GC COT Index Extreme Contrarian

Fills Q&A PM-POS-3 (Critical). Extreme positioning historically precedes mean reversion. 2015-2020 QE-taper era broke the pattern (positioning followed price rather than led reversal), so signal is SPECIALTY and regime-c.

David Stendahl · Market Lab Analytics · November 6, 2026

What this signal is

Fills Q&A PM-POS-3 (Critical). Extreme positioning historically precedes mean reversion. 2015-2020 QE-taper era broke the pattern (positioning followed price rather than led reversal), so signal is SPECIALTY and regime-conditional. Multi-portfolio: same construction applies to SI/PL/PA (the data source has all four).

The composite is bounded between minus one and plus one through tanh. On 2012-04-25 it reached its series maximum plus 0.964 and on 2009-09-16 its series minimum minus 0.964.

Today the composite reads near +0.43. See live page for current state.

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How the inputs compose

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The engine also computes four confirming features: five-day velocity, 60-day volatility regime, 60-day correlation with gold returns, 63-day lag-1 autocorrelation.

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What the state-conditional returns have actually done

The gold forward-60-day return baseline (unconditional) is mean plus 1.40 percent, median plus 1.12 percent.

> **Reference baseline (4,532 gold-aligned forward-60-day windows over the live engine window)**

> Gold forward-60-day return baseline: mean plus 1.40 percent, median plus 1.12 percent. Phase 0 source: Z11174 engine parquet joined with COMEX gold back-adjusted continuous closes.

Crowded short contrarian (Phase +1), 500 trading days, returned on average plus 0.69 percent.

Normal (Phase +0), 2,041 trading days, returned on average plus 0.70 percent.

Crowded long contrarian (Phase −1), 649 trading days, returned on average plus 3.87 percent.

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Three cases that frame how to read the signal

Case 1: 2012-04 composite series maximum

On 2012-04-25 the composite reached its series maximum plus 0.964. Gold subsequent 60-day behavior aligned with the crowded short contrarian regime pattern.

Case 2: 2009-09 composite series minimum

On 2009-09-16 the composite reached its series minimum minus 0.964. Gold subsequent 60-day behavior aligned with the crowded long contrarian regime pattern.

Case 3: March 2020 COVID shock window

The March 2020 COVID liquidity shock drove violent regime shifts across gold drivers. The composite oscillated as the underlying mechanism repriced.

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How to use the signal today

This is a regime detector on a 60-day forward horizon.

Three best uses. First, as a regime filter for gold exposure (Phase +1 equals crowded short contrarian). Second, as a cross-check against positioning and price-momentum signals. Third, as a transition-window warning, pairing with price-based signals for conviction.

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Methodology notes

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The 2008 start reflects the earliest reliable source coverage.

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What this signal does not cover

Four caveats. The signal is a regime detector, not a timing signal. State-conditional means hold on average, not for every individual window. Regime persistence varies with macroeconomic backdrop.

Individual windows can run much longer or shorter than mean sample. State-conditional edges are backward-looking empirical averages. Future regimes may differ. The baseline is COMEX gold back-adjusted continuous (GC_1240BD).

Not investment advice. Signal readings and empirical statistics are derived from publicly available data sources. (c) 2026 David Stendahl.