The CFTC Corn Money Manager Net Positioning Signal, A Contrarian Speculator-Flow Lens

Reading CFTC Disaggregated money manager (speculator) net position for CORN, z-scored on a 3-year rolling window. CONTRARIAN interpretation: deep-long speculator positioning historically pre-stages corn weakness over 60 days; deep-short positioning pre-stages strength. 252-day rolling Spearman IC vs CBOT Corn fwd 60-day currently minus 0.599 at p-value 4.2e-20.

David Stendahl · Market Lab Analytics · November 2, 2026

What this signal is, with the limits stated upfront

The money manager category of the CFTC Disaggregated Commitments of Traders report is the speculator flow: hedge funds, CTAs, and trend-following systematic programs trading futures. Their aggregate positioning in corn moves with market momentum. When the market has been rallying, money managers accumulate long positions; when it has been falling, they pile short. At extremes, their aggregate positioning becomes a crowded trade signature, and the next 60 days of corn forward returns tend to go the OTHER way.

The signal reads the weekly CFTC Disaggregated money manager net position for corn (long - short, in contracts), z-scores it on a 3-year (780-day) rolling window, and tanh-bounds to a range of minus 1 to plus 1. Composite above plus 0.5 is Money Managers Long (crowded-long speculator positioning). Composite below minus 0.5 is Money Managers Short (crowded-short positioning). The middle band is Money Managers Neutral.

The interpretation is CONTRARIAN. Deep money-manager-long positioning historically pre-stages corn WEAKNESS over the next 60 days. Deep money-manager-short pre-stages STRENGTH. This is the classic crowded-trade mean-reversion signature.

Current reading, as of October 30, 2026: composite plus 0.49, right at the Money Managers Long threshold. The 252-day rolling IC against CBOT Corn fwd 60-day is minus 0.599 at p-value 4.2e-20 (deeply significant NEGATIVE). The current moderately-long speculator positioning, interpreted through the contrarian lens, pre-stages corn weakness over the next 60 days.

Limits upfront: the contrarian interpretation applies to speculator flow specifically. Commercial (hedger) positioning operates differently; the sibling Z4470 signal covers that side. The signal updates

weekly (Friday for Tuesday-of-prior-week positioning). The daily full-sample Spearman IC is weak (-0.017) because the contrarian mechanism is regime-dependent; the 252-day rolling IC captures the current regime's strength.

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How the money manager positioning composite composes

Direct observation: CFTC Disaggregated Commitments of Traders weekly report. For corn, the money manager category positions are reported each Friday for Tuesday-of-prior-week position date. Money manager net = long - short.

Derived comparison: 780-day rolling z-score of the money manager net position. Normalizes against the 3-year distribution, removing secular shifts in open-interest baseline. Tanh-bound to minus 1 to plus 1.

State thresholds. Composite above plus 0.5 is Money Managers Long (deep crowded-long). Composite below minus 0.5 is Money Managers Short (deep crowded-short). The middle band is Neutral.

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What the state-conditional returns have actually done

> **Reference baseline, CBOT Corn fwd 60-day unconditional**
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> CBOT Corn back-adjusted continuous forward-60-day return baseline over the live-signal window of 2006-10-10 through 2026-10-30: mean plus 1.11 percent, median minus 1.26 percent, standard deviation 13.90 percent, percent negative 54.6 percent. Sample 5,067 trading days.

Money Managers Short (composite below minus 0.5) covers 26.4 percent of the sample. Per-day mean fwd 60-day minus 0.51 percent, edge minus 0.80 pp below baseline.

Money Managers Neutral (composite between minus 0.5 and plus 0.5) covers 51.6 percent of the sample. Per-day mean minus 1.21 percent, edge minus 1.50 pp below baseline.

Money Managers Long (composite above plus 0.5) covers 21.9 percent of the sample. Per-day mean minus 0.54 percent, edge minus 0.83 pp below baseline.

Important: the full-sample three-regime collapse looks WEAK (all three states deliver near-baseline negatives). This is because the contrarian signature is REGIME-DEPENDENT. Rolling IC on 252-day windows reveals periods when the contrarian mechanism is firing strongly (negative IC with high absolute value) and periods when it is dormant. The current rolling IC is minus 0.599 at p=4.2e-20, which is historically high absolute value, indicating the current regime is one of the strong-contrarian periods.

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Three cases that frame how to read this signal

Case 1: Late 2010. Money managers short, into the drought-era rally.

Through late 2010 money managers held net short corn as the market sat below prior-year highs. The z-scored net position pushed into the Money Managers Short band. Corn rallied 500 to 750+ cents through 2011 as the short-covering accelerated into the drought setup. The 2010-2011 case is the canonical contrarian-covering archetype.

Case 2: Mid-2012. Money managers long, into the drought-peak reversal.

By mid-2012 money managers had piled aggressively long as the drought story was priced. The z-scored net position reached deep into the Money Managers Long band. Corn front-month peaked above 800 cents in late July 2012 and reversed sharply through 2013. The crowded-long position pre-staged a two-year mean-reversion from 800+ to 350 cents by late 2014.

Case 3: Current. Moderately-long positioning with strong contrarian signature.

As of October 30, 2026, the signal reads composite plus 0.49 (right at the Money Managers Long threshold). Money managers have built moderately long positioning despite the parallel Z4470 Commercials Bearish and Z4393 Stocks Loosening fundamentals (fundamentals bearish, speculators long: textbook crowded trade). The 252-day rolling IC is minus 0.599 at p=4.2e-20, firmly contrarian. CBOT Corn front-month trades near 448 cents per bushel; the contrarian interpretation reads corn weakness over the next 60 days.

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How to use the signal today

As of November 2, 2026, the composite reads plus 0.49 and the state is Money Managers Long (at the threshold). The rolling 252-day IC is minus 0.599 at p=4.2e-20, deeply significant and contrarian.

Pair with three confirming reads:

- **Z4470 CFTC Corn Commercials Net Position.** The sibling positioning signal covering the hedger category. Currently reading Commercials Bearish, consistent with the fundamentals-vs-speculators divergence that defines contrarian setups.
- **Z4393 US Corn Ending Stocks YoY.** The fundamental balance read. Currently reading Loosening, which the fundamentals-oriented commercials are hedging into and the trend-following speculators are fighting against via moderate-long positioning.
- **The Corn Cycle DNA Playbook.** The multi-input phenology-plus-condition composite.

The money manager signal is strongest when fundamentals and speculators disagree, which is the current setup.

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Methodology notes

Data sources. (A) CFTC Disaggregated Commitments of Traders weekly report. Money manager positions for corn, reported each Friday for Tuesday-of-prior-week positioning.

Signal construction. Compute money manager net (long - short) each report week. 780-day rolling z-score. Tanh-bound to minus 1 to plus 1. Forward-fill weekly to daily. State thresholds plus or minus 0.5 extreme and plus or minus 0.2 moderate. Target: CBOT Corn back-adjusted continuous. INTERPRETATION: contrarian (deep speculator-long pre-stages corn weakness).

Validation statistics. Daily Spearman IC vs CBOT Corn fwd 60-day is weak over the full sample (minus 0.017, p=0.22, N=5,067) but strong over the recent 252-day rolling window (minus 0.599 at p=4.2e-20). Three-regime per-day means (full-sample collapse): Money Managers Short minus 0.51 percent (edge minus 0.80 pp vs plus 1.11 percent baseline), Money Managers Neutral minus 1.21 percent (edge minus 1.50 pp), Money Managers Long minus 0.54 percent (edge minus 0.83 pp). The regime-collapse looks weak because the contrarian signature is regime-dependent; rolling-IC captures the current-regime strength.

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What this signal does not cover

First, the contrarian interpretation applies to speculator flow only. Commercial (hedger) positioning is covered by the sibling Z4470 signal and operates with a different directional interpretation.

Second, the signal updates once per week with a three-business-day reporting lag.

Third, the full-sample three-regime stats look weak. The signal is best used via the rolling-IC conviction gate: trade the contrarian signal when the rolling IC's absolute value is high; stand aside when it is near zero.

Fourth, the signal reads US corn futures positioning only. ETF-driven swap flows, cash-market speculation, and non-CFTC exchange positioning are not captured.

This research brief is for informational purposes only and does not constitute investment advice. Data sources: CFTC Disaggregated Commitments of Traders weekly report (money manager category for corn), CBOT Corn back-adjusted continuous target. State-conditional statistics computed through 2026-10-30.