Open interest as analysis, not just reading

> **OPEN INTEREST TRENDS**
>
> The commitment count read across weeks rather than days: sustained OI builds mark money entering a market's thesis, sustained drains mark abandonment, and the level against its own history says how crowded the whole trade has become. The futures layer's first analytical addition - a slow, honest positioning proxy available in every family, daily, free.

Module 2 read the pair day by day. Analysis stretches the window: open interest's trend, over weeks, is the futures layer's own slow gauge of conviction arriving and leaving.

From reading to analysis

The daily combinations - price up on OI up, and the rest - graded single sessions. The analytical read runs the same logic at trend length: a market rallying for a month on steadily building OI is a thesis being funded - new commitments, week after week, on the commodities track's contract-creation arithmetic; the same rally on draining OI is a market being evacuated upward - shorts leaving, nothing arriving - and the two rallies age entirely differently. Neither is a signal; both are the who-funded-this context every underlying read deserves.

The level against history

OI at multi-year highs is a crowded market in the plainest sense: more standing commitments than usual - fuel for continuation while the thesis holds, and for the exit crowd when it breaks.OI at lows marks abandonment: theses given up - the contrarian's hunting ground and the trend-follower's desert, named without recommending either.The seasonal correction applies: some families breathe OI with their calendars - the commodities hedging cycles - and the trend read runs against the seasonal normal, per two tracks of baseline discipline.

The placement in a read

OI trend answers one question in the assembled read of lesson 9: is the underlying view I routed here already funded? A commodities balance-sheet thesis confirmed by building OI is a thesis the market is joining - less differentiated, per every analysis module's warning, and further along its life. The same thesis against draining OI is early or wrong - and the stocks data, the curve and the COT decide which. One input, honestly bounded: the futures layer says who is committed; the underlying's track still says whether they are right.

Check your understanding

1. How do a month-long rally on building OI and one on draining OI differ?

a. The first is faster

b. Funded thesis versus upward evacuation: new commitments arriving weekly against shorts leaving - the rallies age entirely differently, and the pair's trend says which is running

c. They are indistinguishable in the data

Answer: b. Contract-creation arithmetic at trend length. Neither is a signal; both are the who-funded-this context that changes what the underlying read means.

2. What single question does OI trend answer in an assembled futures read?

a. Whether the price will continue

b. Whether the routed underlying view is already funded - crowded and late, or early and unjoined - with the underlying's own data deciding whether it is right

c. Which month to trade

Answer: b. The futures layer measures commitment, not correctness. The honest division of labour: OI says who is in; the underlying track says whether they should be.