Max Schulz

Profitable Futures Trading

Based on the Commitment of Traders Report

- From $14,000 to $1.5 million
- Trading world championship prize winner 2017, 2019 and 2021
- Founder of InsiderWeek

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CFTC Rule 4.41 states:

Hypothetical or simulated performance results have certain limitations. unlike an actual performance record, simulated results do not represent actual trading. also, since the trades have not been executed, the results may have under-or-over compensated for the impact, if any, of certain market factors, such as lack of liquidity. simulated trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. no representation is being made that any account will or is likely to achieve profit or losses similar to those shown.

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I. Preface

Dear reader,

Right from the outset, I would like you to bear the following in mind. The US Federal Trade Commission (FTC) stipulates under American law that any one who offers publicly available investment courses must clearly indicate the following:

Warning

Trading in futures, stocks, foreign currency, options and other financial product carries a high level of risk and you could lose a lot of money.

But you don't want to lose money, you want to trade successfully and profitably. That's why you're here, and that's why you are reading this book. You have taken an important step in the right direction.

On the following pages, I will give you an initial insight into how we trade on the futures markets. After a brief introduction to the topic of futures contracts, I want to show you how we trade on the markets, introduce you to our trading approach and reveal the results that we have been able to achieve with this approach over the past five years. And I want to show you how YOU can achieve this too.

You should be aware that trading in the financial markets is very risky, but also offers great opportunities. Those among you who consciously accept and respect this risk, who approach this task with discipline, work towards their goal consistently and possess the necessary common sense and patience, will be rewarded.

With discipline and motivation, and with an easy-to-understand trading approach, we have managed to turn a small starting sum into a trading account of almost

$600,000 in just seven years.

I would like to outline this path for you in this book and motivate you to follow it too. What are you waiting for?

I wish you every success, many new insights while reading and hope to hear from you soon!

1. Futures and the futures market

> Traditional real estate or stock investors are missing the boat. They are quite literally on a small boat in a small pond compared to the physical commodity markets.
> *Larry Williams*

A humorous example first to illustrate the importance of the future markets: Many years ago, McDonald's planned to expand its range to include a product called Chicken McNuggets. There was only one problem: There was, at that time, no regulated market for chicken meat. A price calculation therefore did not seem possible. Any fluctuation in the price of chicken would force McDonald's to adjust the selling price of its nuggets or withstand incalculable profit risks. In the end, the dilemma was resolved with the advice of Ray Dalio to use the futures market.

Due to the absence of a chicken future contract he recommended building a synthetic future that would effectively hedge the producer's exposure to price fluctuations. The producer joined the futures markets and purchased especially wheat and corn, thus what they needed for their chickens to feed as these had a significant influence on the chicken price. With these calculable commodity prices, they were ultimately able to guarantee stable meat prices.

So the next time you bite into your Chicken McNuggets, think about the importance of the futures markets!

Futures trading in general is not only the “stepchild” of the stock market in our part of the world. Even in the USA, where futures trading is much more common than in Germany, it is held in similar low esteem. Larry Williams (an author, and one of the best-known futures traders, whose name will often appear in these pages) writes about this in his book “Trade Stocks and Commodities with the Insiders”.

> When most people think of investments, they think of stocks and bonds. That isold-fashioned thinking. They are not aware that five times as much capital changes hands every day on the commodity markets as on the stock and bond markets. Traditional real estate and stocks are a thing of the past. Compared to the commodity markets, the investors in this sector are sitting in a small boat on a small pond.[1]

The USA is the world‘s most important trading center for futures. The CME Group in Chicago, which includes the Chicago Board of Trade (CBOT), the world’s oldest futures exchange, and the New York Mercantile Exchange (NYMEX), are the world’s largest options and futures exchanges, followed by EUREX, the European Exchange, which emerged from the Deutsche Terminbörse (DTB), and the Swiss Options and Financial Futures Exchange (SOFFEX).

1) Williams, Larry (2005): Trade Stocks and Commodities with the Insiders - Secrets of the COT Report, Wiley Trading Series

This is how futures were once traded ...

Chicago Board of Trade - CBOT - The 'Floor'

Chicago Board of Trade - CBOT - The 'Floor'

... and this is how it works today:

Electronic Trading

1.1. What are “futures”?

The futures contract - a first look at the topic
Strictly speaking, futures are delivery and purchase agreements, i.e. purchase contracts that are traded on an exchange.
Bloomberg explains them as follows:

> Futures are derivative financial contracts obligating the buyer to purchase an asset or the seller to sell an asset, such as a physical commodity or a financial instrument, at a predetermined future date and price.[2]

A futures contract is therefore a legally binding agreement to buy or sell a commodity or a financial instrument:

- sometime in the future
- at a price agreed at the time of trading.

The fact that it is a binding agreement makes the primary difference compared to options. While options gives the holder the right to buy or sell the underlying asset, the holder of a futures contract is obligated to fulfill the terms of his contract. This agreement is concluded on a futures market or futures exchange.
A futures contract is essentially characterized by:

- an underlying asset include physical commodities or other financial instruments
- the quantity (contract size) and quality of the underlying asset of the contract.
- purchase price for the underlying asset of the contract determined when the contract was concluded
- a fixed fulfillment time in the future (deadline) and
- the type of delivery (either physical delivery or cash settlement depending on the specific market)

Standardization enables transparent trading, low trading costs and easy market access.

2. Bloomberg (2021): Definitions: Futures

So, does a futures trader buy a freight car full of wheat and then wait for its delivery? In fact, futures traders sometimes joke that 100 truckloads of soybeans could be dumped in their front yard as a result of a futures trade.

In fact, the possibility of an actual delivery is the decisive connection between the cash (direct sales price) and the futures price. In reality, however, there is almost never an actual delivery of goods. So futures traders don’t have to worry about soybeans in their front yard.

In concrete terms: a futures contract is a contractual agreement which, due to its standardization, can be traded on the stock exchange – in the same way as any other share or security. However, it differs from these in some essential points. More on this topic later...

1.2. What significance do the futures markets have?

Without going too deep into the history of the futures markets: they emerged from the early trading centers for commodities and agricultural products. The original participants in these markets were the producers of such goods on the one hand and their customers (processors, wholesalers and re-sellers) on the other.

The actual products were (and are) not traded on these markets, but (as already mentioned) agreements were made here regarding the delivery and acceptance of the goods.

One can use futures to either hedge or to speculate. The main intention of the aforementioned parties is to hedge. We are talking here about immense quantities of a good, and the goal of these market participants is primarily to hedge against price fluctuations and delivery bottlenecks.

This hedging offers the following advantages for both sides.

Price guarantee

The price is fixed at the time the contract is concluded. Future price fluctuations no longer have any effect on the futures transaction. This can be an advantage, but it can also be a disadvantage. If for example the price of a commodity drops by the time of fulfillment, the fixed price is advantageous for the producer. It is, however, a disadvantage for the buyer, since he could purchase the commodity more cheaply on the cash market at the current price.

However, planning security is important for both sides. Because prices can either increase or fall during the period of the contract, the price guarantee is a necessary prerequisite for reliable operational planning.

Delivery guarantee

An important guarantee for the producer. Even if he floods the market with his products with an above-average harvest (and therefore the price falls accordingly), he does not need to worry that he will “be stuck” with his harvest on his hands. And this is where other market participants begin to enter the scene. To paraphrase Larry Williams:[3]

> Almost overnight, banks, governments and global corporations began using commodity markets to protect their business interests. When General Motors sold cars to Japan, the company needed to ensure that the value of the yen payment would not collapse by the time it was paid. The superpowers entered the commodity markets...

We therefore find that the “superpowers” are also operating on the commodity markets with the intention of hedging their large deals. These superpowers mainly consist of two groups of market participants, the commercials, i.e. the aforementioned producers and buyers of commodities, and the large speculators - the hedge funds and institutional traders. In a third group we also find the small speculators, also called small traders – futures traders like “you and me”. I will talk about the characteristics and behavior of these groups later on.

3. Williams, Larry (2005): Trade Stocks and Commodities with the Insiders - Secrets of the COT Report, Wiley Trading Series

1.3. What is traded on the futures markets?

There are generally two different types of futures.
Firstly, as mentioned previously, there are the agricultural products. Here, we are talking about commodities. There are also financial trading products, so-called “financial futures”.

This includes currencies, bonds and indices.

Commodities

1) Grains

- Wheat (ZW)
- Corn (ZC)
- Soybeans (ZS)
- Soybean Meal (ZM)
- Soybean Oil (ZL)
- Oats (ZO)
- Rough Rice (ZR)
- KCBT Wheat (KE)
- Spring Wheat (MW)

2) Meats

- Live Cattle (LL)
- Feeder Cattle (GF)
- Lean Hogs (HL)

3) Energies

- Crude Oil (CL) - Rohöl
- ULSD NY Harbor (HO) - Heizöl
- Gasoline RBOB (RB) - Benzin
- Natural Gas (NG) - Erdgas
- Ethanol (ZK) - Ethanol

4) Metals

- Gold (GC)
- Silver (SV)
- High Grade Copper (HG)
- Platinum (PL)
- Palladium (PA)

5) Softs

- Cotton #2 (CT))
- Orange Juice (OJ)
- Coffee (KC)
- Sugar #11 (SB)
- Cocoa (CC)
- Lumber (LS)

Financial Futures

1) Currencies

- US-Dollar Index (DX)
- Bitcoin CBOE Futures (BG)
- Bitcoin CME Futures (BT)
- British Pounds (B6)
- Canadian Dollar (D6)
- Japanese Yen (J6)
- Swiss Franc (Euro FX (E6)
- Australian Dollar (A6)
- Mexican Peso (M6)
- New Zealand Dollar (N6)
- South African Rand (T6)
- Brazilian Real (L6)
- Russian Ruble (R6) S6)

2) Financials

- 30 Year T-Bond (ZB)
- Ultra T-Bond (UD)
- 10 Year T-Note (ZN)
- Ultra 10-Year T-Note (TN)
- 5-Year T-Note (ZF)
- 2-Year T-Note (ZT)
- 30-Day Fed-Funds (ZQ)
- Eurodollar (GE)

3) Indices

- S&P 500 E-Mini (ES)
- Nasdaq 100 E-Mini (NQ)
- Dow Index 30 E-Mini (YM)
- Russell 2000 E-Mini (QR)
- S&P Midcap E-Mini (EW)
- S&P 500 VIX (VI)

It should be noted that the exchanges themselves are often specialized. At the CBOT (the Chicago Board of Trade) mainly futures and options on agricultural commodities are traded. The CBOT is the oldest futures exchange in the world and was founded in 1848.

1.4. Standardized contracts

The fact that futures are allowed to be traded on the stock exchange is due to their standardization. This means that every single detail of a futures contract is defined in the exchange. In addition to the base value, i.e. the underlying product, the following features are also defined:

- Contract size
- Quality
- Time of fulfillment
- Type of fulfillment
- Delivery
- Payment

1.5 Futures or shares? What’s the main difference?

If you compare futures with other instruments on the financial markets, then essential differences begin to emerge. I would like to elaborate on two of these differences, which are essential for futures trading.

Underlying asset
This denotes the asset on which a financial instrument is based, i.e. the base value of the future.

The main difference between futures and shares is the underlying, thus a futures contract is mostly based on a real trading object, i.e. a commodity or a currency. The underlying of a share is the company behind it or at least a fractional part of a company. Compared to futures the shareholder owns nothing that belongs to the company, thus there is no real asset he or she can claim and hold in their hands. The futures trader can point out that he holds a contract for 125,000 kg of corn in his hands - the shareholder cannot take any comparable claims. But as futures nowadays are nearly always settled in cash this is becoming more of a question of faith which one is a derivative and which is not.

Before spring 2020 one could also argue that the value of a future can never go to zero. But if we remember the immediate impact of Covid-19 when the demand for Oil decreased rapidly and the WTI-future went down to zero, we know that this argument is not valid anymore. Furthermore, we know that the value of a future can even go below zero in a very exceptional market situation.

Contract Expiration

A more obvious difference is that a future has an expiration, while a share has not. If a trader wants to hold i.e. a certain commodity for a longer time, then he or she has to roll the contract from a short-term expiration into a longer-term expiration. Thus, a futures contract has a fixed deadline. On this date, the delivery of the commodity is due in the strictest sense.

However, 99% of all contracts are not fulfilled by delivery. So no trader in the futures market needs to worry about what to do with the 125 tons of corn when the contract matures. Futures contracts are balanced by the so-called “offset”, i.e. the trader takes exactly the opposite position on the market. The trader who is 5 contracts of wheat long will close out his position by shorting the same number of identical contracts.

1.6 The time factor in futures trading

It has already been mentioned several times: Futures contracts have an “expiration date”. That is, you are not trading any old futures contract, but a specific contract. So, you don't trade some or other wheat contract, you trade the specific “September wheat contract”.

Which contracts can be traded?

The old, clever answer is “It depends!” But on what? On the commodity or base value. There are futures that can be traded all year round, while others have fixed trading periods. The trading period for agricultural commodities is dependent, for example, on the harvest (which is of course different depending on the growing region and whether the harvest region is in the northern or southern hemisphere); futures on precious metals and currency futures do not actually have such restrictions, but these contracts are often not traded all year round.[4] The following tables show examples of the expiration dates of three categories of futures[5]:

4) Please note: when I speak of “not traded all year round”, it does NOT mean that the future is not on the market all year round. It just means that there is not a due date for a particular future for every month.

5) https://www.barchart.com/futures/futures-expirations

Grains

Contract	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Wheat		03/14/24		05/14/24		07/12/24		09/13/24			12/13/24	
Corn		03/14/24		05/14/24		07/12/24		09/13/24			12/13/24	
Soybean		03/14/24		05/14/24		07/12/24	08/14/24	09/13/24		11/14/24		01/14/25
Soybean Meal		03/14/24		05/14/24		07/12/24	08/14/24	09/13/24	10/14/24		12/13/24	01/14/25
Soybean Oil		03/14/24		05/14/24		07/12/24	08/14/24	09/13/24	10/14/24		12/13/24	01/14/25
Rough Rice		03/14/24		05/14/24		07/12/24		09/13/24		11/14/24		01/14/25
Hard Red Wheat		03/14/24		05/14/24		07/12/24		09/13/24			12/13/24	
Spring Wheat		03/14/24		05/14/24		07/12/24		09/13/24			12/13/24	
Canola		03/14/24		05/14/24		07/12/24				11/14/24		01/14/25
Oats		03/14/24		05/14/24		07/12/24		09/13/24			12/13/24	

Softs

Contract	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Cotton #2		03/06/24		05/08/24		07/09/24			10/09/24		12/06/24	
Orange Juice		03/08/24		05/10/24		07/11/24		09/10/24		11/08/24		01/10/25
Coffee		03/18/24		05/20/24		07/19/24		09/18/24			12/18/24	
Sugar #11		02/29/24		04/30/24		06/28/24			09/30/24			
Cocoa		03/13/24		05/15/24		07/16/24		09/13/24			12/13/24	
Lumber Physical		03/15/24		05/15/24		07/15/24		09/13/24		11/15/24		01/15/25
Sugar #16		02/10/25		04/08/24		06/10/24		08/08/24		10/08/24		12/09/24

Energies

Contract	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Crude Oil WTI	01/21/25	02/20/24	03/20/24	04/22/24	05/21/24	06/20/24	07/22/24	08/20/24	09/20/24	10/22/24	11/20/24	12/19/24
ULSD NY Harbor	01/31/25	02/29/24	03/28/24	04/30/24	05/31/24	06/28/24	07/31/24	08/30/24	09/30/24	10/31/24	11/29/24	12/31/24
Gasoline RBOB	01/31/25	02/29/24	03/28/24	04/30/24	05/31/24	06/28/24	07/31/24	08/30/24	09/30/24	10/31/24	11/29/24	12/31/24
Natural Gas	01/29/25	02/27/24	03/26/24	04/26/24	05/29/24	06/26/24	07/29/24	08/28/24	09/26/24	10/29/24	11/26/24	12/27/24
Ethanol Chicago	02/29/24	03/28/24	04/30/24	05/31/24	06/28/24	07/31/24	08/30/24	09/30/24	10/31/24	11/29/24	12/31/24	01/31/25
Crude Oil Brent	12/30/24	01/31/25	02/29/24	03/28/24	04/30/24	05/31/24	06/28/24	07/31/24	08/30/24	09/30/24	10/31/24	11/29/24

How to recognize contracts

Each contract is shown with an abbreviation that indicates its underlying asset and the month of maturity. The abbreviation ZWU21 tells us, for example, that we are dealing with a wheat contract [ZW] which matures in September [U] in 2021 [21]. The contract months are abbreviated as follows:

Januar	Februar	März	April	Kann	Juni	Juli	August	September	Oktober	November	Dezember
F	G	H	J	K	M	N	Q	U	V	X	Z

The abbreviations of the base values can be found in the table above (section “What is traded...”). It should be noted that these abbreviations can differ from exchange to exchange and sometimes specific abbreviations also exist with different brokers. The above abbreviations apply to the CBOT.

What happens at the end of a futures term?

If we recall that originally, the form of fulfillment of a futures contract was the

physical delivery of the underlying commodity, then the first important date in this context is the so-called “first notice date”:

Contract Specifications See More

Contract	KC Hard Red Winter Wheat	Exchange	KCBT
Contract Size	5,000 bushels	Point Value	$50
Tick Size	1/4 cent per bushel ($12.50 per contract)	Margin/Maintenance	$2,640/2,400
Trading Hours	7:00p.m. - 7:45a.m. and 8:30a.m. - 1:20p.m. (Settles 1:15p.m.) (Sun-Fri) CST	First Notice Date	02/29/24 (13 days)
		Expiration Date	03/14/24 (27 days)

Before initiating delivery, the supplier must notify the clearing house (the brokerage) of this.

This first notice date is now the first possible date on which the delivery can be made or initiated. The expiration date is the date on which the futures contract finally expires. Since the trader is not interested in a physical delivery, another procedure, known as rolling, is used:

The trader closes his active position (the front contract) through a countertrade. So if, for instance, he was positioned long in wheat in September (ZWU21) with 5 contracts, he sells 5 contracts in wheat in September. At the same time, he creates a new, otherwise similar position in the subsequent contract (in the example December - Wheat ZWZ21).

Does the broker help the trader with this?

The broker automatically closes the open position. This means that the trader does not need to worry about a physical delivery when the contract expires.

However, he does not automatically open a corresponding position in the subsequent contract. The trader must do the actual rolling himself - preferably BEFORE the broker closes the position. Otherwise, as fate would have it, your broker could close the position when you are not at the PC. And then you are left wondering why you suddenly no longer hold a position.

2. How we got into the market

My interest in the stock market began during my studies. As a prospective business economist with a focus on finance, I was naturally interested in topics such as the stock market, investment and trading. When I started working for a southern German food company after completing my studies, I focused on the commodity markets. During this period, I began to trade on the futures market in my free time.

I decided that I wanted a solid foundation on which I could trade, rather than just a bit of fun so I started to look for training programs where I could learn how to trade commodities. Once I had begun my search for a mentor, however, I soon noticed: if you ignore those providers who promise quick wealth without any significant effort ("Make your first million after 6 months - with only 2 hours of effort per day"), there are only relatively few options left.

After extensive research, I finally chose Larry Williams. This legendary futures trader won the "World Cup Championship of Futures Trading" back in 1987 with an incredible net profit. But more importantly for me was the fact that Larry Williams shared his knowledge and methodology and also wrote several books on the subject. After reading these books, I was so convinced by his approach that I made up my mind to train with him.

I subsequently completed my training as a commodity and futures trader at the "Larry Williams University" in 2014.

2.1. Trading on the side

In the following years, in my free time, I traded in commodities and futures, exclusively on the American markets. I chose these markets because they turned out to be the most transparent of all. The basis for Larry Williams' record success was that his trades were based on a market report published by the US government agency, **the CFTC[5] (Commodity Futures Trading Commission): the COT ("Commitments of Traders") report**, which at the time was published on a monthly basis at the end of every month. From 1990 the report was published twice a month (in the middle and at the end of the month), and in 1992 it was published every two weeks. The current weekly edition was introduced in 2000.

This level of transparency led me to focus on these markets and I decided that the COT report would be the basis for my trades too.

2.2. Going professional with InsiderWeek

The "InsiderWeek" project was initially created as a two-man company with a long-time friend from my student days. It developed so quickly and positively that I finally realized that the profits from my trading could definitely keep up with the salary of my full-time job. So, I decided - after careful consideration - to quit my job and make my living as a full-time professional futures trader.
The initial plan, to trade on the side in my free time with a small account, had now expanded. Up until a few years ago, no one on the Internet offered people the opportunity to see real trading, week after week, on a real-money account. That's exactly what we wanted to create: a website that revealed all trades week after week, no matter how successful they were.

We first developed insider-week.de, a german website on which we disclosed our market information, our setups, our active trading and all the results of these trading activities. Our goal from the beginning was transparency – thanks to the transparency of the CFTC and the COT report. We publish the **weekly results** on YouTube every week.

5. The Commodity Futures Trading Commission CFTC was founded in 1974 as the successor organization to the Commodity Exchange Authority (CEA) established in 1936 by the US Congress. Its job is to regulate the commodities and options markets in the United States.

2.3. What does the near future hold?

Our trading approach, which I would like to examine in more detail in the following chapter, has proven to be efficient and successful. We have been able to make consistent profits over a five-year period. Occasional drops in the equity curve can also be cushioned and compensated for by consistently adhering to our strategy.

So we will continue to stick to this approach in the future. Of course, that does not mean that we will lean back and relax. I always want to remain open to new possibilities. Elon Musk once put it this way:

> “I think that’s the single best piece of advice: constantly think about how you could be doing things better and questioning yourself.”

The markets are constantly changing. Anyone who stands still falls hopelessly behind. We must strive to continuously develop ourselves. We must never stop learning and this new knowledge must continue to flow into our trading.

In this context it is important for me to look for ideas and insights from experienced traders as well as take new food for thought and impulses from the “novices” in the market.

Max mit Larry Williams anlässlich eines Traderkongresses 2019 in Miami, Florida[6]

In addition to trading, we will also concentrate more of our time in the future on passing on our knowledge and experience. The main focus will continue to be on our own trading. Rather, what we intend to do is to make our practical trading accessible to all interested traders. With this we suggest “killing two birds with one stone”: We want to help other traders take their trading to a higher level and improve their results on the market, and we can also learn a lot from this ourselves.

In this way, we will gain insights into the trading mindset of other market participants. It was Albert Einstein who said:

> The only source of knowledge is experience. Everything else is just information.

By preparing our knowledge and our strategy in a form in which we can pass this on to other traders, we often become aware of small nuances and subtleties. Albert Einstein is also quoted as having said:

> If you cannot explain it simply, you do not understand it well enough.

You can find out more about how we can support you in your trading in Chapter V., in which I show you what I have to offer.

6) More impressions of the event can be found here: https://insider-week.com/de/tradertreffen-miami-florida/

3. Our trading approach

The foundation upon which our entire trading is based is the data contained in the COT report - the Commitments of Traders report. What is the COT report? What data does it provide? Where do we get the report from and how do we use this data to develop our strategy?

All these questions will be answered in this chapter.

3.1. The CFTC and the COT report

The Commitments of Traders report is published weekly by the COMMODITY FUTURES TRADING COMMISSION (CFTC). The CFTC was created in 1974 by the US government as an independent agency with a mandate to regulate the commodity and options markets in the United States. As a result, this government agency enables the futures markets to fulfill two important functions, namely the formation of prices and the reduction of price risk on the futures and options market.

U.S. COMMODITY FUTURES TRADING COMMISSION

Ensuring the Integrity of the Futures & Swaps Markets

What does the report say?

The COT report is the most insightful market report issued by any government agency. It presents the US futures as transparent financial instruments and is unique in its form. The positions of the big market players, those participants on the stock exchanges who **really** have an impact on the prices, are disclosed here. The positions and movements of the "big money" is displayed ("smart money", as Larry Williams calls it, of the "big boys"). Traders are required to report their open positions to the CFTC in markets where 20 or more traders are active and are equal to or above the reporting values set by the CFTC.

The following table shows the reporting levels (Stand Januar 2024):

Commodity	Numbers of contracts
Cotton	
Cocoa	100
Coffee	50
Corn	250
Cotton	100
Feeder Cattle	50
Frozet Concentrated Orange Juice	50
Lean Hogs	100
Leave Cattle	100
Milk, Class III	50
Oats	60
Rough Rise	50
Soybeans	150
Soybean Meal	200
Soybean Oil	200
Sugar No. 11	500
Sugar No. 14	100
Wheat	150
Broad-Based Security Indexes:	
Municipal Bond Index	300
S&P 500 Stock Price Index	1.000
Other Broad-Based Securities Indexes	200
Financial:	
30-Day Fed Funds	600
3-Month (13-Weak) U.S. Treasury Bills	150
2-Year U.S. Treasury Notes	1.000
3-Year U.S. Treasury Notes	750
5-Year U.S. Treasury Notes	2.000
10-Year U.S. Treasury Notes	2.000

Commodity	Numbers of contracts
30-Year U.S. Treasury Bonds	1.500
1-Month LIBOR Rates	600
3-Month Eurodollar Time Deposit Rates	1.500
3-Month Euroyen	100
2-Year German Federal Government Debt	500
5-Year German Federal Government Debt	800
10-Year German Federal Government Debt	1.000
Goldman Sachs Commodity Index	100
Major Forein Currencies	400
Other Forein Currencies	100
U.S. Dollar Index	50
Natural Resources:	
Copper	100
Crood Oil, Sweet	350
Crood Oil, Sweet—No. 2 Heating Oil Crack Spread	250
Crood Oil, Sweet—Unleaded Gasoline Crack Spread	150
Gold	200
Natural Gas	200
No. 2 Heating Oil	250
Platinum	50
Silver Bullion	150
Unleaded Gasoline	150
Unleaded Gasoline—No. 2 Heating Oil Spread Swap	150
Security Futures Products:	
Individual Equity Security	1.000
Narrow-Based Security Index	200
Hedge Street Products	[1] 125.000
TRAKRS	[1] 50.000
All Other Commodities	25

The following example shows which actual quantities of a commodity is covered by these reporting levels:

> One corn contract contains 5,000 bushels. One bushel corresponds to approx. 25.4 kg, so that would be 127,000 kg or 127 tons of corn. A trader is required to report if he holds at least 250 contracts, i.e. trades more than 31,750 tons of corn. You can make a hell of a lot of popcorn out of that.

The current “Reporting levels” can be found here - **Reporting Levels**

The sum of all trader positions reported to the commission corresponds to between 70 and 90 percent of the total volume of the contracts held in each respective market. The reference date for the COT report is the close of trading on the Tuesday of the trading week. The CFTC evaluates the reported data and publishes it on the CFTC website on the Friday of that trading week at the close of trading (at 21:30 CET). The report therefore repre sents the situation in the markets at the close of trading on Tuesday of the week of publication.

The report can be found on the CFTC website here: **COT Report**

Types of report

Let's make things a little more exciting: There is no ONE COT report. Instead there are several COT reports, a total of eleven different ones, which differ depending on the markets being presented and the scope of information offered.

First of all, the 4 main reports are as follows:

1. Legacy
2. Supplemental
3. Disaggregated
4. Traders in Financial Futures (TFF) Report.

Then

The legacy, disaggregated and TFF reports are further reported as:

- Futures only and
- Futures-and-options combined.

In addition, there is also a long and a short format for the legacy and disaggregated reports. The exact differentiation of the reports would exceed the scope of this publication. I will go into more detail about each report elsewhere. All the download links to the individual reports can be found at the above internet address.

3.2. The market participants

For the following explanations, let us consider an excerpt from the Legacy Report for Corn, Futures Only, at the CBOT (Chicago Board of Trade) in the short form.

CORN - CHICAGO BOARD OF TRADE Code-002602
FUTURES ONLY POSITIONS AS OF 08/24/21

	NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
	LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(CONTRACTS OF 5.000 BUSHELS) OPEN INTEREST: 1.443.764									
COMMITMENTS	419.537	88.570	227.457	684.905	941.605	1331899	1257632	111.865	186.132
CHANGES FROM 08/17/21 (CHANGE IN OPEN INTEREST: 8.423)	-12.761	2.118	27.720	1.493	-12.800	16.452	17.038	-8.029	-8.615
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS	29,1	6,1	15,8	47,4	65,2	92,3	87,1	7,7	12,9
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 792)	173	94	148	341	404	594	594		

What can we gather from this table?

First of all, there are three categories of market participants: commercials, non-commercials and non-reportables.

Who are these trading groups?

Commercials are market participants who act on the futures markets primarily for hedging purposes. Another term for commercials is hedgers.

They are producers or producer associations (OPEC, United Fruit Company, Chiquita ...) and their customers and/or the processing companies (large coffee roasters such as Starbucks, wholesale chains such as Whole Foods Market ...) who want to hedge against price fluctuations in the futures market, to get around their dependence on commodity prices.

Large industrial groups (GM, Boeing) also fall under this category. Commercials don't speculate! They want to hedge their business interests by opening positions contrary to price expectations. Commercials either produce a commodity and therefore have a larger supply of the product or they need the product for their business.

Their trading activity revolves solely around buying and selling this product.

If, for example, Boeing accepts an order from British Airways for the delivery of 10 Dreamliners, the company must hedge against a possible fall in the rate of the British Pound in order not to suffer a loss of profit at the time of delivery. This is done in the form of a futures contract.

The non-commercials are different. They are those participants in the market who conduct speculative business on a large scale: institutional traders, hedge funds, large banks or large investors who exceed the reporting limit. Well-known examples would be Goldman Sachs or Bridgewater Associates.

The third group of market participants can be found in the **"Non-reportables"** column. Non-reportables are market players who do not have to report their activities. Their number is calculated by subtracting the sum (total) of the reportables from the total value of the **open interest**[8], i.e. the open contracts.

8) Open Interest is the total number of open contracts at close of trading. That is, the total number of longs or the total number of shorts, not the combined total. Futures markets are zero-sum games. This means that every contract must have both a buyer and a seller. The open interest increases by 1 when a new buyer buys from a new seller. This needs to be a new position for both parties to increase open interest. Every transaction that affects an existing and a new participant has no influence on the number of open contracts (on the open interest).

Non-reportables are often referred to as the “little fish” in the market, traders like you and me. There is a truth to this, but you should not forget: to be precise, they are actually those traders whose overall positions do not exceed the reporting limits. Commercial traders who are less involved in individual markets can also “hide” here.

What other information does the report offer us?

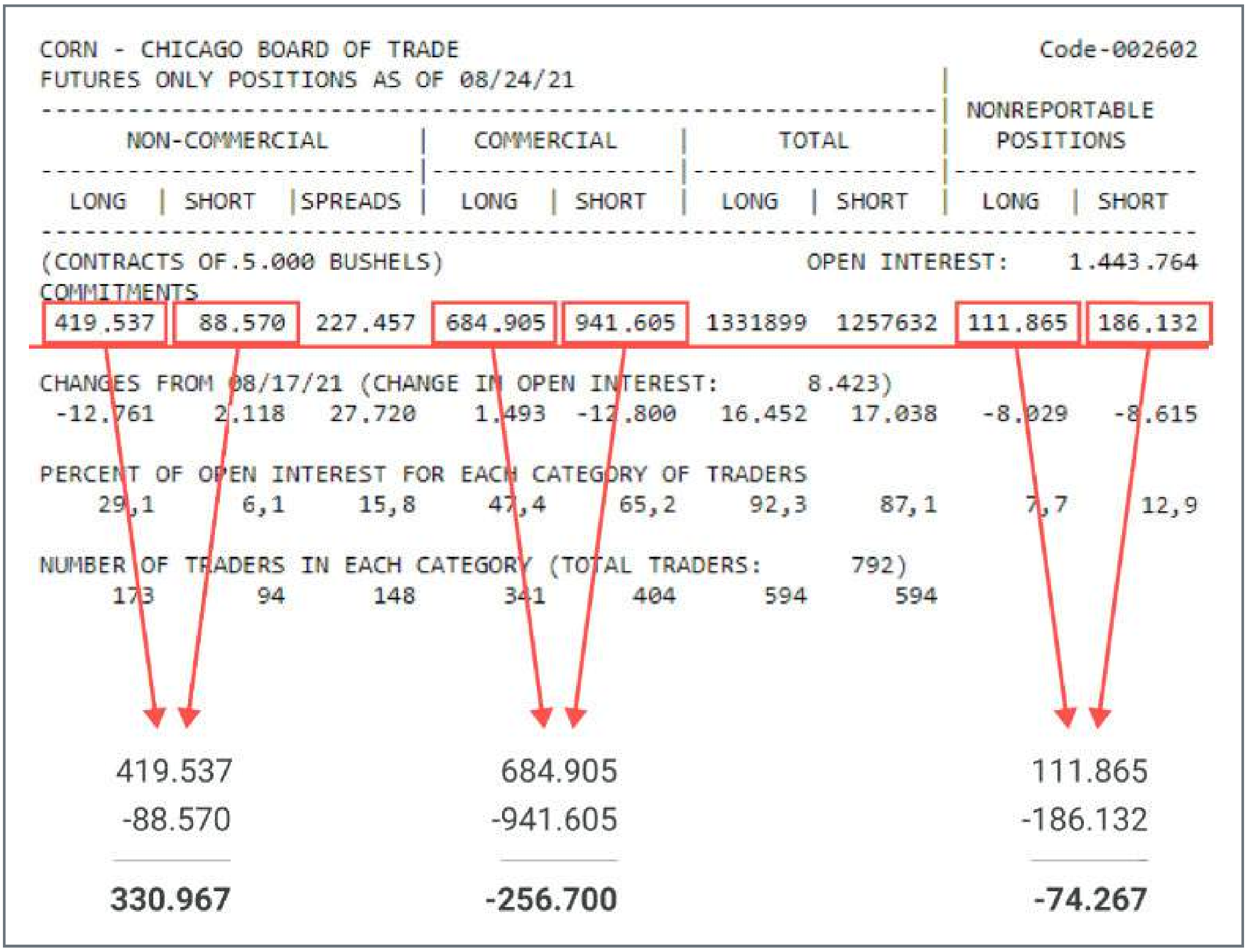
CORN - CHICAGO BOARD OF TRADE Code-002602
FUTURES ONLY POSITIONS AS OF 08/24/21

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS		
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT	
(CONTRACTS OF 5.000 BUSHELS)					OPEN INTEREST:			1.443.764	1
COMMITMENTS									
419.537	88.570	227.457	684.905	941.605	133.899	1257632	111.865	186.132	
CHANGES FROM 08/17/21 (CHANGE IN OPEN INTEREST: 8.423)									2
-12.761	2.118	27.720	1.493	-12.800	16.452	17.038	-8.029	-8.615	
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS									
29,1	6,1	15,8	47,4	65,2	92,3	87,1	7,7	12,9	3
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 792)									4
173	94	148	341	404	594	594			

1. First we see the positions of the three groups of market participants with their long and short contracts as well as the total open interest.
   The “spreads” value of the non-commercials indicates the extent to which each a non-commercial trader holds the same number of long and short contracts. For example, if an institutional trader holds 1500 contracts long and 600 short, 900 contracts are listed in the long column and 600 in the spreading column.
2. The changes to the report from the previous week.
3. The percentage of the total open interest.
4. The number of reportable traders.

The net positions of market participants

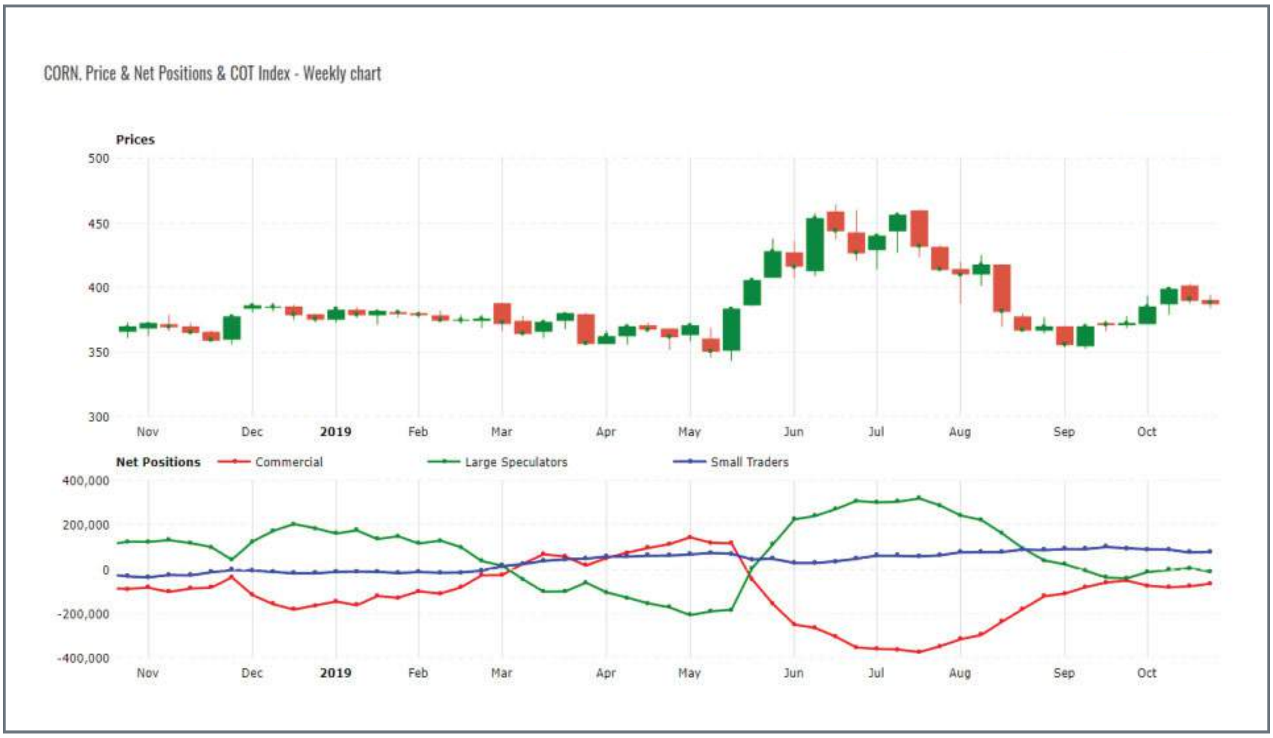
The data provided by the COT report includes the absolute positions of the market participants, their long and short contracts. However, we are interested in the net positions, i.e. the difference between long and short contracts.


```
CORN - CHICAGO BOARD OF TRADE                                           Code-002602
FUTURES ONLY POSITIONS AS OF 08/24/21                                  |
-----------------------------------------------------------------------| NONREPORTABLE
      NON-COMMERCIAL          |    COMMERCIAL    |      TOTAL      |   POSITIONS
------------------------------|------------------|-----------------|------------------
  LONG   |  SHORT  |SPREADS |  LONG   |  SHORT  |  LONG   |  SHORT  |  LONG   |  SHORT
--------------------------------------------------------------------------------------
(CONTRACTS OF.5.000 BUSHELS)                          OPEN INTEREST:     1.443.764
COMMITMENTS
 419.537   88.570  227.457  684.905  941.605  1331899  1257632  111.865  186.132

CHANGES FROM 08/17/21 (CHANGE IN OPEN INTEREST:      8.423)
 -12.761    2.118   27.720    1.493  -12.800   16.452   17.038   -8.029   -8.615

PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS
    29,1      6,1     15,8     47,4     65,2     92,3     87,1      7,7     12,9

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:     792)
     173       94      148      341      404      594      594
```

419.537	684.905	111.865
-88.570	-941.605	-186.132
330.967	**-256.700**	**-74.267**

We'll take a look at this using the extract above:

We can see that the commercials are net short and the non-commercials are net long. The non-reportables are also in the short range.



In the screenshot from insider-week.com[9], the commercials are shown in red, non-commercials in green and non-reportables in blue.

9. https://insider-week.com/en/cot/corn/

3.3. The COT-signal

The information about the current net position of market participants is alone of little use to us. If we know that the commercials are long, that's “nice to know”, but it only helps if we can also say HOW long they are - a bit long or extraordinarily long? In other words: the extreme points of the positions are more important than the current values or creeping transitions from a bullish to a bearish position and vice versa.

If such transitions take place rapidly however, for example, if the commercials suddenly close down their long positions almost in panic or suddenly buy like crazy - then that should give us pause for thought (it can often be important not to think too long), because this is a clear indication of an impending trend change.

The commercial index

We are thus looking for extreme points over a period which we can determine ourselves (Larry Williams, to whom we have previously referred, recommends a period of three years) and we relate these to the current position. So, we create an index that represents the current state as a percentage. This commercial index forms the basis of our trading according to COT data. Building upon this, we determine our COT signals. To do this, we scan 40 futures markets every week looking for the signals.

Most traders only use one COT commercial index. We went a step further and use two COT commercial indices. We cover two groups of commercials with different hedging horizons. This increases the quality of the COT signals.

What kind of signals?

- A long signal is present if the commercial index rises above 75 when examining a period of 6 months and 12 months.
- A short signal is present when the commercial index falls below 25 when examining a period of 6 months and 12 months.

The following figure shows the COT signals on the weekly chart of the gold futures and includes the commercial indices. The red arrows show short signals and the green arrows show long signals:

You can see that the COT signals are of different quality. In order to assess the reliability of a signal, further steps are necessary.

Additional filtering

As soon as a COT signal is present, we proceed as follows.

- Step 1: Weekly trend. After getting a COT signal, we first check the weekly trend. As mentioned above, signals are more reliable when they coincide with the direction of the trend.
- Step 2: Commercials and open interest. To confirm our COT signal, we also look at the open interest and the commercials. The long signal is confirmed when commercials buy and open interest drops at the same time. The short signal is confirmed when the commercials sell and the open interest rises at the same time.

- Step 3: Sentiment. Next, we look at the sentiment, i.e. the mood of the crowd. The long signal is confirmed when the mood of the crowd is negative (indicator shows a value below 25). The short signal is confirmed when the mood of the crowd is positive (indicator shows a value above 75). We use Trade Navigator for this, which offers two sentiments, a fast one and a slow one. Ideally, both are in the same zone.
- Step 4: Seasonal trend. Now we take a look at the seasonal trend. First, we want to know whether the course follows the seasonal trend. Secondly, we see if this trend confirms the COT signal. Ideally, all the above conditions would be met for a "perfect" signal. But of course, not every signal is perfect, so we usually assume that two out of three confirmations are enough to continue using it.

3.4. Entering the market

As you can see from the chart above, the commercial index and a COT signal determined from the index do NOT guarantee a successful trade. The COT index merely suggests extreme trader sentiment that could encourage a big shift. What it does NOT say is WHEN this step can be taken.

> The cot index is not a timing indicator. it only provides indications that the trend will change or - in the event of a longterm stable trend – continue!

Entry timing

We are now switching to the daily chart and checking the trend structure there. Are there any signs of a trend reversal? Divergences also indicate a possible change in trend. The momentum indicator or the relative strength index (RSI) are suitable for searching for a divergence.

The picture clearly shows that the price was hitting new lows. However, the momentum indicator did not follow the price, creating a divergence (black arrows). This is a good indication of a possible trend reversal.

If there are divergences or if the trend structure indicates a trend reversal, the search for an optimal entry point begins. We use different entry techniques. An effective and simple variant is to enter after a 12-day extreme:

In this example we received a COT signal on December 15, 2017. There was a divergence between price and momentum on the daily chart. When the 12-day high (pink line on the chart) was broken, the trend reversal was confirmed. That was our entry point. The **stop loss** was placed at the 3-day low and the target price was defined by projecting the last upward trend movement (blue line on the chart (unadjusted contract)). The target price was met and we were able to make a profit of $9,000 with a risk of only $1,040.

It is important at this point that:

We have a weekly trend (main trend) and a daily trend (secondary trend). The secondary trend here is the correction of the main trend. If the lowest lows were then to be broken, and the daily trend (“secondary trend”) to continue, we would consider the setup invalid and wait until the trend structure indicated a trend change.

3.5. As for the risks...

Trading commodities is a complex and difficult undertaking. It can end in total loss of trading capital (or worse, see a legendary example[10]). According to “official figures”, 80% of all traders make losses; according to other “official” figures, 90%. However, the fact that there are people who were able to (or still can) make a living from trading and who even became (or are becoming) rich in the process shows that trading does not automatically represent a pure loss-making business. What is the difference between a successful and an unsuccessful trader? Trader legend Jesse Livermore once put it this way:

> “The chief enemies of the trader are always boring from within.”

10) Jesse Livermore was one of the most legendary traders ever. You can read about him and his end here and further down the page here: https://en.wikipedia.org/wiki/Jesse_Lauriston_Livermore#Suicide

In fact, the trader's main enemy is neither the market nor the other traders. Not even the weather or politics. The trader's main enemies come from within - they are greed, fear and indiscipline. Character traits which can have a devastating effect - and not only in trading. Only with a well-considered and consistent strategy towards position, risk and capital management is it possible to keep these character traits that we all possess under control. The first step when planning a trade MUST therefore be to consider position size and stops.

Determination of the stops and the position size

If you look at the relevant literature on trading, on websites or other resources, one topic is dominant and omnipresent: the determination of the time of entering into a trade. Much more important than the question "When do I enter the market?" is actually "When should I leave the market? And under what conditions?" So, the questions more specifically become "Where do I set my stop loss?" and "What risk of loss do I run if I am stopped?" We set our stops according to our market strategy, taking into account the trend.

Finally, an essential part of planning and preparing a trade is determining the position size. This task ensures long-term survival on the market and guarantees a constant equity curve. As a good guideline, it is recommended not to risk more than 2% of your trading capital. Our practice confirms this value as a good guide.

The formula for calculating the position size is therefore:
Position size = (trading capital x maximum risk per trade) / stop loss

This means for a trading account of $60,000 according to the example above:

(60,000 x 2%) / 1,040 = 1.15

I can therefore enter the market with a maximum of ONE contract.

Think about it: How big would the actual risk be if I entered with 2 contracts? (You can find the solution in the footnotes[11])

11) I'm going into the trade with a risk of almost 3.5%! I have to solve the formula (position size = capital x risk) / stop loss according to the "risk" size (mathematics) and get: risk = (stop loss / capital) x position size (times 100%). In the example above that would be 3.4%.

Plan your trades – and trade your plan

Of course, it is not enough to determine the position size and determine and set the stops before the trade. You also have to monitor your ongoing trades – as chances are just as likely for things to turn south during the course of action as at the beginning! Stops can be removed if the trade runs against you or a trade that is developing in the desired direction is closed too early. WHY? An old trader saying goes: **"Limit losses, let profits grow."**

If only it were that easy!

Each of you has probably already experienced the situation: the course is running against you, you are stopped and immediately afterwards the course turns and shoots in the right direction. "If only I hadn't had my stop at THIS point, I could still be in the market, I could make a profit, I ..."
Coulda woulda shoulda.

The price will always turn after the trader has been stopped out. What traders who set their stops further away or who take them completely out of the market tend to overlook: the first loss is the smallest, later losses are not just more expensive, they are sometimes even fatal.

There is no getting around the fact that you have to set stop and position size before entering the market. And stick rigorously to the plan that has been drawn up. Everything else is financial suicide

3.6. Beware of correlations

Another technique that we use when planning our trades is correlation.

Correlations are dependencies between various trading instruments. Crude oil and heating oil for example have a close correlation, as you can imagine (if the price of crude oil rises, heating oil will certainly not get cheaper.

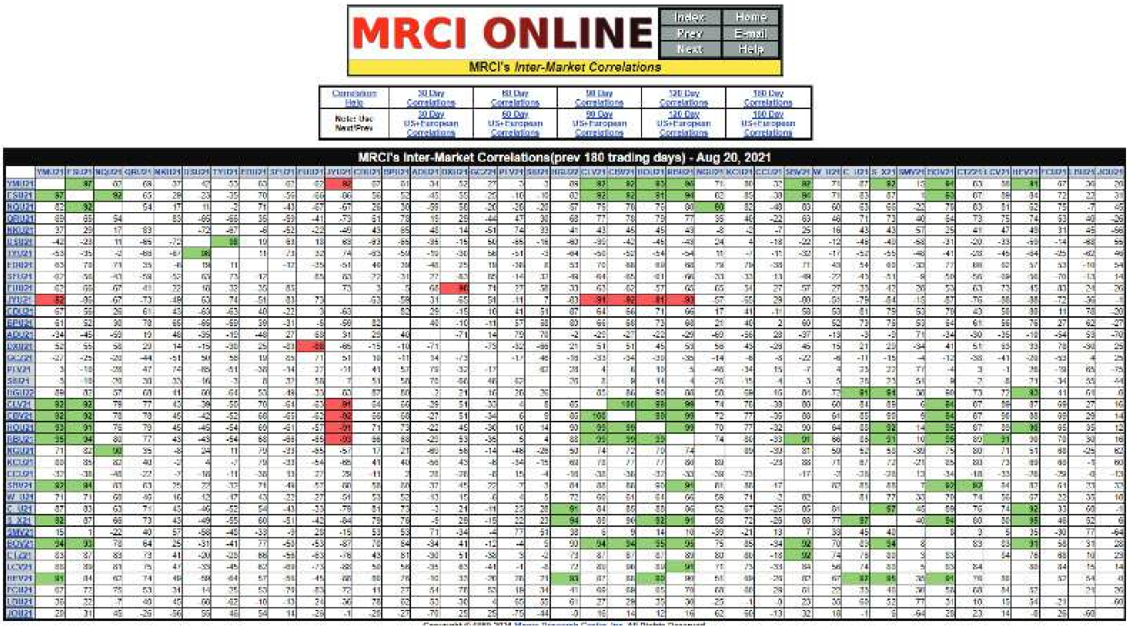
BUT: nobody can guarantee that heating oil will be cheaper just because the price of crude oil falls. Or crude oil and gasoline, soybeans and soybean meal. Different currencies or indices can also show close correlations over certain periods of time - here also negatively (EURO and USD).

What do we use correlations for?

If we want to trade several instruments at the same time, the mutual dependencies (correlations) between these instruments must be taken into account. In the best case, the correlations between the individual positions should be as low as possible, which means that the overall portfolio is well diversified.

Another way to use correlations is to look for a correlating market B that is cheaper to trade in than the “expensive” markets - that is, if entering market A would exceed our set risk.

These correlations can be viewed on the Moore Research Center website.[12]



12) https://www.mrci.com/special/correl.php

3.7. Conclusion

The COT report is one of the most important market reports in the world of trading. It is published weekly by the American federal agency CFTC (Commodity Futures Trading Commission) and lists the current positions of the major market participants, namely commercials and large traders, along with open interest in the major commodity and futures markets. It is important to note that this report has the function of a mood indicator, not that of a timing instrument.

Although it shows the current positions of the “really big money”, it only becomes useful through further evaluation, e.g. the calculation of the commercial index. The consideration of its historical development and extreme behavior over this historical period must also be used to assess the current situation.

We then use this information and the commercial index to determine our COT signals. These signals are checked for relevance using further technical indicators and are then used for setups. With their help, we can create a trading plan which, in addition to defining the entry time, also includes position size, stops and targets.

4. 10 Years of Success in the Futures Markets - Our Strategies and Their Results

What results have we been able to achieve with our trading approach in the real world of futures markets? I want to present a brief overview of the overall development of our account and then go into more detail on individual results.

4.1. The Path from Small Account to Profitable Trader

We started trading in 2014 with a small amount of $14,000 in trading capital. Thanks to our successful trading approach and disciplined trading, we were able to almost quadruple our account in the first year. The equity curve also showed a constant upward trend in the following years.

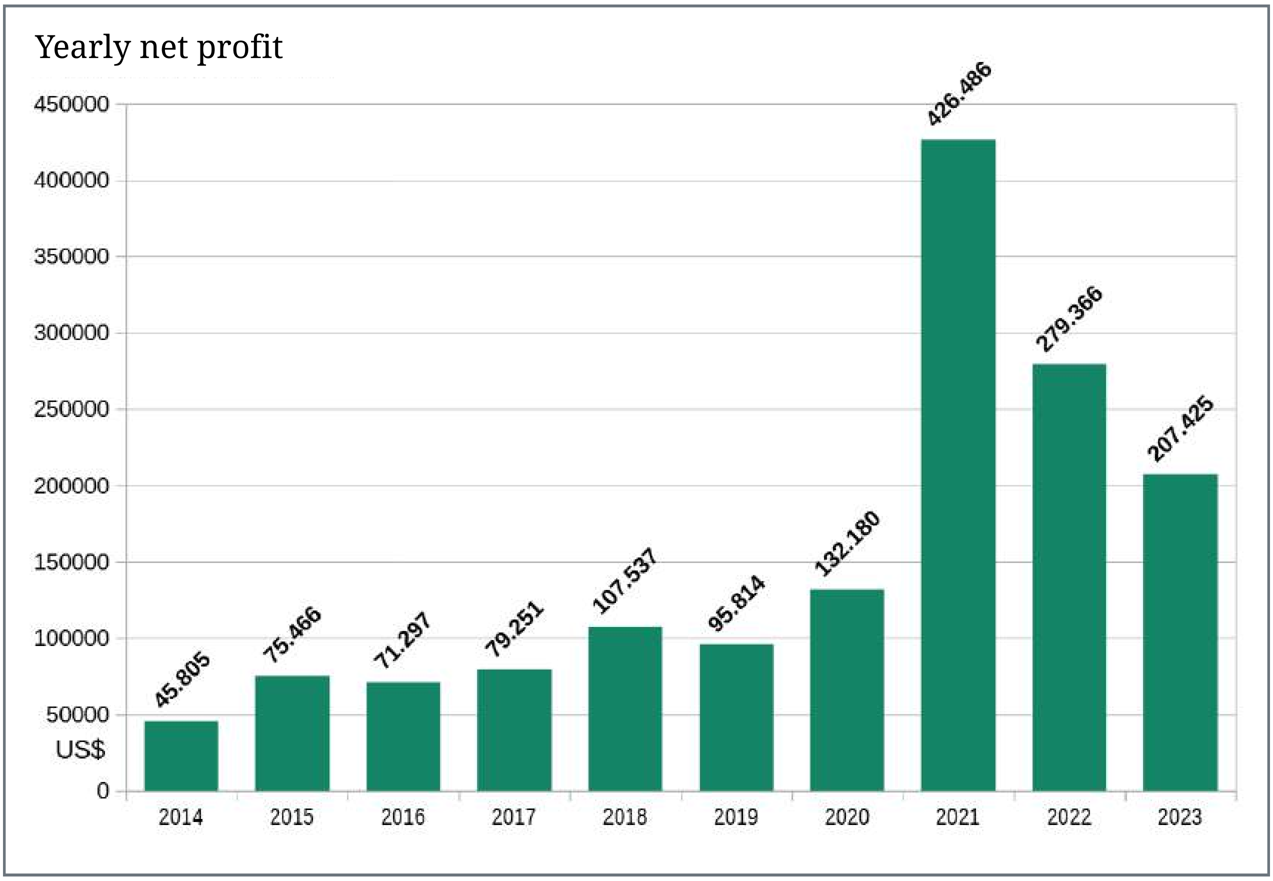
In March 2020, we broke the $500,000 mark. The corona year was one of the most volatile stock market years of the 21st century. Marked by the short-term collapse of some markets (WTI crude oil even briefly plunged into negative territory in the wake of the global lockdown measures and required a suspension of trading) – on the one hand, unimaginable profits were realized, but often just as quickly given up again.

We managed to safely maneuver the account through the crisis by acting cautiously and deliberately and by consistently adhering to our strategy and principles.

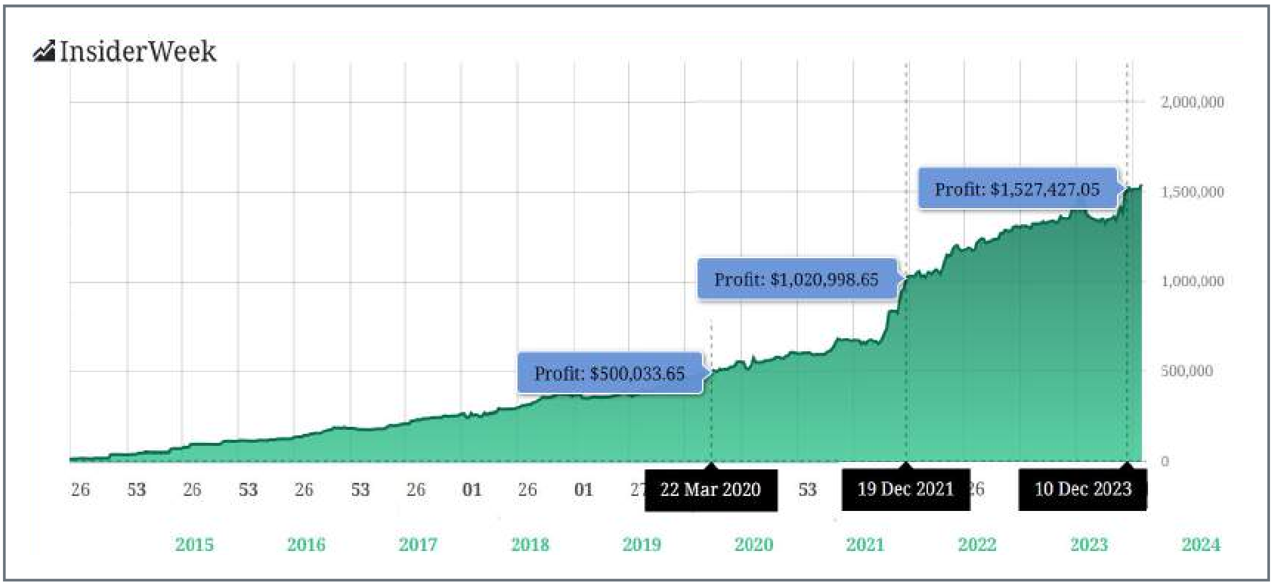
During the second year of the pandemic, we finally benefited from the return of the market: 2021 was our most successful trading year to date. We recorded a total profit of over $426,000 this year and broke the 1 million mark in December.

In the following two years, we were able to further expand the account and finally reached an account balance of $1.5 million at the end of 2023 - after a short slump.

Our annual results in charts:



The chart illustrates the progression of the account balance, with key points highlighted:



Below is the account's evolution from 2014 up to the current date (January 2024):

Key metrics	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Net Profit, $	$45,805	$75,466	$71,297	$79,251	$107,537	$95,814	$132,180	$426,486	$279,366	$207,425	$27,110	$1,547,737
Profit Factor	6.54	6.85	2.40	2.19	1.74	1.60	1.79	2.57	1.56	1.32	-	1.76
Number of trades, qty	32	36	79	138	123	109	92	153	201	215	2	1180
Winning, %	59%	64%	61%	66%	67%	55%	61%	60%	57%	56%	100%	60%
Max Drawdown, $	$2,430	$2,763	$7,427	$14,347	$22,425	$27,652	$45,162	$40,976	$46,187	$174,373	$2,570	$174,373
Max Drawdown, %	1.28%	1.13%	2.14%	3.95%	5.08%	4.92%	6.19%	4.75%	3.77%	10.48%	0.15%	10.48%

The complete trading history is available on our website.

Transparency has been our explicit goal from the outset, and with the establishment of our online presence, we have been able to realize this objective. You can find all weekly results since the commencement of our market presence in 2014 at **https://insider-week.com/en/pro-account/**.

Our commitment is to present our results comprehensively, regardless of whether they have been favorable or unfavorable. Our guiding principle is to distinguish ourselves from other market participants who celebrate their successes but suddenly become quiet or even disappear during a downswing.

4.2. Our Trading Accounts: Consistency in Trading, Strategy Advancement

4.2.1. COT-1 ...

We started with a single account. Over the years, we have expanded and refined our strategy. Our original, very first account remained unchanged despite a change in name. It has been and continues to be traded using our original COT strategy and is named COT-1.

4.2.2. ... and COT2 - The Backbone of Our Trading

Since November 2020, we have been trading using a second account. The strategy applied here represents an extension of the original COT strategy. It corresponds to the strategy with which I achieved success at the **World Cup Trading Championships.**

This strategy is based on the same trading approach as the COT-1 strategy. The difference between the two strategies lies in its pursuit of a more aggressive trading style than the COT-1 strategy. It offers twice as many entry signals, requiring a strong focus on the markets and advanced risk and position management. To fully exploit the potential of this strategy, extensive experience in trading based on COT data is required.

We refer to this strategy as the **COT-2 strategy**. Those who have followed us for a while may also know it as the **Champion Strategy.**

4.2.3. The StartUp Account

Our StartUp account trading plan is based on the COT-1 strategy, albeit with a smaller account. Its purpose is to demonstrate specifically to members with modest accounts how to build such an account, what to consider, and how to select the appropriate markets while managing risk effectively.

There is a growing array of liquid mini and micro contracts suitable for implementing the COT-1 strategy on smaller accounts. Therefore, if you are a trader with a limited account size, engaging in trades on the StartUp account will afford you valuable experiential learning.

In 2018, we launched this account with an initial deposit of $10,000. The objective was to double the account balance, which we achieved in the latter half of 2020. We closed the account with a net profit of $10,371:

Key metrics	2018	2019	2020	Total
Net Profit, $	$1,449	$6,124	$2,798	**$10,371**
Profit Factor	1.38	2.88	2.38	**2.14**
Number of trades, qty	15	27	15	**57**
Winning, %	47%	59%	67%	**58%**
Max Drawdown, $	$2,074	$1,207	$1,118	**$2,074**
Max Drawdown, %	16.53%	7.6%	5.51%	**16.53%**

In 2023, we relaunched the StartUp account. The experience of 2018 and 2019 demonstrated that due to a very small initial account balance, there were often significant delays in initiating trades in accordance with strict risk management protocols. Therefore, we have now set the initial account balance at $30,000.

We concluded the year with a net profit of $3,265, representing a growth of 10.9%.

Key metrics	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Net Profit, $	-792	-196	240	-988	282	-10	1,734	-	-	-690	3,160	525	**$3,265**
Profit Factor	0.08	0.47	1.37	-	-	0.99	-	-	-	-	-	-	**1.65**
Number of trades, qty	3	4	3	2	1	5	1	-	-	1	1	1	**22**
Winning, %	33%	25%	67%	-	100%	60%	100%	-	-	-	100%	100%	**50%**
Max Drawdown, $	792	1,106	1,046	1,736	1,454	1,464	-	-	-	690	-	-	**$1,736**
Max Drawdown, %	2.64%	3.69%	3.49%	5.79%	4.85%	4.88%	-	-	-	2.28%	-	-	**5.79%**

4.2.4. Weather Trading — Incorporating Uncertainty

The notion that weather, especially extreme weather, influences commodity markets is beyond dispute. However, it is not solely agriculture that is fully dependent on weather conditions.

We have closely examined the impacts that snow disasters, floods, hurricanes, and tornadoes exert on agricultural markets, as well as energy markets. Through this analysis, we observed that such climate and weather events also affect markets not necessarily associated with weather-dependent commodities.

This realization led to the development of a specialized **COT-1** strategy, which we termed **the Weather Strategy**. In our Weather Trading account, we conducted an experiment based on our COT data analysis to trade specific markets that suggested or demonstrated a response to particular weather influences.

As we traded not only futures but also stocks and ETFs (Exchange Traded Funds) or ETCs (Exchange Traded Commodities), we ventured into uncharted territory in terms of stock market technicalities. Following a misjudgment, we incurred a significant drawdown (which I addressed in the weekly videos detailing our trading results). We then concluded this venture into the realm of markets unfamiliar to us, but the incorporation of weather influences on commodity and futures markets remains a component of our COT strategies.

4.3. 10 Years of InsiderWeek Futures Trading — Our Trading Results Across Market Sectors

Futures markets were initially established to provide producers of commodities and their consumers with a means of hedging against supply and price fluctuations. Therefore, futures markets were initially focused **on agricultural commodities** (such as grains, coffee, cotton) and their derived products (orange juice). **Energy commodities** (such as crude oil, natural gas) and **metals** (precious metals like gold and silver, or industrial metals like aluminum or copper) were also among the early trading assets. However, the so-called **Financials** were quickly introduced to futures markets as well: futures on currencies, indices, and bonds were launched.

At InsiderWeek, we trade all futures available on the US exchanges in Chicago and New York. These futures can be categorized into the following sectors:
An analysis of all our trades since 2014 reveals the following insights regarding these sectors:

> **Bonds** (government bonds), **Currencies** (foreign exchange), **Cryptocurrencies** (since December 2017, CBOE has offered futures on Bitcoin, followed by CME in January 2018), **Energies, Indices, Grains** (agricultural commodities), **Meats** (livestock markets), **Metals** (industrial and precious metals), and **Softs** (agricultural products, including coffee, sugar, cotton, orange juice, and lumber).

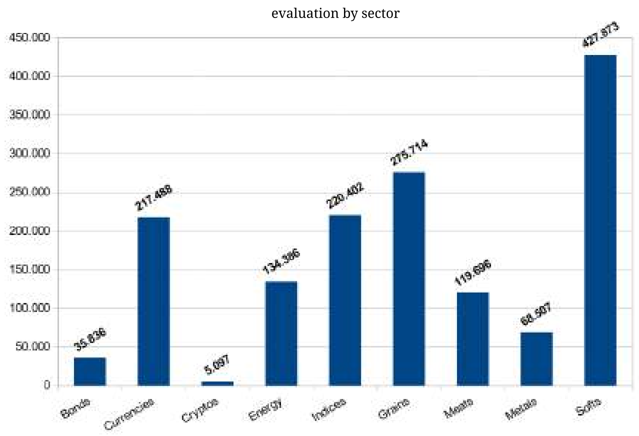
An analysis of all our trades since 2014 reveals the following insights regarding these sectors:

evaluation by sector

#	Sector	Profit	Anzahl	Ø je Trade	Gew.	% Gew.	Sum.Gew.	Lost	Sum.Lost
1	Bonds	**35.836**	52	689	33	63,46 %	128.670	19	-92.834
2	Currencies	**217.488**	226	962	133	58,85 %	585.085	93	-367.597
3	Cryptos	**5.097**	6	850	3	50,00 %	30.509	3	-25.412
4	Energy	**134.386**	126	1.067	82	65,08 %	345.917	44	-211.531
5	Indices	**220.402**	45	4.898	34	75,56 %	271.366	11	-50.964
6	Grains	**275.714**	212	1.301	133	62,74 %	690.310	79	-414.596
7	Meats	**119.696**	58	2.064	36	62,07 %	239.121	22	-119.425
8	Metals	**68.507**	118	581	71	60,17 %	275.019	47	-206.512
9	Softs	**427.873**	265	1.615	157	59,25 %	866.353	108	-438.480
		1.504.999	**1.108**	**1.558**	**682**	**61,91 %**	**3.432.350**	**426**	**-1.927.351**

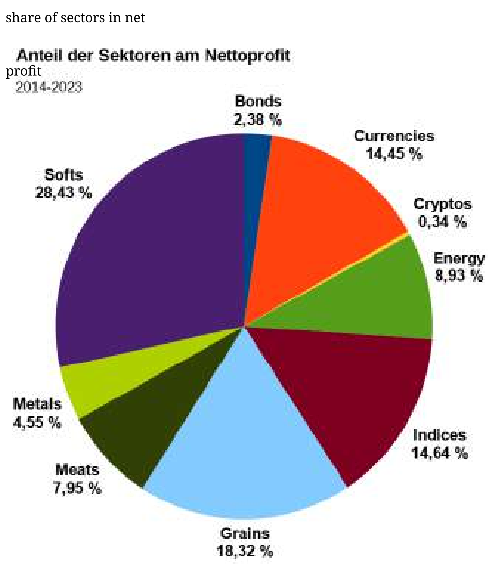
Here, you will initially find the net profit and the total number of trades in each sector. Additionally, you will see the average net profit per trade, the number of winning trades along with their percentage of the total number of trades. In the next column, you will observe **the total potential profit** we could have recorded — if not for the occurrence of a loss trade.
The number of loss trades and the cumulative losses can be found in the last two columns.

To illustrate, we transformed this data into charts:



The chart displays **the net profit of each sector**, calculated from all trades since 2014. The results of both strategies, COT-1 and COT-2, were aggregated, while the outcomes of the (temporary) StartUp accounts and the Weather Trading account were not considered.

The subsequent diagram illustrates **the percentage distribution of each sector's contribution to the total profit:**



4.4. The Market Collapse and Its Resurgence — a retrospective analysis of our results in recent years

4.4.1. 2020 – How our robust strategy helped us to navigate an extremely volatile year

2020 was characterized by a global pandemic. For us, it was a year of many highs and lows, but despite all the market volatility, we were able to achieve our highest annual profit to date, amounting to $107,403.

All markets, from stocks to commodities to currencies, experienced extreme volatility in the spring of 2020. The declaration of the corona pandemic by the WHO in March 2020 and the subsequent restrictive measures implemented by many governments, including lockdowns, travel restrictions, and interventions in public life, caused many markets to collapse and led to a global economic crisis that persisted into 2021.

Such a volatile market environment is characterized by high risks, as was evident in the stock indices in February and March 2020. However, along with the increasing risks, this environment also presented us with many interesting opportunities.

At the end of January 2020, the World Health Organization (WHO) declared an **international health emergency** in response to the spread and rapid increase in infections with the Coronavirus. Almost simultaneously, we were affected by the immediate consequences in our trading activities.

This information led to panic reactions in the energy markets, resulting in the closure of our natural gas (NG) trade with a loss of $18,800. Despite this challenging market environment, we managed to place and close very successful trades.

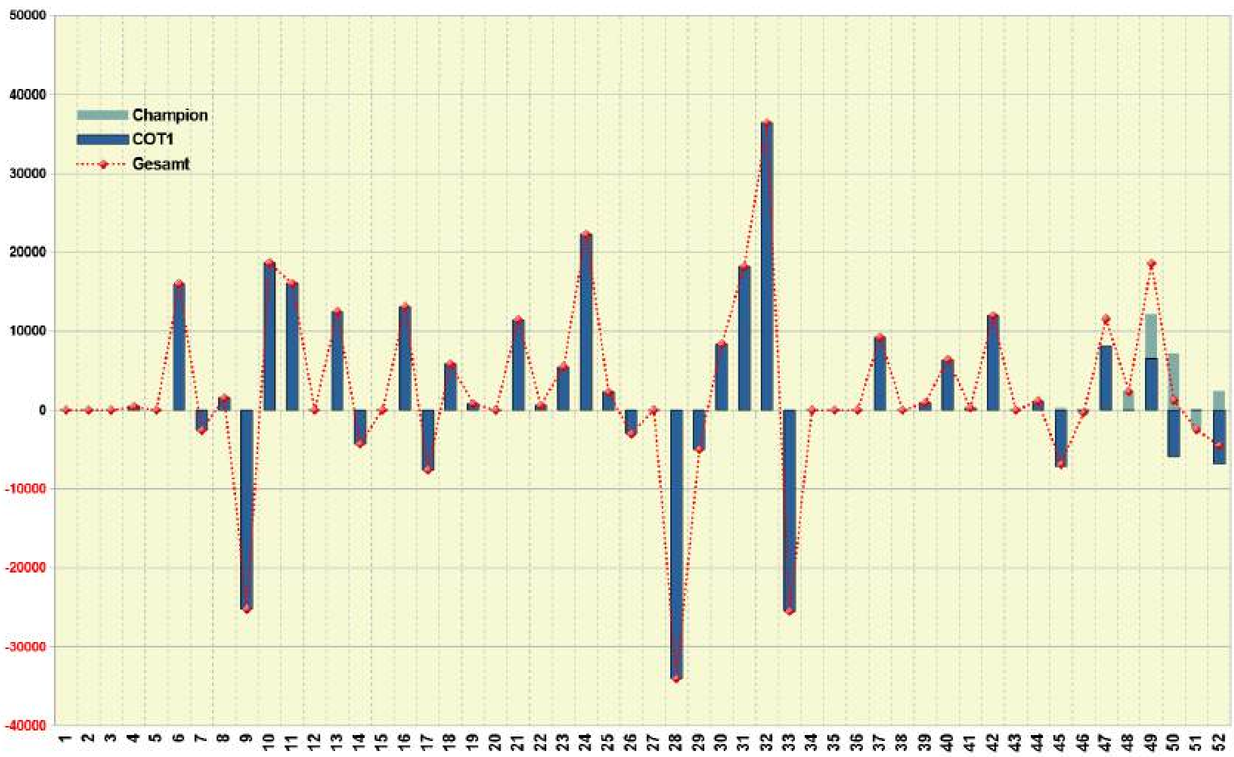
Opportunities arose particularly on the short side during this period, with a short trade in cocoa (CC) and sugar (SB) returning us to profitability in the first quarter.

In July 2020, we had to navigate through our next drawdown. The largest losses were incurred in the Dollar Index (DX) and repeatedly in natural gas (NG). We reached the lowest point in calendar week 29. Our drawdown had meanwhile increased to $45,000, relative to our previous high.

Such a drawdown can quickly become a mental burden, especially for beginners, and thus pose a problem for subsequent trades. After 7 years in the market, we are accustomed to such events and know that they are part of a trader's everyday life. In short, just 3 weeks later, the drawdown had already been overcome, thanks in particular to 2 successful trades in cocoa (CC) and one in coffee (KC).

By the end of the year, we had completed our plan as well as the necessary stress and back tests of our Champion strategy, enabling us to incorporate this strategy as a fixed component into our trading plan. This strategy, already successful in the **World Cup Trading Championships,** improved our equity curve by a total of $24,777 in 18 trades.

You can find all the trades of the year on our website. The following chart represents our weekly results:



4.4.2. The Market Returns — 2021 Marks the Best Trading Year yet for InsiderWeek

2021: The year when we surpassed the $1,000,000 Milestone

Considering our historical observation that the first quarter of a year often exhibits sluggish market activity and heightened volatility, even though it was absent of pandemic-related disruptions to global trade, we opted to adopt a conservative stance this time around, predominantly pausing our trading endeavors.

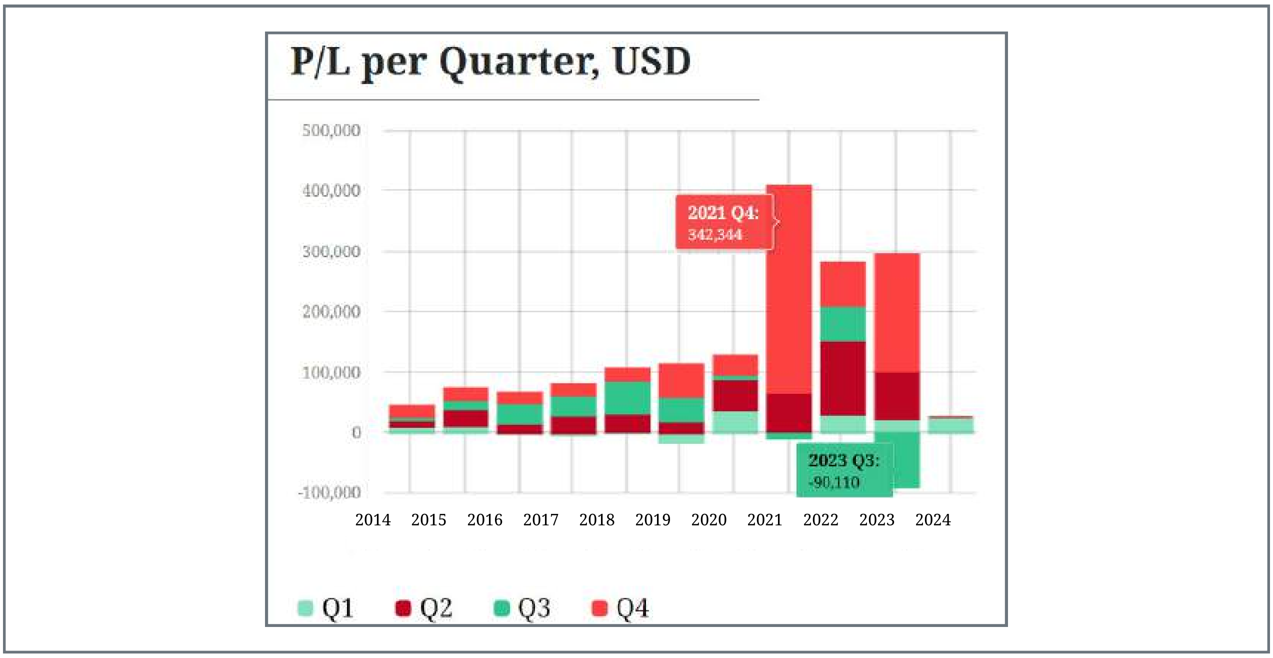


Figure Above: The Net Results of Previous Years Broken Down by Quarters. It is apparent that the first quarter of nearly every year consistently falls behind the subsequent quarters.

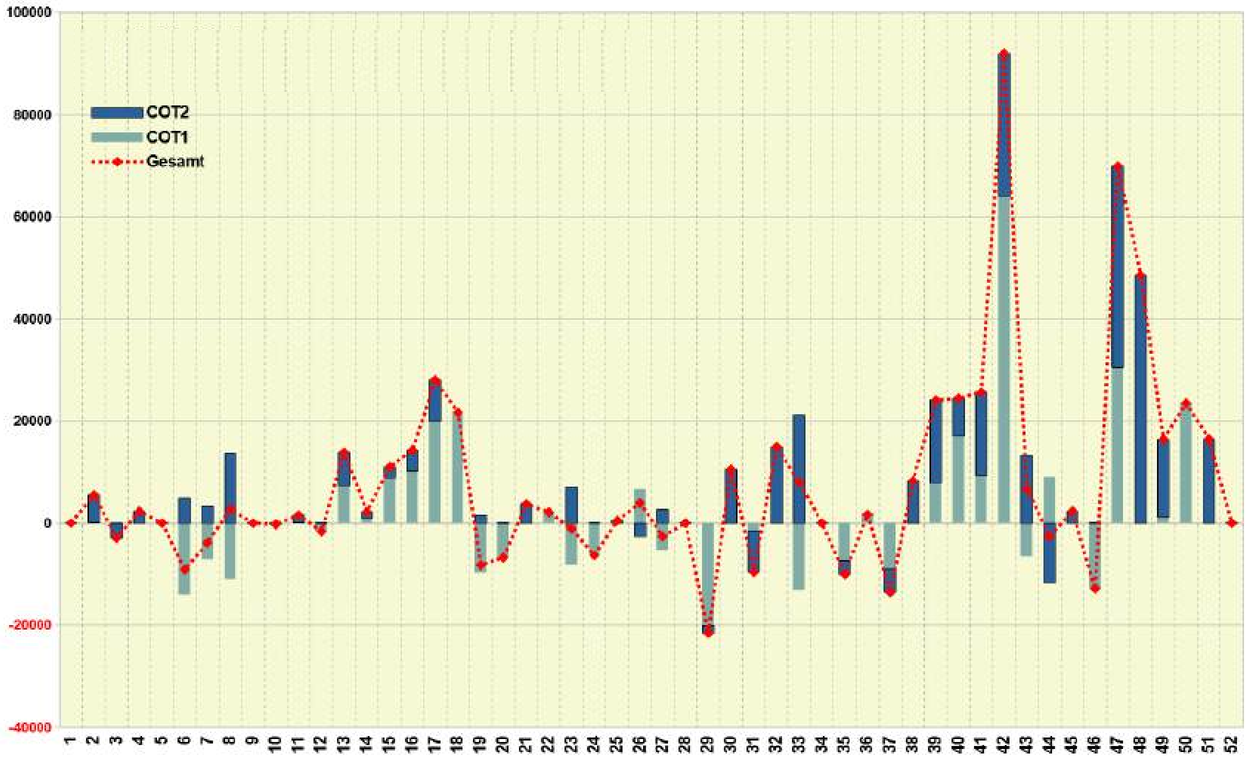
The trials and tribulations of 2020, the year of coronavirus, persisted globally from an economic perspective well into the following year, 2021. However, this was not reflected in commodity markets. By mid-2020, these markets had already entered a strong trend, which evolved into a super trend throughout 2021.

Over the course of 96 weeks, from April 27, 2020 (reaching its lowest point at 226.90), to its longstanding peak at 828.00 on March 7, 2022 (a level last briefly surpassed in June 2008), the **GSCI (Goldman Sachs Commodity Index)** gained 265%.

We successfully capitalized on this trend. The second quarter yielded a net profit of $65,378, and the fourth quarter an impressive sum of $342,344. Even the temporary drawdown in the third quarter did not significantly hinder the phenomenal end result.

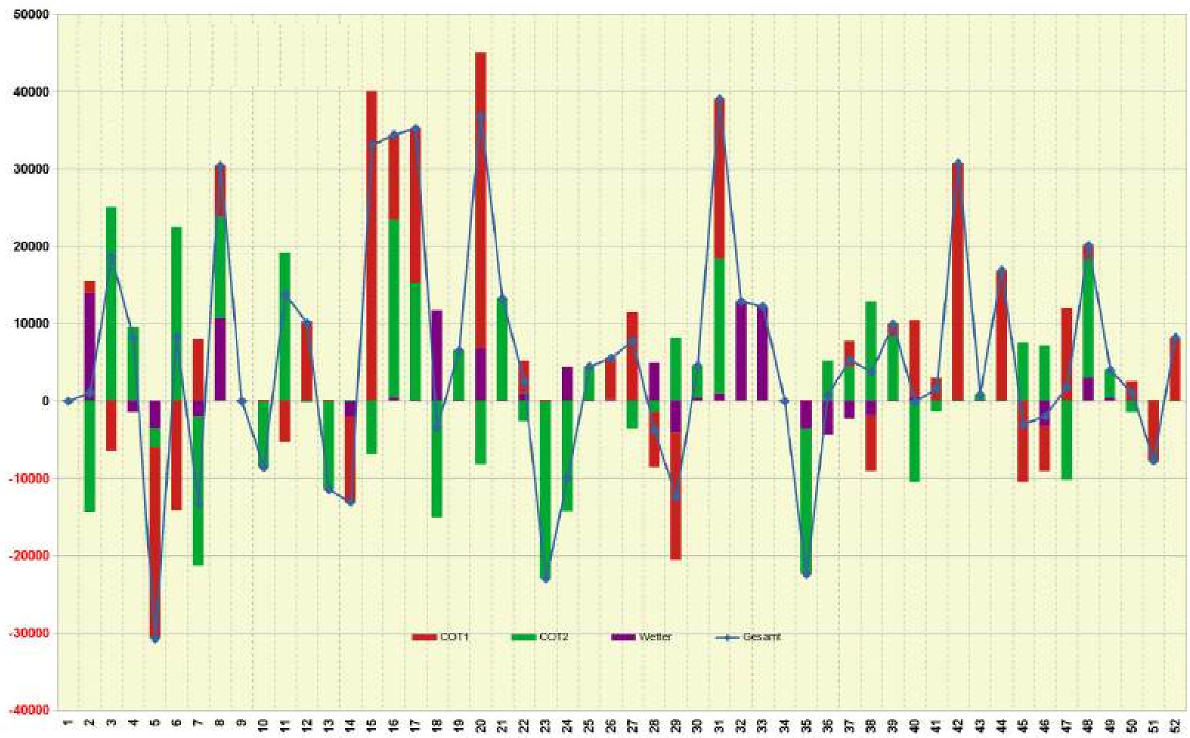
Attributed to this exceptional outcome was our **COT-2** (Champion) strategy, which alone contributed $293,300 (68%) to the total result, confirming the effectiveness of this strategy in strong trending markets.

The following chart represents the weekly results of the year:



4.4.3. 2022 and 2023 — the success continues, despite a setback

Following the significant upward leap of our equity curve in 2021, the ascent continued steadily over the next two years. We ensured synchronization between the two strategies employed, thereby achieving diversification at the strategic level.
Take a look at the following chart representing our weekly results. It is worth mentioning that we did not experience any prolonged drawdowns this year.
Note that in 2022, we introduced a new weather strategy, which certainly contributed to the results this year.

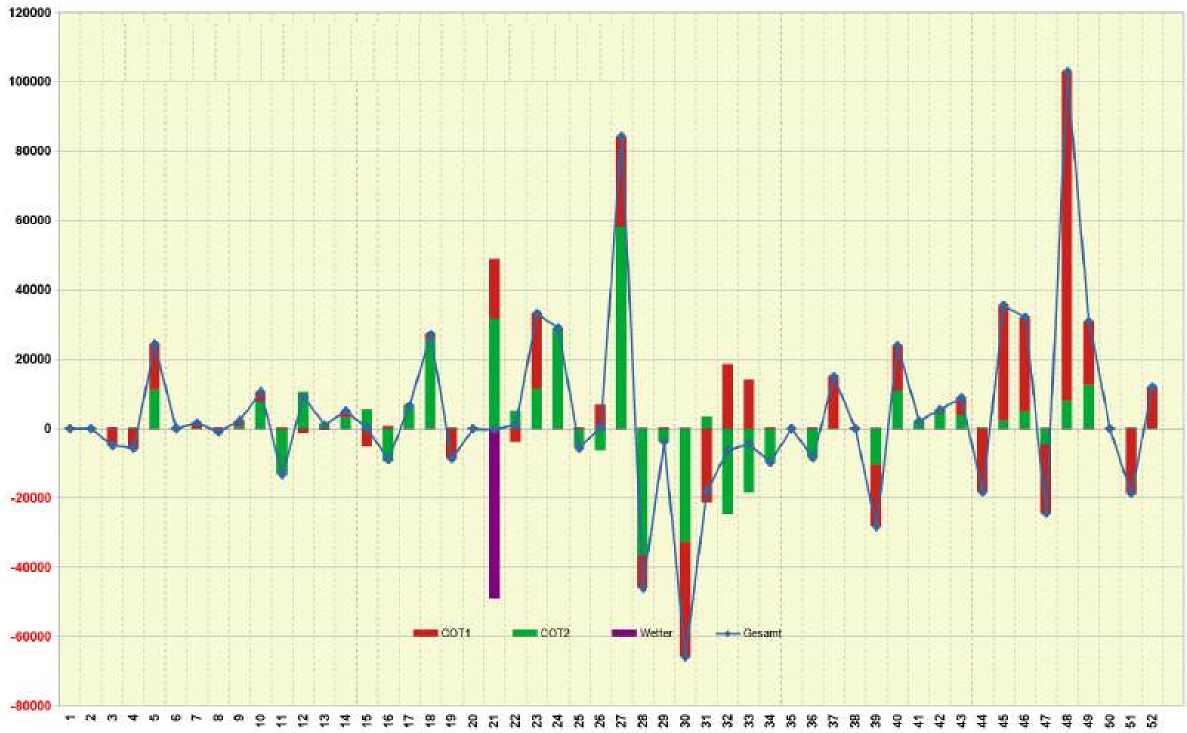


However, this particular strategy led to a setback in 2023. Nevertheless, this setback cannot be solely attributed to the strategy itself. Instead, it was precipitated by an actual trading oversight within a commodity ETF position that was left exposed for an extended duration.

Letting profits run, limiting losses - an old trader's wisdom that even seasoned professional traders sometimes fail to adhere to. Since trading stocks and ETFs is not our primary expertise, we made sure to learn from this setback and will return back to focusing on our main area of expertise, the futures market.

This year, we focused on optimizing returns and traded the COT-2 account with higher risk depending on profit. This led to trades with up to 5% risk, sometimes resulting in significant gains, but at other times in substantial losses.

The significantly higher emotional stress of high-risk trading and the danger of triggering severe drawdowns led us to abandoning this trading approach.



We have ultimately returned to our foundational principle of limiting risk exposure to a maximum of 2% and aim to enhance returns by prolonging positions in trending markets within the COT-1 account.

4.5. World Cup Trading Championships®

To conclude this chapter, I would like to offer a brief overview of my participation in **the World Cup Trading Championships.**

2017 – Success on the First Attempt

In 2017, I participated for the first time in the same competition that Larry Williams contested 30 years earlier in 1987. I sought out this challenge to demonstrate to potential skeptics, including myself, that profitable futures trading based on the COT report is indeed feasible. I concluded the competition with a net profit of 111%, securing third place.

2017 World Cup Championship of Futures Trading®

RANK	NAME	NET RETURN
1.	Stefano Serafini (Italy)	217.2%
2.	Takumaru Sakakibara (Japan)	199.9%
3.	Maxim Schulz (Germany)	111.7%
4.	Don Fung (Hong Kong)	81.7%
5.	Z. Ozgun Tuzuner (Turkey)	41.3%

2019 – The Proof That It Was More Than Just Luck

In 2017, I once again participated in the Trader World Championship, the World Cup Trading Championships in 2019. This time, I opted for the Global Cup Derivatives Trading Championship Lightweight Division, a new category that allows trading not only in futures but also in options. Nonetheless, trading here was exclusively based on our proven COT strategy. The success, once again, validates our approach:

I concluded the 2019 competition in third place, but this time with a net profit of 156.2%.

The Global Cup Derivatives Trading Championship Lightweight Division

RANK	NAME	NET RETURN	LOCATION
1	Stefan Seibert	210.7%	Germany
2	Michael Cook	171.7%	United Kingdom
3	Maxim Schulz	156.2%	Germany
4	Robert Miner	134.4%	United States
5	Wayne Wan	113.2%	Macau

Through May 29 – Final Pending Audit

2021 – Further Success during Challenging Times

As previously noted, 2020 was not an easy year. With the Championships starting in June 2020, trading within the framework of the World Cup was inevitably influenced by the challenges surrounding corona. This rendered the 2021 World Cup Trading Championships even more demanding.

Nevertheless, I ultimately achieved a commendable 5th place with a net profit of 78.8%.

2020-2021 Global Cup Trading Championship

RANK	NAME	NET RETURN	LOCATION	DIVISION
1	Jan Smolen	246.6%	Slovakia	Futures
2	Stefan Seibert	222.7%	Germany	Futures
3	Marek Chrastina	182.4%	Slovakia	Futures
4	Patrick Nill	125.7%	Germany	Futures
5	Maxim Schulz	78.8%	Germany	Futures

June 1, 2020 – May 28, 2021 – Final Pending Audit

However, once one World Championship concludes, we already think about the next one. Therefore, we naturally wanted to compete again in the upcoming World Championship.

To ensure optimal performance in the challenge of the Championships, we at InsiderWeek have developed our own **Champion Strategy**. This strategy aims to enhance the COT strategy and is suitable for shorter-term trading periods ranging from one to three days.

We provide the fundamentals of this strategy following our COT coaching. This advanced coaching is tailored to traders who have already completed our intensive coaching. The objective is to prepare our traders to participate in the Trading World Championship and provide them with all the tools necessary to overcome the challenges and achieve a top placement, just like us.

In 2021, we already saw three German traders among the top 5. We look forward to the prospect of seeing three or more InsiderWeek traders among the top 5.

2022 — A New Talent Takes the Stage

Philipp Kozalla joined InsiderWeek in November 2020 as a coaching participant. Possessing prior trading experience, after swiftly completing the COT1 coaching, he made the decision to further expand his knowledge by undertaking the COT2 Champion coaching.

In June 2021, just seven months after joining InsiderWeek, he took the leap and registered for **the Global Cup Trading Championships 2021**. Following numerous ups and downs, which he details in an article on our website, he successfully concluded the challenge on May 31, 2022, securing **an outstanding 5th place.**

2021-2022 Global Cup Trading Championship				
RANK	NAME	NET RETURN	LOCATION	DIVISION
1	Kevin Stufflebeam	392.9%	USA	Futures
2	Antonio Ferlito	133.2%	Italy	Futures
3	Patrick Nill	94.5%	Germany	Forex
4	Brent Carlile	66.3%	Netherlands	Futures
5	Philipp Kozalla	64.1%	Germany	Futures
June 1, 2021 – May 31, 2022 – Final Pending Audit				

The Final Results of the Global Cup Championship of Futures Trading™ as of May 31, 2022.

We extend our congratulations to Philipp for this remarkable achievement, which serves as **a testament to the efficiency of our methodology.**

How does one become a successful trader? The next chapter will guide you on the path forward.

5. Your path to becoming a profitable futures trader

> The Road is long,with many awinding turns. The Hollies: He Ain‘t Heavy The Road is long, with many awinding turns The Hollies: He Ain‘t Heavy

5.1. The long path to profit

I expect each of you reading this has already come across one of those experts who promises “your first million after 6 months” or “five-digit monthly income from your desk”, without any effort, of course, and naturally without any investment, either in terms of time or money.

Unfortunately, there are a lot of dubious providers in the “money and investment” industry who want to rob gullible people of their money by making unrealistic promises. You have to be particularly careful when choosing a product or service. Unrealistic promises of returns, profits without really having to do anything or “quick money” should be viewed very critically. Whenever you hear something like this, smile and move on.

Of course, it is possible to make a living trading. And it is also possible to live well and in great comfort. But the way there is neither short nor easy. The route is arduous and full of obstacles; there are no shortcuts or secret paths. It's bumpy, full of potholes and at times overgrown with thorny bushes.

What do I want to say with this metaphor? The path to becoming a profitable futures trader is not easy (as some might portray it) and requires concentration and commitment. And you shouldn't go it alone but look for a mentor or coach at an early stage whom you can totally trust!

If you have found a mentor and can stay disciplined, you will be greatly rewarded. Trading is not just about money, it is also about:

- The effect of compound interest and easy scalability
- Professional freedom: no “boss” telling you HOW to do WHAT, WHEN and from WHERE. You are doing “your own thing” and if you are smart, you do it WELL!
- Time independence: you have more free time; you no longer have to spend fivedays a week

at a certain time in a certain place

- Traveling whenever and wherever you want
- Freedom to move around: you decide where you want to trade from, whether from a mountain hut or under palm trees; the only requirement is access to the Internet.

Of course, trading also means work, but:

> Work is something you DO
> not a certain place to GO.

How long does it take to learn futures trading?

Many people wonder how long it takes to learn to trade profitably. A focused, motivated person can master the basics in a few months, but it can take a lifetime to master all the intricacies and pitfalls of the commodity markets. There are so many things for the newcomer to learn, and creating a plan must be the first task he undertakes in order to monitor progress.

The first year in particular is the most critical for trading. Many new traders try to make big profits in a short period of time. However, focusing on short-term goals always leads to problems. Always keep in mind that 80 to 90 percent of people lose money trading on the stock market.

The first year of commodities trading must be about learning to trade. There are important lessons to be learned when it comes to approaching the markets, executing trades, and monitoring risk. Breaking even at the end of that year should be viewed as a win. Most commodities traders who can break even after one year of trading often become profitable traders in the following years.

That is why it is particularly important in the first year of your trading career to take the right path and secure the support that will enable you to achieve optimal success as a result of your learning.

Your coach and mentor – a question of character

In the beginning, hold back on trading and start READING! Read as many books as you can to learn from people who are already successful. You can find a selection of literature in the appendix section.

In this phase it is advisable to learn the trade by becoming in effect an apprentice to a successful commodities trader. Having someone willing to share their experience can speed up your learning curve significantly. However, there are **a lot of black sheep** on the market. So, choose carefully, ask lots of questions and compare the alternatives.

What makes an honest and reliable coach and mentor?

- Not an anonymous organization, but a real person
- With demonstrable and verifiable successes
- Uncompromising transparency in:
- Real-money trading
- Complete record and publication of ALL results (also negative results in the case of a drawdown)
- No “fair weather trading” (where the focus is exclusively on the positive results)
- Simple, easy-to-understand trading approach
- Practical tasks instead of theoretical examples
- Reality instead of prognoses and idealization
- Customer loyalty, “after-sales program”: support and assistance beyond coaching/ mentoring

- An honest coach/mentor will always be fully committed to his trading, because he personally bears the risk of his actions.No realistic coach will guarantee you success. He can show you the way, but YOU have to put in the work yourself. Your motivation, conviction and commitment will determine your success. But he can guarantee you this: if you work through his program consistently, do your homework and follow his advice, you will be profitable in the end.

5.2. The successful trader

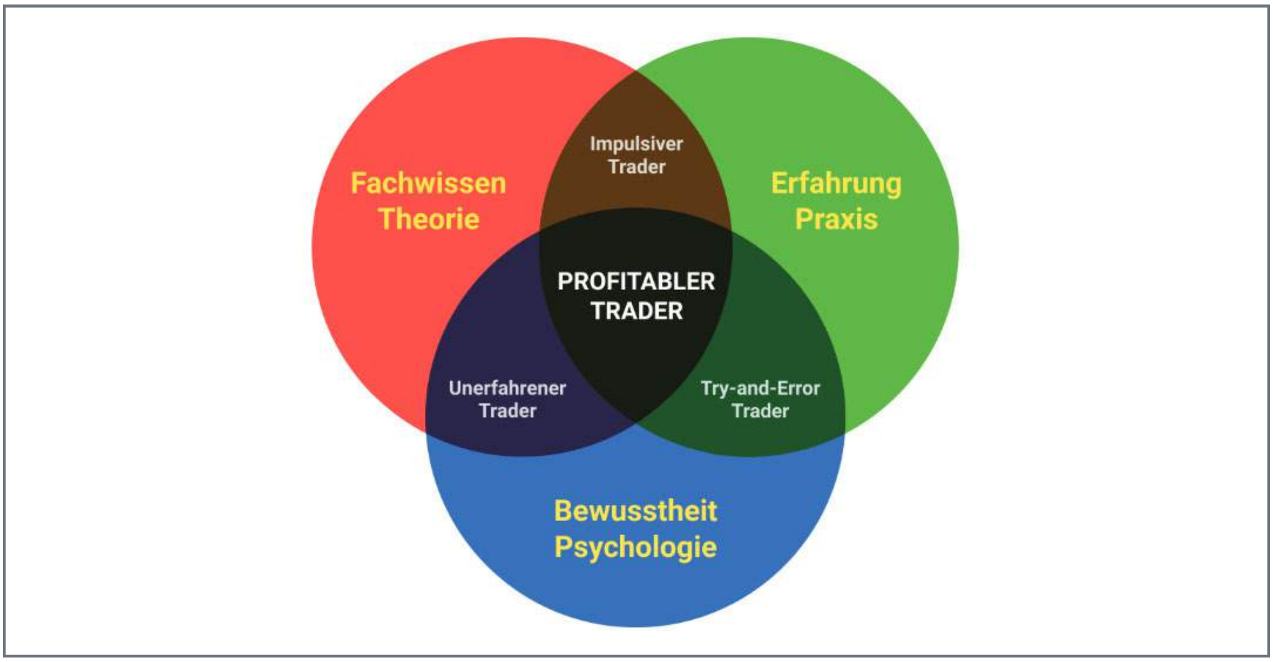
There are THREE things that a trader needs to possess and the acquisition of all of these will differentiate the profitable trader from the unsuccessful. The three prerequisites can be summed up as:

- technical know-how
- practical experience
- the right mindset

Only through a combination of these three factors can success be achieved and the trader become profitable.

If one of these factors is missing, the trader will never reach the top and will always fall short in his actual achievements and possible results. So, every trader must try his best in all three areas in order to achieve the best possible success. This is especially true for beginners, who do, however, enjoy a big advantage: they do not have to leave long-established paths, i.e. abandon old habits and possibly think in completely NEW ways.

If this newcomer is fully committed, if he dives in head first to the learning process, if he takes in new content and asks critical questions (WHY is that so?) and if he is ready to develop himself further, then the path to success will become visible.



What characteristics are hidden behind these three points?

Technical know-how

A car mechanic will only be successful in his job and satisfy his customers (and thereby win new customers) if he knows the vehicles he is working on inside and out.

Likewise, a futures trader can only be successful if he knows EVERYTHING about the instruments he is trading and the markets in which he is trading. It is therefore advisable for the newcomer to limit himself initially to a few markets and then gradually expand this selection when he can answer the most important questions in these markets. You have to ask yourself the following questions and find the answers yourselves:

- What are futures and what is their significance?
- How do futures differ from other products on the capital market?
- Which market participants have which intention and what is their influence on the futures markets?
- How is the price of a commodity set on the market?

But you have to also ask:

- What are the special features of the individual commodities and financial products?
- To what extent do political or natural events influence the price development of this financial instrument?

Commodities are very sensitive to the fundamental influences of supply and demand. The analysis of these influencing factors is quite a demanding science. The weather, natural events, macroeconomics and political factors can all influence commodity prices. The consideration of these factors is part of the basic technical knowledge of the successful trader. Many traders know too little about the fundamental factors that influence the commodity price. That's why many traders never make a profit. Government agencies and trade organizations provide data and information on supply and demand for a variety of goods, e.g. the World Agricultural Supply and Demand Estimates Report (WASDE).

At the time of publication, there is often additional movement on the markets.The futures trader must by no means ignore the information that has been published! Nevertheless, the most important piece of information you need when evaluating the market influences is provided by the COT (Commitments of Traders) report. The behavior of the most important large market participants, the commercials, reflects these market influences. Understanding this market report and its elementary data enables us to interpret the situation in the respective markets.

It is crucial, however, that you realize that the COT report is NOT a technical indicator in the traditional sense that it is derived from price. Rather, it forms the fundamental basis of your trading, the technical analysis is what concretizes the planning of your market activities.

Practical experience

Knowing about futures and their markets is one thing, trading in these markets is another. First, ask yourself the following questions:

- Which markets do I want to focus on?
- Which broker can offer me the best execution of my orders?

After you've decided on a broker and selected your markets, other questions arise:

- When and how do I enter the market?
- Which order types do I use?
- How do I manage my portfolio and the individual trade?
- How do I secure my trades and how do I get out of a trade?

In this context, it is necessary to take on board some work techniques that will help a trader to succeed, e.g.:

- A checklist that includes all market factors and enables systematic evaluation according to defined criteria
- A trading journal. The trading journal is a trader's most important tool. A consistently and correctly kept trading journal distinguishes the successful trader from the unsuccessful one.

In order for these behaviors to become a matter of course and to bear fruit, in many cases, a change in behavior will be inevitable. But more on that in the chapter on mindset. In order to gain confidence and routine, it is absolutely necessary to first do some intensive “dry training”.

Just as a shot-putter or discus thrower practices the circle movements tens of thousands and hundreds of thousands of times until the moment when he actually lets go, so the trader must also practice his actions repeatedly over and over again. Certain actions and situational behaviors must become second nature to him.

He will achieve this through historical tests (“back tests”), in which he should also check his strategy against historical data, evaluate his actions and gain confidence. Simulated trading on a demo account is also essential before you venture into the fray with real money.

The right mindset

Psychology and self-management cannot be underestimated when it comes to trading. First of all, every trader has to get a grip on the two deadliest emotions: fear and greed. These psychological traps result in a trader getting out of a position either too early or too late. A lack of discipline, both in preparing and executing a trade, can lead to devastating results.

Discipline, consistent adherence to a strategy that takes risk into account and controls it, avoiding panic and overreacting and becoming accustomed to useful routines and behaviors will be what makes the trader successful in the long term.

5.3. Conclusion: How do you start trading futures?

First, read **EXTENSIVELY** about what it means to trade futures and commodities. This way, you can avoid any surprises later on that only cost you time and money.

- Read all relevant books on the topic (use
- Look on social media. Join the trader groups on Facebook and Twitter - but REMAIN CRITICAL ABOUT WHAT IS POSTED THERE – remember my warning about fair-weather traders. Hardly any trader will be open about their losses.BUT: those who do, prove that they are real professionals!
- Find useful information on the relevant websites for the futures industry. You can also find an overview of the most important sites in the appendix.

- *Finally, you need to be clear about what it means to take responsibility: you may have to invest some of your free time, and you may have to change one or the other of your habits and adapt your work technique. But with 30 minutes a day, you can be successful - provided you set aside this time every day!*

Draw up a training plan and set yourself realistic but ambitious goals

- You have to divide your training into three phases:
- Acquiring theoretical knowledge
- Preparing for real-money trading
- Trading under “supervision”
- You should seek the support of an experienced coach at an early stage! As I mentioned above: you can go it alone, but then it will be DIFFICULT, LENGTHY and EXPENSIVE (consider the initial losses that a coach can help you avoid and the resulting compound interest effect)!:
- Plan a fixed time into your daily routine when you are undisturbed and free from distraction.

At InsiderWeek we offer intensive coaching lasting 12 months, which follows these three phases and is designed to be tackled on a part-time basis. More on this in the next chapter.

- Find out about the various brokers and their offers (note that not every broker trades futures). Create a demo account early on and familiarize yourself with the software in question..
- Draw up a timetable with the most important topics
- Obtain the required documents and have them ready

And then work in accordance with this plan consistent, disciplined, resolute.

6. How can we help in enhancing your trading performance?

In previous sections, I shared my motivation for trading and outlined our journey with InsiderWeek into the market. I have expounded upon our trading approach and demonstrated the profitability of futures trading, as well as the results we have achieved in recent years.
We have benefited from the wisdom of successful traders who came before us, generously imparting their knowledge, experience, and strategies to aid others in achieving success.

Now, it is our turn to give back.

I want to demonstrate to you that focused exploration of futures trading is undeniably worthwhile. Undoubtedly, we want to inspire you to step on this path and achieve success in the markets. Allow us to guide you – we can illustrate how you too can earn substantial profits in the markets.
Discover how InsiderWeek can support you in crafting your own successful and lucrative trading journey. To this end, we offer a range of measures that I am eager to present to you.

6.1. Our website

Our website, available at **https://insider-week.com/en**, provides current and essential insights on commodity and futures trading. You can also track our real-money trades and **results** at **https://insider-week.com/en/pro-account/**. Within our **knowledge blog https://insider-week.com/en/blog/**, you'll find extensive foundational knowledge and indispensable articles for navigating the markets.

Utilize the site as a gateway to commodity and futures trading. There you will have unrestricted access to a variety of tools to assist you in planning and making decisions regarding your trading actions.

Allow us to briefly introduce these tools to you.

6.1.1. The contract specifications of individual futures

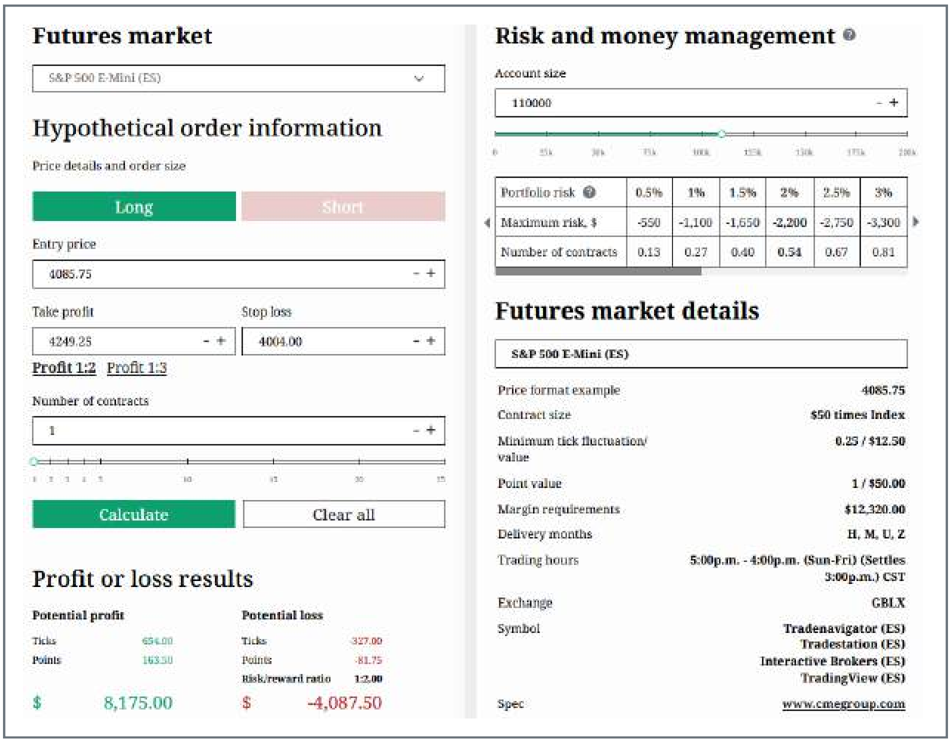
Access comprehensive and essential details, including trading hours, expiry months, and margin requirements for each contract. Additionally, we have included the distinct abbreviations for key software tools, recognizing that a futures contract may be referenced differently in platforms such as TradeNavigator and TradingView. This knowledge is indispensable for trading.

Indices | Financials | Currencies | Grains | Energies | Metals | Softs | Livestock and dairy futures

Futures Contract	Exchange	Symbols				Trading Hours	Delivery Months	Contract Size	Minimum Tick Value	Point Value	Margin Requirements	Detailed description
		TN	TS	IB	TV							
S&P 500 E-Mini (ES)	GBLX	ES	ES	ES	ES	5:00p.m. - 4:00p.m. (Sun-Fri) (Settles 3:00p.m.) CST	H, M, U, Z	$50 times Index	$12.50	$50.00	$12,320.00	www.cmegroup.com
S&P 500 Micro E-mini (MES)	CME	MES	MES	MES	MES	5:00p.m. - 4:00p.m. (Sun-Fri) (Settles 3:00p.m.) CST	H, M, U, Z	$5 times Index	$1.25	$5.00	$1,232.00	www.cmegroup.com
Nasdaq 100 E-Mini (NQ)	GBLX	NQ	NQ	NQ	NQ	5:00p.m. - 4:00p.m. (Sun-Fri) (Settles 3:00p.m.) CST	H, M, U, Z	$20 times Index	$5.00	$20.00	$18,480.00	www.cmegroup.com
Nasdaq 100 Micro E-mini (MNQ)	CME	MNQ	MNQ	MNQ	MNQ	5:00p.m. - 4:00p.m. (Sun-Fri) (Settles 3:00p.m.) CST	H, M, U, Z	$2 times Index	$0.50	$2.00	$1,848.00	www.cmegroup.com
Dow Futures E-Mini (YM)	CBOTM	YM	YM	YM	YM	5:00p.m. - 4:00p.m. (Sun-Fri) CST (Settles 3:00p.m.) CST	H, M, U, Z	$5 times Index	$5.00	$5.00	$8,800.00	www.cmegroup.com

6.1.2. The Futures Calculator

This tool allows you to calculate your potential profit or loss and determine all necessary parameters of the futures. It is indispensable and vital for your risk management.



6.1.3. The Seasonality Tool

Commodities and their prices are subject to seasonal cycles. Both supply and demand often fluctuate significantly throughout the year. Understanding these seasonal patterns, particularly with agricultural or energy commodities, determines the success or failure, the profit or loss, of the trader.

Our Seasonality Tool presents to you the cyclical price trends averaged over 5, 10, and 15 years:

The seasonal price trend for gasoline (RBOB Gasoline) as the average of the last 5, 10, and 15 years. The significant upward spike in February/March is attributed to the price explosion following the pandemic.

Another noteworthy aspect of this statistical analysis of the past: we can discern from these data which days of the week or weeks of the year promise profitable trading opportunities.

In some markets, increased market activity is observed leading up to or following holidays. These Trading Days of the Month can be identified based on the statistics.

We also conduct comprehensive backtests of the markets and present these results:

TDOM SOYBEANS / OPEN-CLOSE

Standard view | Gradient view | *click on a cell to view historical statistics detail

Date	Trading day	Position hold period without gaps																						
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
24-02-01	1st	0.33	13.44	11.53	17.75	16.84	22.54	23.32	19.83	32.86	30.49	30.84	34.32	46.51	44.66	40.99	51.47	51.22	52.59	70.89	74.88	74.88	74.88	74.88
24-02-02	2nd	13.06	11.16	17.35	16.45	22.13	22.91	19.43	32.41	30.06	30.41	33.87	46.02	44.17	40.52	50.96	50.72	52.08	70.32	74.3	74.3	74.3	74.3	
24-02-05	3rd	-1.68	3.8	3	8.02	8.71	5.63	17.12	15.03	15.34	18.41	29.15	27.52	24.29	33.52	33.31	34.51	50.64	54.16	54.16	54.16	54.16		
24-02-06	4th	5.57	4.76	9.87	10.57	7.44	19.12	17	17.31	20.43	31.36	29.7	26.41	35.81	35.59	36.81	53.22	56.8	56.8	56.8	56.8			
24-02-07	5th	-0.77	4.07	4.74	1.77	12.83	10.82	11.12	14.08	24.43	22.85	19.74	28.64	28.43	29.59	45.13	48.52	48.52	48.52	48.52				
24-02-08	6th	4.88	5.55	2.56	13.71	11.68	11.98	14.96	25.39	23.8	20.67	29.64	29.43	30.59	46.25	49.67	49.67	49.67	49.67					
24-02-09	7th	0.64	-2.21	8.42	6.49	6.78	9.62	19.56	18.05	15.06	23.61	23.41	24.52	39.45	42.71	42.71	42.71	42.71						
24-02-12	8th	-2.83	7.73	5.81	6.1	8.92	18.8	17.3	14.32	22.82	22.62	23.73	38.57	41.81	41.81	41.81	41.81							
24-02-13	9th	10.87	8.9	9.19	12.09	22.26	20.72	17.66	26.4	26.2	27.33	42.61	45.94	45.94	45.94	45.94								
24-02-14	10th	-1.78	-1.52	1.1	10.27	8.88	6.12	14.01	13.82	14.85	28.62	31.63	31.63	31.63	31.63									
24-02-15	11th	0.27	2.94	12.27	10.86	8.04	16.08	15.89	16.93	30.96	34.02	34.02	34.02	34.02										
24-02-16	12th	2.66	11.97	10.56	7.75	15.76	15.58	16.62	30.6	33.65	33.65	33.65	33.65											
24-02-20	13th	9.07	7.69	4.96	12.77	12.58	13.6	27.22	30.19	30.19	30.19	30.19												
24-02-21	14th	-1.26	-3.77	3.39	3.22	4.15	16.64	19.37	19.37	19.37	19.37													
24-02-22	15th	-2.54	4.71	4.54	5.48	18.13	20.89	20.89	20.89	20.89														
24-02-23	16th	7.43	7.26	8.22	21.21	24.04	24.04	24.04	24.04															
24-02-26	17th	-0.16	0.74	12.82	15.46	15.46	15.46	15.46																
24-02-27	18th	0.9	13	15.64	15.64	15.64	15.64																	
24-02-28	19th	11.99	14.61	14.61	14.61	14.61																		
24-02-29	20th	2.34	2.34	2.34	2.34																			
-	21st	0	0	0																				
-	22nd	0	0																					

Trading Day of the Month (TDOM) within the soybean market. Presentation of graphical results derived from our comprehensive backtesting.

6.1.4. The COT Tool

Finally, the fourth and most crucial tool of our strategy: our COT Tool.

There you can access comprehensive information on COT data. In addition to the price trends and net positions of the three groups of market participants, you will find the COT Index and the Open Interest for the 40 most significant futures traded by InsiderWeek.

Charts for the WTI Crude Oil Future CL.

Each tool is accompanied by an exhaustive description of how to use it and the information it offers.

Nevertheless, what value do all these insights hold if one lacks the foundational knowledge for trading in the futures markets and lacks insight into a strategy that effectively leverages this information profitably?

To address this, we have created our **ProTrader subscription.**

6.2. The Pro Trader Subscription — Practical Application for Your Success

Our Pro Trader Subscription doesn't just cater to newcomers in the futures market but also equips traders already acquainted with the fundamentals of commodity trading with the means to conduct comprehensive analysis and strategize effectively for their futures trading activities.

By focusing on **the Commitments of Traders (COT) report**, you will learn to understand market behavior and trends, generating trade signals based on this understanding. This provides you with confidence when positioning and managing your trades.

Pro Trader

Follow the COT-strategy that has worked successfully for over 59 years.

With the Pro Trader subscription, you get access to all the trades I execute on my COT-1 and StartUp accounts.

- Included in the subscription:
- COT report analysis
- COT Signals
- Watchlist
- Weekly trading plans
- Daily trading signals and market comments
- Access to the Membership Area
- Access to all trades via the Membership Area & messenger

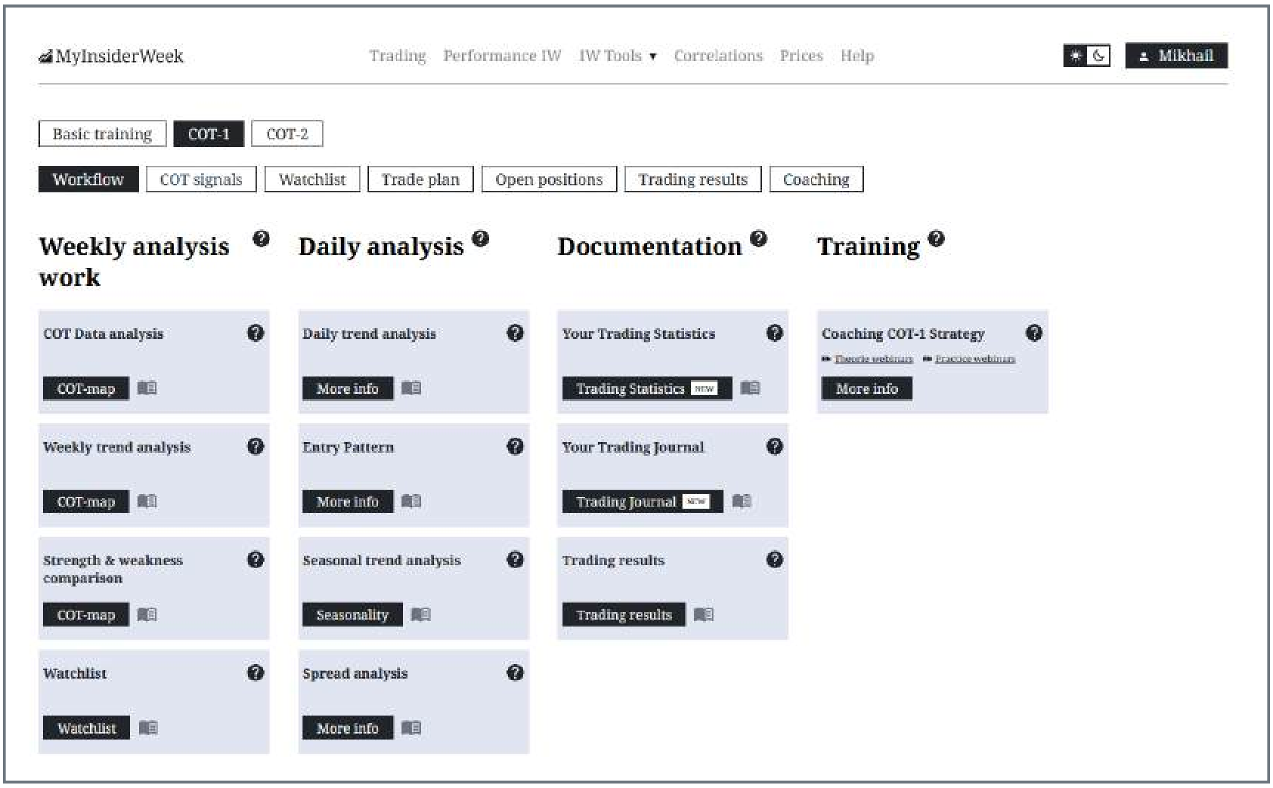
As a subscriber, you will receive **weekly trading plans** and **daily market commentary**. Additionally, you will have access to **a monthly live webinar** and an **exclusive member account**. These resources are designed to support you in planning and executing your trading decisions, managing your risks more effectively, and optimizing your trading strategies.

All of this is aimed at providing you with the knowledge and tools necessary to succeed as a trader.

This not only leads to better performance of your portfolio but also to a deeper understanding of market mechanisms. Only what you truly understand can you profitably utilize.

Furthermore, the subscription offers a genuine community and support. You are not alone on your journey. The monthly webinar and exclusive member account provide ideal platforms to ask questions, discuss strategies, and learn from other traders.

Below are a few screenshots illustrating the benefits of **the Pro Trader subscription.**



The homepage of your personal account on myInsiderWeek offers an overview of the workflow and provides access to the individual sub-sections.

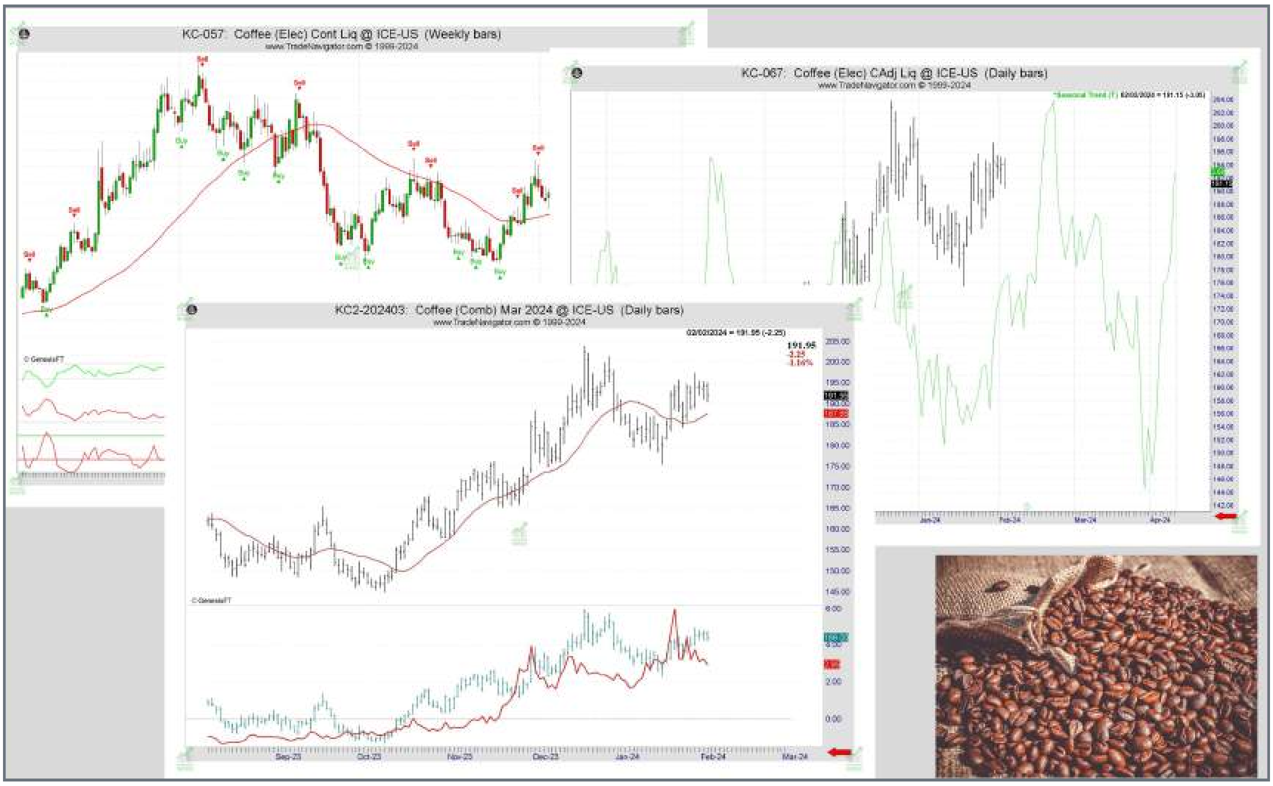
W05 29.01.2024

Market	WL	COT Index	Änd.	B	W
Stock Indices (contracts overview)					
S&P500 E-MINI		66%	12		
NASDAQ E-MINI		15%	1		
DOW E-MINI		6%	-6		4
Germany DAX Index		41%*	2		
Financials (contracts overview)					
30-YR T-BONDS	✔	12%	0		4
10-YR T-NOTES		74%	-26		
Currencies (contracts overview)					
DOLLAR INDEX		94%	-6		4
EURO FX		85%	13		
SWISS FRANC	✔	20%	20		4
BRITISH POUND		32%	-9		
JAPANESE YEN	✔	30%	19		4
CANADIAN $		26%	-2		3
AUSTRALIAN $		36%	15		4
NEW ZEALAND $	✔	10%	1		4
MEXICAN PESO		24%	11		2
Grains (contracts overview)					
SOYBEANS		100%	0		
SOYBEAN MEAL		100%	0		
SOYBEAN OIL	✔	91%	-3		1
CORN		99%	-1		1
WHEAT		33%	-6		4
ROUGH RICE		31%	12		

Market	WL	COT Index	Änd.	B	W
Energies (contracts overview)					
CRUDE OIL		87%	-12	B	2
RBOB GASOLINE		4%	-16		
HEATING OIL	✔	99%	31	B	4
NATURAL GAS		40%	30		2
Metals (contracts overview)					
GOLD		30%	11		4
SILVER		63%	33		
PLATINUM	✔	58%	11		4
PALLADIUM	✔	86%	4		1
COPPER	✔	100%	10		2
Softs (contracts overview)					
COTTON	✔	42%	-47		5
COFFEE		0%	0	B	5
COCOA		54%	-26	B	3
SUGAR		95%	-5	B	4
ORANGE JUICE	✔	100%	0	B	2
LUMBER		%			
Meats (contracts overview)					
LIVE CATTLE		93%	-7		2
FEEDER CATTLE		65%	-23		3
LEAN HOGS		81%	-10		4
Crypto (contracts overview)					
BITCOIN		87%	23		1

The cornerstone of our planning process: assessment of COT reports and analysis of COT signals. COT signals in development are represented in green (Buy signal) or red (Sell signal). When multiple COT signals emerge within a market category, it indicates a significant shift in capital flow and foreshadows the onset of the next major movement.

Subsequently, each instrument is supplemented with charts facilitating a thorough evaluation of the signal's significance and intensity:



Discover all the advantages of this offer by visiting our website: https://insider-week.com/en/pro-trader/

6.3. Our Strategy Coaching — with Money-Back Guarantee

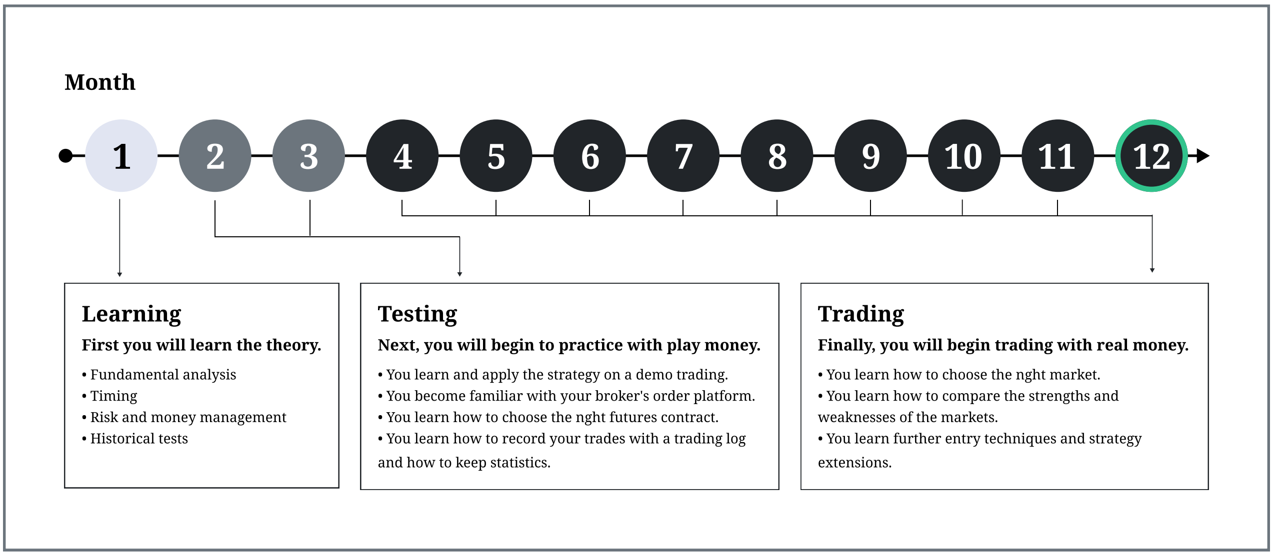
The tools we provide you with in the Pro Trader subscription allow you to thoroughly prepare and plan your futures trading. We ourselves use these same tools and workflow that we present to you in the subscription.

However, this subscription assumes that you have a solid foundational knowledge and a robust trading strategy. The Pro Trader subscription is not a substitute for a sound trading education.

At InsiderWeek, we offer this education in the form of our 12-month **coaching program.**

The COT-1 Trading Strategy Coaching by InsiderWeek is a comprehensive program aimed at not only teaching you the theory behind a profitable trading strategy based on COT data but also providing you with practical trading experience in commodities and futures.

6.3.1. A comprehensive approach to your trading success



The coaching program consists of one month of theory and eleven months of practical experience. You will begin with the impartation of the theoretical foundations of the COT-1 strategy and deepen your knowledge through historical tests, demo trading, and real-money trading. Webinars are held twice a week, providing you with direct feedback and the opportunity to ask questions.

Practical learning and daily support

Every day, you will be provided with trading plans that precisely outline trades and how they should be executed. This allows you to apply what you have learned directly into practice while simultaneously benefiting from the coaches' experience.

Community and networking

Another advantage of the coaching program is access to a community of traders and investors. Through a Discord chat and mastermind webinars, you can engage with like-minded individuals, form networks, and benefit from the experiences of others.

6.3.2. Short Time Investment for Long-Term Success

One of the outstanding features of the coaching program is that you only need about 15 minutes daily during the week to implement the strategy. This makes the program ideal for individuals who wish to trade part-time.
With our coaching, you will transform from **an unsuccessful trader** to a long-term profitable **InsiderWeek Trader.**

An unsuccessful trader...

- Jumps from one strategy to another;
- Prefers watching trading signals rather than developing as a trader;
- Trades based on emotion and without a plan, easily influenced by opinions of others;
- Checks prices every 5 minutes;
- Ignores risk management and constantly struggles with drawdowns;
- Takes small profits, lets losses run;
- Has not made profits for many years.

InsiderWeek Trader...

- Focuses on a profitable strategy and continually improves;
- Becomes an expert in their field;
- Always follows their trading plan;
- Checks prices once a day according to the trading plan;
- Follows robust rules for risk and money management, with drawdowns under 10%;
- Focuses on reducing losses and lets profits run;
- Ends each year with a profit.

The COT-1 Trading Strategy Coaching offers you a unique opportunity to elevate your trading to the next level. Through a combination of theoretical knowledge, practical experience, daily support, and access to a vibrant community, you will be empowered to trade profitably and achieve long-term success.

If you are genuinely interested in improving your trading, this program is perfect for you. For further information, please visit our website **(https://insider-week.com/en/cot-1-strategy).** You can also sign up for **a completely non-binding initial consultation session there.**

6.4. Coaching — What's Next?

Following the strategy coaching, it naturally makes sense to enroll in the Pro Trader subscription to maintain access to the aforementioned tools and services. Additionally, tailored specifically for our coaching graduates, we offer a **Coaching Extension** subscription. For further details regarding this option, we encourage you to consult with your assigned coach.

You want to get access

To the most important aspects of the COT-1 Strategy and avoid all the pitfalls on your way to trading success?

- Learn unique information and aspects about the COT - 1 strategy.
- Recognize your trading and behavioral mistakes.
- Get valuable and practical advice to improve your trading results.

Sign up for a free strategy session with trading experts from InsiderWeek on our website.

Get valuable and practical advice to improve your trading results.

REGISTER NOW

II. You are nearly done!

Wait – hold on! It's not quite over yet!
Was this book interesting and helpful? Then visit us regularly on our Website:

insider-week.com

Do you want to get information about the futures markets, trading and life as a trader on a regular basis? You can find the registration form on **our website**.

Do you want to see us in action? Watch our videos and subscribe to our

YouTube channel

YouTube

All the best, good luck, much success and happy trading!

III. Risk disclosure

Please read and retain the information!

Risk disclosure statement and legal disclaimer from Insider Week Ltd. Stocks, options, futures, and forex trading aren't for everyone. While there is the potential for big profits, there is also a significant risk of loss associated with trading. Losses can and will occur. Trading in securities and financial instruments can expose your capital to considerable risks, possibly beyond the capital itself. Don't trade money that you can't afford to lose.

The analysis shown here does not constitute investment advice. Our pages are therefore neither an invitation nor an offer to buy/sell stocks, options, futures and/or currencies. Neither a system nor a methodology has been developed that can guarantee profits or assure zero loss. There is no explanation or inference that the use of the methods or systems or information on our sites will generate profits or ensure zero loss.

The analysis provided is for informational purposes only and cannot replace an individual onsultation. Liability for indirect and direct consequences arising from this information is therefore excluded.

CFTC Rule 4.41 states:

> Hypothetical or simulated performance results have certain limitations. unlike an actual performance record, simulated results do not represent actual trading. also, since the trades have not been executed, the results may have under-or-over compensated for the impact, if any, of certain market factors, such as lack of liquidity. simulated trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. no representation is being made that any account will or is likely to achieve profit or losses similar to those shown.

The results reported on our pages are not necessarily representative of the results of those who use our products or services. These results are not typical and your income or results may vary. Most traders either win nothing, or even lose money, mostly because they lack the discipline to learn and practice, or because they stop at the first or second obstacle they meet. Your own results can be better or worse.

From time to time we may promote, endorse, or suggest products and/or services offered by another company. Such recommendations are based on a sincere belief that the company, product, and/or service has something valuable to offer from which our subscribers can benefit. In some cases, we may have an affiliate relationship with the company and receive a commission if you decide to purchase based on our recommendation. Always do your own due diligence before making any purchases and avoid buying products without a clear guarantee.

IV. Recommended reading

DISCLAIMER: We do not earn money by recommending or selling the following literature. We are not an affiliate partner of amazon®, Thalia® or other booksellers and do not publish links, prices or purchase recommendations. The titles are a small selection of books that we consider interesting and helpful. Larry Williams, however, is required reading.

Futures und COT

- Larry Williams: Trade Stocks & Commodities with the Insiders: Secrets of the COT Report
- Stephen Briese: The Commitments of Traders Bible: How to Profit from Insider Market

Psychology of a trader

- Norman Welz: Tradingpsychologie - So denken und handeln die Profis (German!)
- Norbert Betz: Börsenpsychologie (German!)
- Brett Steenbarger: Enhancing Trader Performance: Proven Strategies from the Cutting
- Edge of Trading Psychology

Mindset

- James Clear: Atomic Habits
- Charles Duhigg: The Power of Habit: Why We Do What We Do, and How to Change
- Cal Newport: Deep Work: Rules for Focused Success in a Distracted World
- Scott H. Young: Ultralearning — Master Hard Skills, Outsmart the Competition and Accelerate Your Career

V. Imprint

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