

November 28, 2022 – COT Report Comments

The holiday-delayed Commitments of Traders (COT) report, for positions held as of Nov 22, 2022, was largely as expected in that there were no large positioning changes, following two prior weeks of significant deterioration to the market structures in both COMEX gold and silver. Given the decline in prices over the reporting week ended last Tuesday, we did get some improvement (commercial buying and managed money selling) in the new report – but nothing of a blockbuster nature.

In COMEX gold futures the commercials reduced their total net short position by 4200 contracts to 130,100 contracts. The only real oddity was that the big 4 short position, which still looks to be purely commercial, did increase by nearly 4900 contracts to 117,780 contracts (11.8 million oz), underscoring what I wrote last Wednesday about the unusual configuration of the big former commercial shorts having gone heavily short, while the raptors (the smaller commercials) getting heavily long – a very strange circumstance.

The big 5 thru 8 short position didn't change at all, but the possibility now exists that a managed money trader may have re-entered that category to the tune of 10,000 contracts or so. I don't want to make this more complicated than necessary, but if a managed money trader isn't holding 10,000 contracts short, then the raptors net long position would have grown to 70,000 contracts, while the big 4 (commercial) short position grew by nearly 5000 contracts this reporting week, which is hard for me to imagine in that it would be so manipulative and crooked on its face, that even I would have trouble thinking the COMEX could be that crooked. Then again, maybe not.

The managed money traders were net sellers of 6026 net gold contracts, fairly evenly divided between long liquidation and new short selling. The resultant net managed money long position slipped to 19,431 contracts (92,161 longs versus 72,730 shorts). Interestingly, the other large reporting traders were net sellers of around 4000 contracts, while the smaller non-reporting traders were net buyers of nearly 6000 net contracts. Interesting, but I'm not sure what it means.

In COMEX silver futures, the commercials reduced their total net short position by 1800 contracts to 27,600 contracts. The big 4 short position (still purely commercial) grew by a slight 150 contracts to 42,926 contracts (214.6 million oz). The big 8 short position grew by less than 70 contracts to 62,520 contracts (313 million oz), with the possibility (not as strong as in gold) that a managed money trader may have re-entered the ranks of the big 5 thru 8 shorts to the tune of 3000 contracts or so. Depending whether that's the case, the raptor long position was either 32,000 or 35,000 net contracts.

The managed money traders sold 1410 net silver contracts, comprised of the long liquidation of 482 contracts and the new sale of 928 short contracts. – – – The resultant net managed money long position fell to 11,699 contracts (37,624 longs versus 25,925 shorts), still extremely bullish on a historical basis.

Today's price smash appears to have occurred on very thin net volume, as rollover volume ahead of Wednesday's first delivery day dominated trading. As such, there wasn't likely much significant positioning, perhaps some further improvement.

I don't think I mentioned it in last week's – Deeper Dive – , but the only way we'll likely see significant managed money selling from here is if these dumbos decide to go heavily short, as their

long positions are quite lean and not susceptible to significant liquidation on lower prices. I'd say there's no law against stupidity, but there is a law against price manipulation and the only way for the managed money traders to get heavily short from here is if the collusive COMEX commercials decide to and are successful in rigging prices lower. This is important because if managed money short selling is limited from this point and physical demand continues to overwhelm silver supply, then the big commercial shorts are fighting a losing game.

Along those lines, I haven't heard anything from Terry Duffy (CEO of the CME Group, Inc.) yet, inviting him to respond to my allegations that he is running a crooked exchange. I'm not holding my breath, but he was quite vocal about labeling Sam Bankman-Fried a fraud (rightly so) and I thought this might be a good opportunity for Duffy to respond to allegations that the COMEX is a fraud. Maybe we could do a webinar or something.

Also, I did fire off my 4th complaint to the Securities & Exchange Commission since August, about the fraud and manipulation of the excessive short position in SLV, along with copies to the CEO and President of BlackRock and its outside attorney. I'm not sure what it is, but getting those in charge and responsible to respond to matters of importance such as running frauds and manipulations has been quite difficult. Then again, I think I have a pretty good idea as to why that's the case.

Ted Butler

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Silver – \$20.90 (200 day ma – \$21.44, 50 day ma – \$19.94, 100 day ma – \$19.57)

Gold – \$1740 (200 day ma – \$1804, 50 day ma – \$1692, 100 day ma – \$1719)

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