PL 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 (CFTC_DCOT_WEEKLY has all four).

The composite is bounded between minus one and plus one through tanh. On 2012-05-23 it reached its series maximum plus 0.964 and on 2009-08-05 its series minimum minus 0.964.

Today the composite reads near +0.21. 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 platinum returns, 63-day lag-1 autocorrelation.

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What the state-conditional returns have actually done

The platinum forward-60-day return baseline (unconditional) is mean plus 0.70 percent, median plus 0.03 percent.

> **Reference baseline (4,531 platinum-aligned forward-60-day windows over the live engine window)**
>
> Platinum forward-60-day return baseline: mean plus 0.70 percent, median plus 0.03 percent. Phase 0 source: Z11176 engine parquet joined with NYMEX platinum back-adjusted continuous closes.

Crowded short contrarian (Phase +1), 558 trading days, returned on average plus 2.73 percent.

Normal (Phase +0), 2,315 trading days, returned on average plus 0.71 percent.

Crowded long contrarian (Phase –1), 511 trading days, returned on average plus 0.29 percent.

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Three cases that frame how to read the signal

Case 1: 2012-05 composite series maximum

On 2012-05-23 the composite reached its series maximum plus 0.964. Platinum subsequent 60-day behavior aligned with the crowded short contrarian regime pattern.

Case 2: 2009-08 composite series minimum

On 2009-08-05 the composite reached its series minimum minus 0.964. Platinum 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 platinum 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 platinum 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 NYMEX platinum back-adjusted continuous (PL_1240BD).

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