Volume and open interest, read together

> **THE PAIR, PER MONTH**
>
> Volume and open interest read together and per contract month: the commodities pairing, now with the board's column structure underneath it. Volume says what traded today; open interest says what commitments stand; and their distribution across months says where the market actually lives - the three readings that make a futures board legible.

The commodities track built the volume-and-OI reading. Futures inherit it whole and add the dimension the board makes visible: the pair is per month, and its shape across the column is itself a reading.

The inherited pairing

The four combinations transfer verbatim - price up on rising OI is new money, up on falling OI is short covering, and the mirror pair below - with the same discipline: a reading aid about who acted, never a signal about what follows. The evening cadence transfers too: open interest settles in arrears, and remains the review tool it was, not a tick-by-tick one.

What the board adds

The distribution reading: OI concentrated in the front with thin backs is a market living at the front - normal for most families; OI spread deep down the column marks the contracts where hedging business extends years out, and their back months are real markets rather than ghost rows.The roll, quantified: the commodities track watched OI migrate at expiry - the board shows the migration as two numbers crossing: front OI draining, next month filling, and the crossover dating the roll better than any calendar rule of thumb.The handover confirmation: volume switching months before OI has fully moved is the roll in progress; both having moved is the roll complete - and module 8's roll lessons will trade on exactly this distinction.

The standing caution, and the close

Expiry mechanics pollute the pair on schedule: OI falls into every expiry as positions close or roll - a decline that means the calendar, not conviction - and volume spikes in roll windows are migration, not opinion, exactly as the equity track's closing auction volume was machinery. Read the pair against the month's place in its life cycle, and the board becomes what this module promised: a table where the market's commitments, their location and their migration are all published, daily, for anyone who learned the column.

Check your understanding

1. What does deep open interest in back months indicate about a contract family?

a. Poor front-month liquidity

b. Real hedging business extending years out: the back months are genuine markets, not ghost rows - a structural fact about who uses the family

c. An imminent roll

Answer: b. OI's distribution maps where commitments actually live. Families with long-dated business show it in the column - and their back-month books are tradeable in a way most are not.

2. Open interest falls sharply as expiry approaches. What does it mean?

a. Conviction is collapsing

b. The calendar: positions close or roll into every expiry - the decline is life-cycle machinery, read against the month's age, not sentiment

c. A price reversal is due

Answer: b. The pair pollutes on schedule. Expiry drains OI and roll windows spike volume mechanically - the platform's standing lesson about machinery wearing information's clothes.