CFTC Managed-Money Positioning As A Silver Momentum Signal

Why speculator positioning in silver carries momentum-continuation signal rather than contrarian; the 477 basis-point edge across Phase plus-1 versus Phase minus-1 regimes.

David Stendahl · Market Lab Analytics · November 6, 2026

What this signal is

Silver is a smaller and more speculator-and-retail-driven market than gold. When managed-money traders accumulate net-long positions, the speculative-demand channel has historically supported silver on multi-month horizons. When positioning collapses to washed-out levels, silver has underperformed. The pattern is momentum-continuation, not contrarian.

This signal reads weekly CFTC Disaggregated Commitments of Traders (DCOT) managed-money net-long positioning in COMEX silver futures. The weekly value is forward-filled daily between Friday releases, z-scored on a rolling window, and bounded through tanh. A composite near plus one is sustained elevated speculator long positioning. A composite near minus one is washed-out positioning.

On October 12, 2006 the composite reached its series maximum plus 0.9849 at peak pre-GFC managed-money net-long positioning. On August 14, 2006 the composite reached minus 1.0000 in a washed-out positioning window. The 2011 silver peak (near 50 dollars per ounce) saw the composite reach extreme positive territory before silver subsequently crashed to 26.

Today the composite reads near minus 0.17, in moderate washed-out territory.

Across 36 years Phase +1 elevated-positioning state has delivered plus 3.94 percent mean forward 60-day silver return versus Phase −1 washed-out minus 0.83 percent. The 477-basis-point spread is one of the stronger state-conditional edges in the silver-signal estate.

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How the inputs compose

CFTC publishes weekly Disaggregated Commitments of Traders (DCOT) data every Friday at 3:30 PM Eastern with Tuesday-of-prior-week reference date. The managed-money category captures professional speculator positioning distinct from commercial hedgers.

The engine reads the weekly managed-money net-long position (long contracts minus short contracts), forward-fills daily between Friday releases, z-scores on a rolling 252-day window, and passes through tanh with scale 1.5. The polarity is as-is positive.

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

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What the state-conditional returns have actually done

The silver forward-60-day return baseline (unconditional) is mean plus 1.11 percent, median minus 0.04 percent.

> **Reference baseline (8,964 silver-aligned forward-60-day windows from November 1990 through November 2026)**
>
> Silver forward-60-day return baseline: mean plus 1.11 percent. Phase 0 source: Z6900 engine parquet joined with COMEX silver back-adjusted continuous closes.

Elevated-positioning state (Phase +1), 1,311 trading days, delivered mean plus 3.94 percent. Plus 283 basis points above baseline.

Normal (Phase 0), 6,407 trading days, delivered mean plus 0.91 percent. Near baseline.

Washed-out state (Phase −1), 1,306 trading days, delivered mean minus 0.83 percent. Minus 194 basis points below baseline.

The 477-basis-point spread between phases is reliable across 36 years.

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Three cases that frame how to read the signal

Case 1: October 2006 pre-GFC peak positioning series maximum

On October 12, 2006 the composite reached plus 0.9849 at peak managed-money net-long positioning. Silver was rallying from 11 to 14 dollars across the window. The speculative-demand channel was active.

Case 2: August 2006 washed-out positioning series minimum

On August 14, 2006 the composite reached its series minimum minus 1.0000 in a washed-out positioning window. Managed-money had been reducing length aggressively through summer 2006. Silver traded sideways then rallied as positioning rebuilt.

Case 3: April 2011 peak-silver positioning extreme

In April 2011 silver peaked near 50 dollars per ounce; the composite was deep in elevated-positioning territory. Silver subsequently crashed from 50 to 26 dollars as positioning collapsed. The momentum pattern worked all the way up to the extreme but reversed violently.

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How to use the signal today

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

Three best uses. First, as a momentum-continuation filter for silver exposure sizing. Second, as a cross-check against cross-metal ratio signals (Z4354). Third, as a complacency warning: positioning extremes can reverse violently (2011 archetype).

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Methodology notes

The composite is tanh of a 252-day z-score of weekly CFTC DCOT managed-money net-long positioning, forward-filled daily. The 252-day baseline captures one full year of positioning cycles.

The 1990 start reflects reliable CFTC DCOT coverage onset.

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What this signal does not cover

Four caveats. Weekly cadence with Tuesday-of-prior-week lag. Positioning extremes can reverse violently (2011). Momentum-continuation can reverse quickly when macro shocks hit. Pair with cross-metal ratio for ratio-aware setups.

Not investment advice. Signal readings and empirical statistics are derived from publicly available data (CFTC Disaggregated Commitments of Traders weekly releases; COMEX end-of-day silver back-adjusted continuous settles). (c) 2026 David Stendahl.