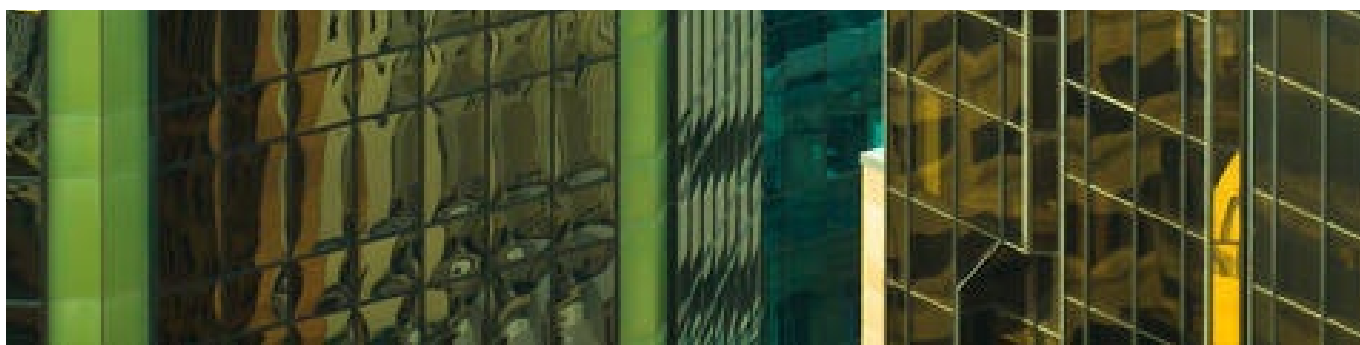




# How to use **COT indicator** for MT4



Get free COT indicator and weekly update at: [forexcot.wix.com/cot-report#!indicator/c199t](https://forexcot.wix.com/cot-report#!indicator/c199t)

**Risk Disclaimer** - Trading foreign exchange on margin carries a high level of risk, and may not be suitable for all investors. Past performance is not indicative of future results. The high degree of leverage can work against you as well as for you. Before deciding to invest in foreign exchange you should carefully consider your investment objectives, level of experience, and risk appetite. The possibility exists that you could sustain a loss of some or all of your initial investment and therefore you should not invest money that you cannot afford to lose. You should be aware of all the risks associated with foreign exchange trading, and seek advice from an independent financial advisor if you have any doubts.

## Special thanks

Before anything else thank you for trying out our free indicator and let us know any suggestion you may have in order to improve it.

To contact us go to:

[forexcot.wix.com/cot-report#!contact-us/ch4z](http://forexcot.wix.com/cot-report#!contact-us/ch4z)

## Preliminary operations

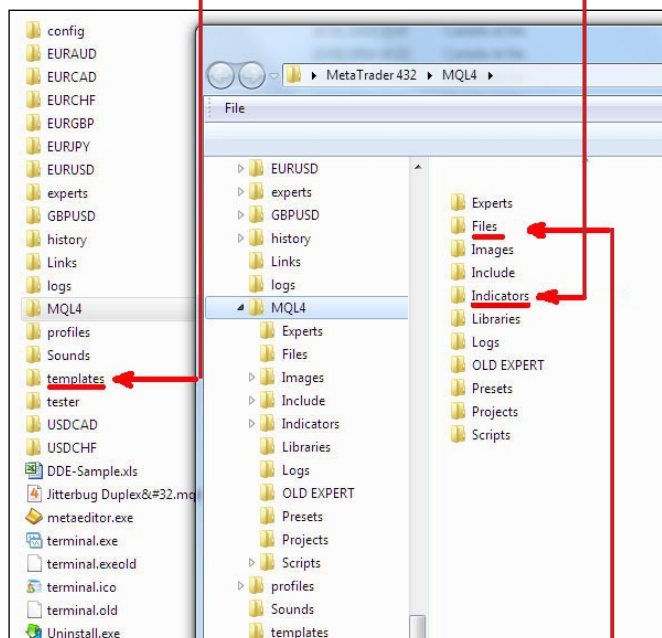
Once you have downloaded the file (actual is: **COTindicator\_1.8.doc**) change file extension from .doc to .zip.

File name will become: **COTindicator\_1.8.zip**.

Unzip it using a tool like WINRAR, ZIPGENIUS or anything else you are used to. Inside you find 2 files:

- cot.tpl

- COTindicator.ex4



- Copy the first one into your folder:

MetaTrader\templates\

- Copy the second one into your folder:

MetaTrader\MQL4\Indicators

Now download **COTreport.ppt** and copy it into:

MetaTrader\MQL4\files

Restart your MT4 terminal.

## 1 - MT4 terminal

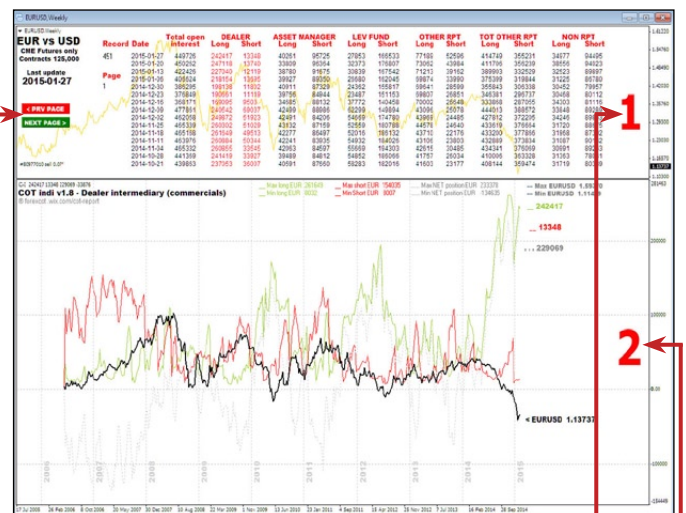
Open a weekly chart (i.e. EURUSD TF W1) and from upper menu CHARTS --> TEMPLATE --> select **COT**.

COT indicator can be attached to 7 different pairs, gold, silver and US S&P500 stock index.

Pairs are:

- CADUSD
- USDCHF
- GBPUSD
- USDJPY
- EURUSD
- AUDUSD
- NZDUSD

If everything works fine you should see a window like picture below.



The window is divided into 2 sections:

- upper side (number 1) filled by COT data as released by CME (Chicago mercantile exchange - *at least the main entries*).

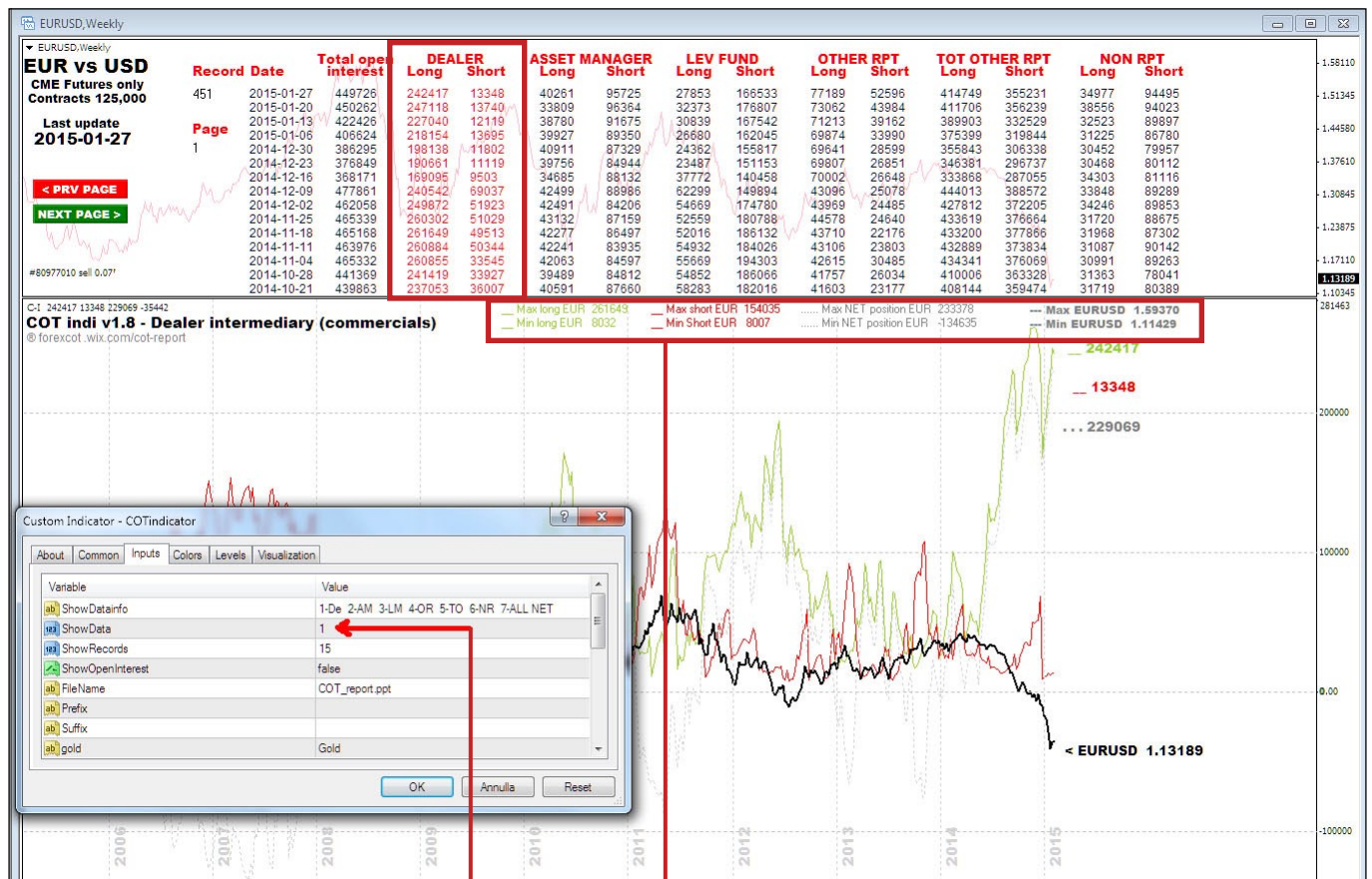
In the upper left corner there are 2 buttons [Prv page] and [Next page]. Click on them in order to scroll up and down all report numbers.

Shown records can be from 15 to 60 per page.

- lower side (number 2) shows lines-chart for each COT category from July 2006 till nowadays.

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## 2 - Indicator inputs

COTindicator's use it's easy.

There are only 3 main entries:

**ShowData:** input from 1 to 7

**ShowRecord:** input from 15 to 60

**ShowOpenInterest:** true/false (*it works only if ShowData=7*)

Only ShowData input needs further explanations:

**input 1:** Dealer (opened long and short futures contracts). Numbers under Dealer are red colored, this means the chart's lines are plotted by these numbers. In the upper side of section 2 there are: MAX and MIN opened LONG POSITIONS (historical data are from 2006 till nowadays, numbers will be only positive), MAX and MIN opened SHORT POSITIONS (numbers will be only positive), MAX and MIN opened NET POSITIONS (numbers can be positive or negative), MAX and MIN weekly price closure.

Dealers are large company who trade "futures contracts" in order to protect their products/goods

from big movements in forex market.

They usually are on the wrong side of the market.

Looking at Dealers chart:

- **GREEN LINE** represents the total LONG futures contracts opened at the CHICAGO MERCANTILE EXCHANGE.

The line is plotted by positive numbers > 0 (it is always above the zero line).

- **RED LINE** represents the total SHORT futures contracts opened at the CHICAGO MERCANTILE EXCHANGE.

The line is plotted by positive numbers > 0 (it is always above the zero line).

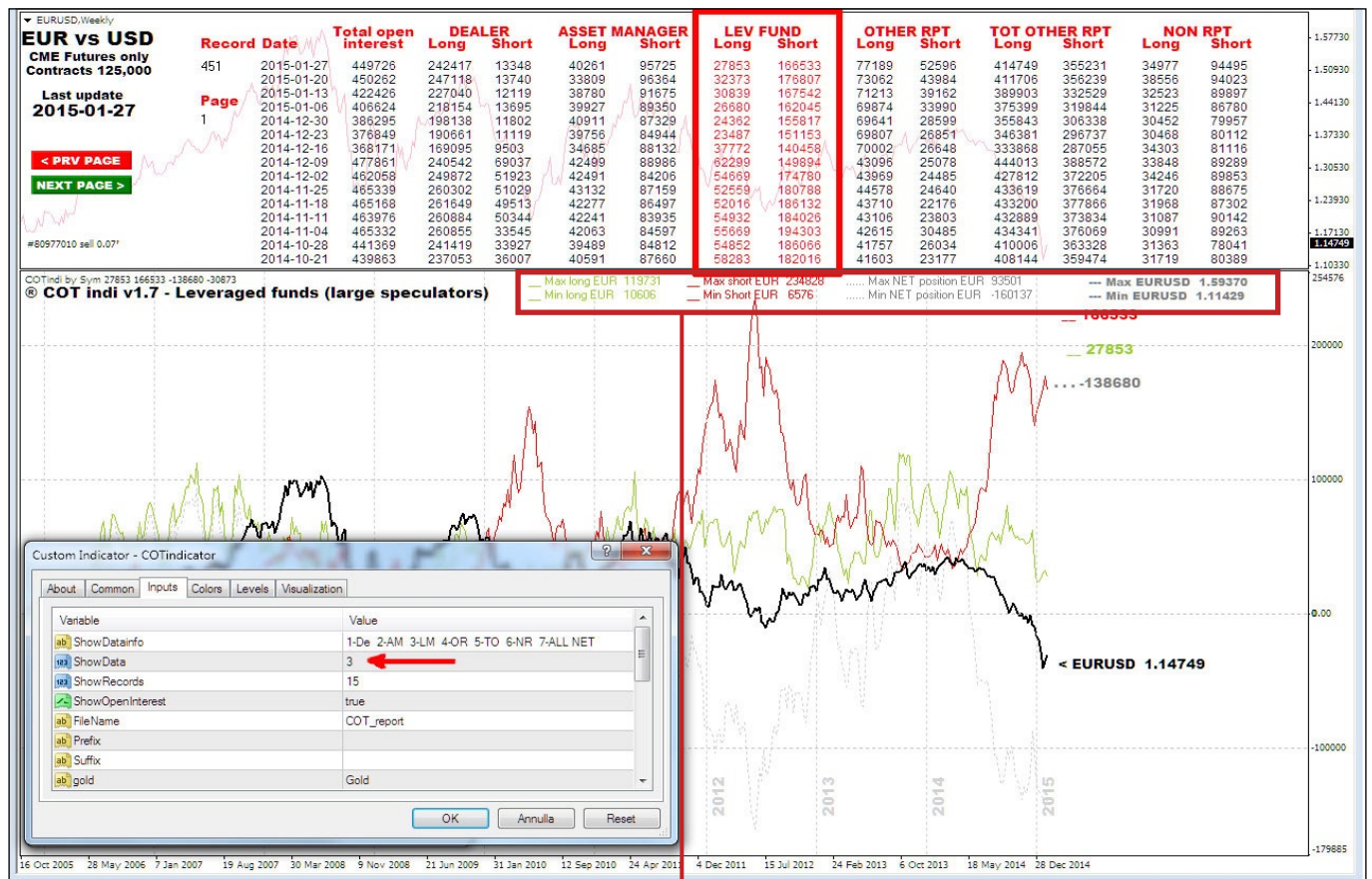
- **GRAY DOTTED LINE** is the difference between LONG and SHORT futures contracts. The line can go ABOVE or BELOW zero line and sometimes can represent the "market sentiment".

- the bigger **BLACK LINE** is the weekly price closure for the pair (i.e. EurUsd in the picture above)

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- **input 2 and 3:** ASSET MANAGER and LEVERAGED FUND (opened long and short futures contracts). Numbers under ASSET MNG or LEV FUND are red colored, this means the lines chart are plotted by these numbers.

In the upper side of section 2 there are: MAX and MIN opened LONG positions (historical data are from 2006 till nowadays, numbers are only positive), MAX and MIN opened SHORT POSITIONS (numbers are only positive), MAX and MIN opened NET POSITIONS (reported numbers can be positive or negative), MAX and MIN weekly price closure.

ASSET MANAGER and LEVERAGED FUND are “big boys”, the “Market Makers” who move prices investing huge amount of money. Traders should take care where they are, when and at what price levels they had bought or sold. It can't be predicted what they will do next week, but if they are full of BUY contracts from long time, perhaps it's time to build a selling pyramid. Vice versa if they are full of SELL contracts, it may be considered to start buying using a grid strategy.

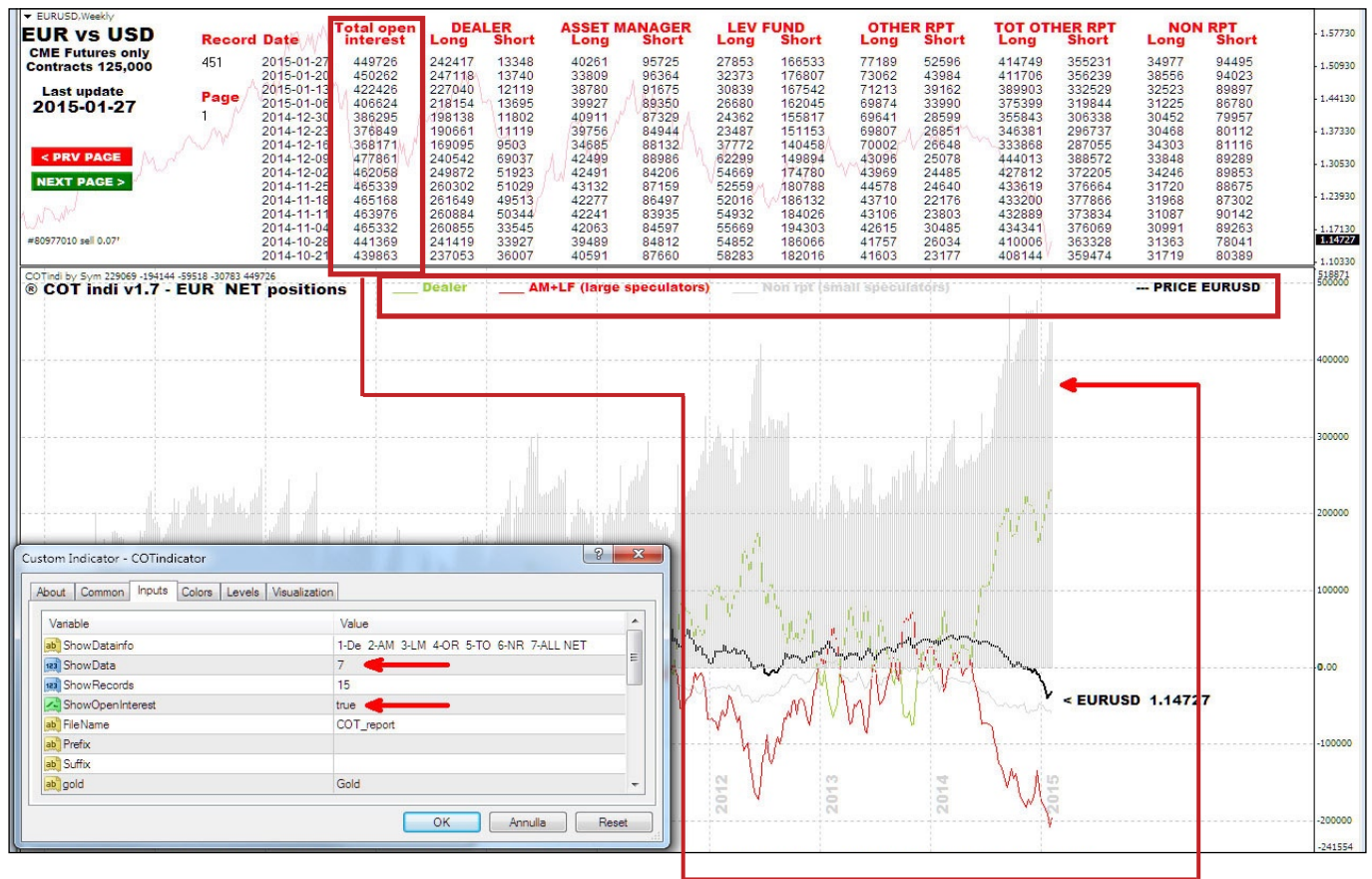
- **input 4 e 5:** are not too much relevant, but they are in COT report.

- **input 6:** NON REPORTABLE. These are retailer traders/small speculators. Many times the majority of them is on the wrong side of the market.

- **input 7:** the last but not least important: this entry shows the 3 most important NET POSITION category at a glance (see next page picture). You can see DEALER/COMMERCIALS (GREEN LINE) - wrong side of the market - ASSET MNG + LEV FUND (RED LINE) - big speculators, banks, leveraged funds, central banks - they are almost always on the right side of the market. Try to stay with them or predict their behavior analyzing past data - NON RPT (GRAY DOTTED LINE) - retailers/small speculators. They usually are late or wrong trying to follow “Market Makers”. Black line is weekly price closure.

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Indicator will plot a gray histogram representing total amount of OPEN INTEREST when ShowOpenInterest is set to "true".

## Very important

Please note for these pairs:  
GBPUSD - EURUSD - AUDUSD - NZDUSD  
price (black line in picture above) moves accordingly (*more or less*) with red line.

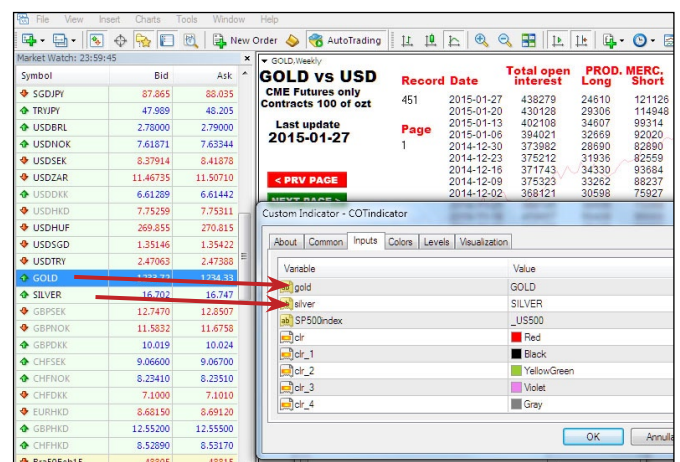
For these pairs:  
USDCAD - USDCHF - USDJPY  
it is the opposite (*more or less*), price moves opposite red line.

## Weekly update

Every week you can get here:

[forexcot.wix.com/cot-report#!about/c240r](http://forexcot.wix.com/cot-report#!about/c240r)

the new COT file released by CTFC. It must replace the old one in your MT4 folder:  
Metatrader/MQL4/Files/



## Gold, silver and SP500 index

Because brokers can use different name and suffix for gold, silver and SP500 index, you should change input value accordingly.

Name are case sensitive.

In the above picture, broker uses GOLD/SILVER (all in capital letters) to identify metals.

Please check out what your broker uses.

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## Some COT trading applications

A picture is worth a thousand words.

Below a break-out strategy on down trend based on red line movements (big speculators).



Black line (EurUsd prices) and red line (big investors) moving down, looking for support.

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