, 58
 - commercials’ (hedgers’) patterns, 25, 56–59, 63–66
 - COT Index as normalizer, 67–69
 - COT Index calculations, 63–65
 - COT Short Form, 48–51
 - extremes in charts, 107–108
 - funds, 49, 50, 51–56, 65
 - gold, 155–157
 - large speculator patterns, 51–56
 - metals market, 155–157
 - nonspreading, 49
 - small trader, 49–51, 59–60, 65
 - trend changes, 51, 60
- New Concepts in Technical Analysis* (Wilder), 120
- New York Cotton Exchange:
- cotton market, 4
 - orange juice market, 4, 205–206
- New York Mercantile Exchange (NYMEX), 165
- Nijman, T., 88–89
- Noncommercials’ bias toward long positions, 49
- Noncommercials, large. *See* Large speculators
- Nonreporting (small) traders:
- bias toward long positions, 49–50
 - grouped in Goldman Sachs Commodity Index (GSCI), 36
 - patterns of trading, 59–60
- Nontraditional commercials. *See* Commodity index funds; Commodity index traders
- Oil sector:
- commercial hedgers, 168
 - commodity index funds, 165
 - correlation tables, 168–170
 - domination by commercials, 166
 - historical COT charts, 169–173
 - negatively correlated markets, 170
 - positively correlated markets, 169
- Oilseed and grain complex. *See also* Soybeans
- commercial hedgers, 185
 - historical COT charts, 189–193
 - positive grain and soy correlations, 186–188

- Old- and new-crop:
 breakouts, 5
 in *Long Form*, 17–23
- Open interest:
 break-down by trader category, 30
 combined with commercial category, 25
 long versus short positions, 29–30
 old- and new-crop, 17–23
 stock “float” controlled by traders, 47
 U.S. Dollar Index, 129–132
Options and Futures Combined (COT report), 8–9, 15, 23, 24, 31, 97–103
- Orange juice market:
 New York Cotton Exchange, 4
 opportunities evident in COT report, 205–207
- Patterns of trading:
 bottom formations, 106–108
 buy and hold (or sell short and hold), 57
 “commercial capitulation,” 40, 58
 commercial net positions, 56–59
 continuation patterns, 111–113
 flag (or pennant) formations, 111–113
 hedgers, 57–59
 mirror images in net positions, 50–51, 56–59, 65, 67–68
 rectangular, 107
 sawtooth, 131, 146
 small trader, 59–60
 top formations, 108–111
- Phelps Dodge, 158
- Pillsbury, 185
- Positions. *See also* Net positions
 lack of shifts in, 25
 long call and short put, 18
 net, compared to historical range, 33
 net chart, 47–48
 patterns of, 25
 short call and long put, 18
- Price-continuation indicator, 89
- Price movement:
 correlated with net position, 51–56
 hedging pressure, 88–89
 prediction of, by speculators, 85–86
- Primary gasoline contract specifications, 165
- Privacy in trading, 4
- Profitability of Speculators in Currency Futures Markets, The* (Kearns & Manners), 94–95
- Profit earnings:
 large commercial hedgers versus large speculators, 86–88
 large *versus* small traders, 87
 positive-feedback traders, in Kearns and Manners’ study, 94–95
- Rectangular formations in charts, 107
- Relative Strength Index (RSI), 120–121
- Reports:
 large traders, 20–23, 28–29, 31, 145
 Series ’01 forms, 8
 Series ’03 forms, 6, 8
 thresholds, 27–29, 145. *See also*
 Nonreportable positions
 number of traders, 146
 system for large traders, 31
- Returns and Forecasting Ability of Large Traders in the Frozen Pork Bellies Futures Market, The* (Leuthold, Garcia, & Lu), 88
- Returns and holding periods (Wang’s study), 90–94
- Returns to Individual Traders of Futures: Aggregate Results* (Hartzmark), 87
- Returns to Speculators and the Theory of Normal Backwardation* (Chang), 86
- Risk premia* (or convenience yield), 84–85, 105–113
- Risk premiums, 89–90
- Risk transfer, 97, 106
- Rogers, Jimmy, 157
- Royal Dutch/Shell, 168
- Sawtooth pattern:
 quarterly contract expirations, 131
 stock indexes futures, 146
- Schulman, Morton, 5
- Schwager, Jack, 183, 185
- Seasonality:
 average compared to hedging, 43–45
 calculation of convenience yields, 85
 Series ’01 forms (traders’ report), 8
 Series ’03 forms (traders’ report), 6
- Shaleen, Kenneth H., 43
- Short Form (COT), 23–24. *See also* Long Form (COT)
- Short-term exchange rate compared to futures transactions, 93–94

- Short-term traders, 66
- Small speculators, 43
- Small traders:
 - compared with commercials and speculative funds, 29–30
 - fading of, 36–37
 - forecasting skill, in Houthakker's study, 86
 - nonreporting, 49
 - patterns of trading, 59–60
 - variability of, 36–37
- Softs. *See* Food and fiber
- Sommers, Jill, 218
- Soy and grain complex markets, correlation tables, 186–193
- Soybeans market:
 - bottom and top of a bull move, 183–185
 - Chicago Board of Trade, 4
 - commercial hedgers, 184–185
 - commodity index funds, 184–185
 - historical COT charts, 189–193
- Speculation. *See also* Large Speculators; Speculators
 - controversy over, in economics, 83–84
 - energy costs, 10
 - funds, 29
 - studies of, 83–96
 - trading limits, 9–10
- Speculators. *See also* Large speculators; Speculation
 - large, and “noncommercial” spreading, 41
 - large, as hedge funds, 33–34
 - large, as net gainers, 86
 - versus “trade,” 3–4
- S&P 500 Futures:
 - compared to E-mini contracts, 145–148
 - Goldman Sachs Commodity Index (GSCI) of Markets, 35
 - stock indexes futures, 145–147
 - trading signals generated by two-moving average crossovers, 102
- Spreading:
 - explanation of, 18–20
 - large speculators and “noncommercial,” 41
- Standard deviation (Bollinger) bands, 121–122
- State Street Bank, 129
- Stochastics indicator, 115–117
- Stock indexes futures:
 - comparison of S&P 500 and COT Index, 147–148
 - comparison of S&P 500 and E-mini traders, 145–146
 - correlation tables, 148–150
 - COT Index and Movement Index, 146–148
 - historical COT charts, 148, 150–153
 - negative correlation study, 150
 - positive correlation study, 147–148, 149
- Stop-losses:
 - not included in simplified trading rules, 100
 - planned versus unplanned losses, 103
- Studies of speculation in trading, 83–96
- Study of *Options and Futures Combined* data:
 - hypothetical trading, 100–101
 - trading rules, 98–100
 - two-moving average crossover system, 99
- Styles of trading. *See* Trading styles
- Supply and demand, 70, 105–106
- Swap dealers:
 - commodity mutual funds, 35
 - COT-Supplemental report, 218
 - International Swaps and Derivatives Association, 35, 218
 - shift of position, lack of, 25
 - stock indexes futures, 148
- T-bonds, 175
- Templeton Emerging Market Fund, 132
- Tien, David, 89
- T-notes, 175
- Top formations:
 - COT Movement Index, 108–111
 - patterns of trading, 108–111
- Tops and bottoms in COT Movement Index, 108
- Traders. *See also* Commercials (hedgers); Large commercials; Large speculators; Small traders; Speculators
 - commercials and bias toward short positions, 49
 - “commercial” versus “noncommercial,” 27–37
 - Hedger exemption from position limits, 10–13
 - managed money traders (MMT), 10
 - number of, in each futures market category, 5, 20–23
 - positions on old- and new-crop markets, 17–18
 - reportable positions, 18
 - small traders (nonreporting), 49
- Trading for a Living* (Elder), 123

- Trading indicators:
 - COT Cross Index for cross-rates (currency), 131–132
 - faulty, 157–158
 - Moving Average Convergence/Divergence (MACD) histogram, 117–120
 - ranges in COT index, 70–72
 - Relative Strength Index (RSI), 120–121
 - standard deviation (Bollinger) bands, 121–122
 - stochastics indicator, 115–117
 - top formations, 108–113
 - U.S. Dollar Index, 129–132
- Trading patterns:
 - continuation patterns, 111–113
 - copper and unusual market conditions, 157–158
 - flag (or pennant) formations, 111–113
 - sawtooth, 131, 146
- Trading ranges, 70
- Trading signals. *See also* Net positions
 - buying and selling climaxes, 69, 75–79
 - COT index, personalized, 67
 - COT index as timing indicator, 69–72, 115
 - COT Movement Index, 75–81
 - failed, 183
 - lack of movement in positions, 25
 - market top, 69
 - Moving-Average Convergence/Divergence (MACD)–Histogram, 117–120
 - net position movement, 25
 - 40-point COT surge rules, 76–79
 - Schwager’s “most important rule,” 183
 - short-term traders and more frequent, 66
 - stochastics indicator, 115–117
 - supply and demand fundamentals, 70
 - taking profits near end of move, 108
- Trading styles:
 - 40-point COT surge rules, 76–79
 - momentum (trend-following), 51–56, 91
 - negative-feedback or counter-trend, 57, 59, 91
- Traditional commercials. *See* Commercials (hedgers)
- Treasury Bonds, 30-year, 175–176
- Treasury futures:
 - commercial hedgers, 176
 - correlation tables, 176–178
 - historical COT charts, 176, 179–181
- Trend changes, 51, 60
- Trend theory, 105–106
- Turtles, 6
- Uptrends, 71–72, 106
- U.S. Department of Agriculture’s (USDA)
 - annual report, 4
- U.S. Treasury debt instruments, 129
- Veld, C., 88–89
- Wachovia Corp., 35
- Wang, Changyun, 89–93
- Weir, L., 93–94, 127–129
- Wheat and corn markets:
 - Chicago Board of Trade, 4
 - correlated with grain and soy complex, 189
 - historical COT charts, 191–193
- Wilder, J. Wells, 120
- Williams, Larry, 5

