Why commodity charts rhyme

> **MARKET STRUCTURE**
>
> The recurring machinery underneath price behaviour: who must trade, when they must trade, and what it costs them to. Charts across markets rhyme because the machinery rhymes - and they diverge exactly where the machinery differs. In commodities, the divergence is physical delivery, and it changes what several familiar chart features mean.

The FX track ended its reading module with a claim: charts rhyme because the same machinery - sessions, positioning, obligation - drives them. Indices repeated it with auctions in place of sessions. Commodities completes the set, and adds the sharpest divergence yet.

What carried over

Sessions shape the day. Commodity depth follows the US hours the way FX depth follows London's.Scheduled information moves markets through surprise, never through the number itself. EIA Wednesday is Nonfarm Friday with barrels.Obligated flow moves prices without opinion: the roll migration and the hedging programmes are commodities' index-rebalancing.

What commodities break

Every divergence in this module traces to one fact from lesson 1 of the last: the contract ends in physical delivery. That is why the chart is one month of many, why the continuous chart needs seams, why the curve exists at all, and why expiry is an event rather than an administrative detail. An FX position can in principle be held forever; a commodity month cannot, and the calendar's teeth show through every chart.

It is also why this asset class handed you tools the others could not: a curve that photographs the physical balance daily, open interest that counts real commitments, and inventory reports that weigh actual stock. FX made you infer the market's state from price. Commodities publish theirs.

The module in one paragraph

Know the dialect - units, ticks, cents. Know which month you are looking at, and how the months were stitched. Read the curve for the balance, open interest for the commitments, the reports for the surprise, and the calendar for what normal looks like - in price and in liquidity. None of that predicts tomorrow. All of it determines whether what you see on a chart means what you think it means, and module 3 prices what acting on it costs.

Check your understanding

1. Which single fact explains most of what makes commodity charts different from FX charts?

a. Commodity markets are more volatile

b. The contracts end in physical delivery, so every chart carries the month dimension and the calendar's deadlines

c. Commodity markets close overnight

Answer: b. Delivery is why months are separate instruments, why continuous charts are spliced, why the curve exists and why expiry matters. The rest of the differences are downstream of that one promise.

2. What reading advantage do commodities offer over FX?

a. Cleaner technical patterns

b. Published state: the curve, open interest and physical inventory reports show what FX forces you to infer

c. Fewer scheduled news events

Answer: b. FX positioning and flow are mostly invisible. Commodities publish their balance sheet daily - the curve, the commitments, the stocks - which rewards the trader who reads books rather than moods.