GoldSquawk

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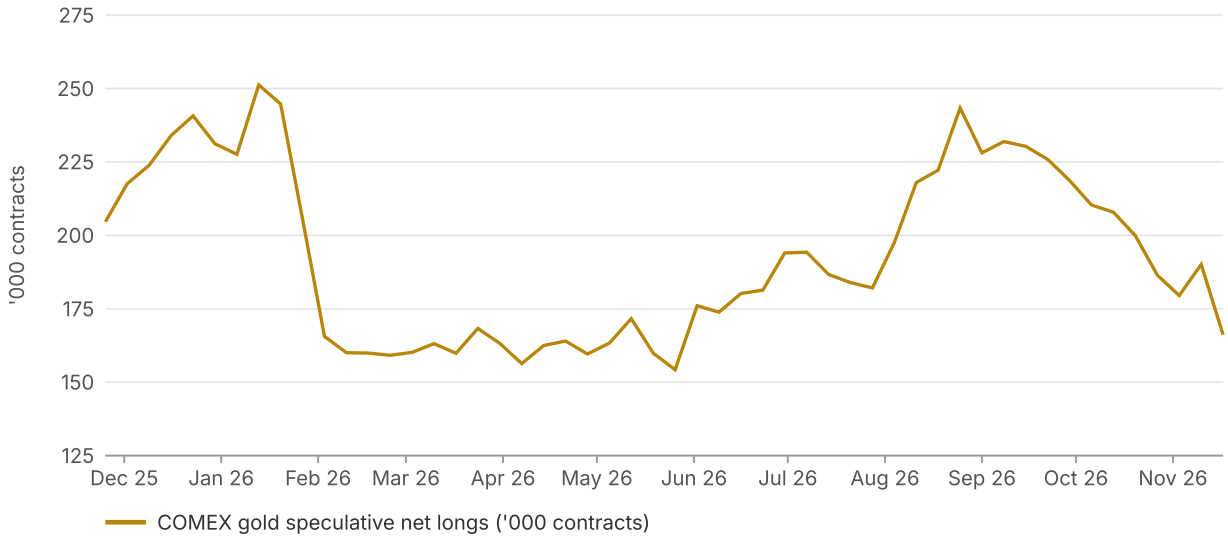
Positioning washout leaves gold exposed to further futures-led selling

GoldSquawk Research

Key takeaways

- Managed-money positioning in COMEX gold is still being reduced quickly: the latest CFTC report shows 121,994 longs, 19,052 shorts and a 102,942-contract net long on 17 November, down 9,399 contracts from the prior week[1].
- The latest weekly unwind was led more by long liquidation than short building, with longs down 5,412 contracts and shorts up 3,987. That points to de-grossing and a still-fragile long base rather than full capitulation[1].
- The broader reset predates this week. WGC said COMEX managed-money net positions fell by US$7bn / 53t in October after a larger drop in September, linking the move to Fed rate-path repricing, de-grossing and rotation into bonds[2].
- Macro conditions remain difficult for gold longs. The Atlanta Fed tracker showed a 4.29% implied average rate for the Dec–Mar window with a 98% chance above the current Fed range on 19 November, while US 10-year real yields were 2.88%, near the top of their one-year range[3,4].
- The key offset is that this still looks more like a futures-led deleveraging episode than a full-spectrum demand collapse: global gold ETF holdings rose 19t in October to 4,275t, even as prices fell[5].

Figure 1: COMEX speculative net length drops towards the bottom of its one-year range



Source: CFTC Commitments of Traders (futures only), as of 17 November 2026.

Positioning is still unwinding, and the latest week was another clear liquidation signal

- The official CFTC snapshot for 17 November shows managed money still net long, but less so: 121,994 longs versus 19,052 shorts, leaving a 102,942-contract net long, down from 112,341 a week earlier[1].
- The weekly change matters more than the headline level. Longs fell by 5,412 contracts and shorts rose by 3,987, producing a 9,399-contract reduction in net length. That is bearish, but the dominant feature remains long liquidation rather than an overwhelming new short campaign[1].
- The broader speculative picture is also weak. GoldSquawk data show the COMEX gold speculative net position fell to 166.1K contracts in the week to 17 November, down 24.0K on the week and sitting at 12% of its one-year range[6].
- This decline has been running for some time. GoldSquawk previously showed managed-money net length falling from 134,972 contracts on 8 September to 105,562 by 27 October, while longs dropped far more than shorts rose, reinforcing the view that the move has primarily been a long clean-out[7].

Figure 2: Gold weakens as yields stay high



Source: COMEX gold futures and CBOE 10-year yield index via Yahoo Finance, as of 20 November 2026.

Hawkish rates repricing remains the main catalyst for the washout

- WGC said October's fall in COMEX managed-money net positions was tied to repricing of the Fed's expected rate path, de-grossing and rotation into bonds, making rates the clearest macro driver behind the futures unwind[2].
- That pressure is still visible in current market pricing. The Atlanta Fed Market Probability Tracker showed a 4.29% implied average rate for the Dec–Mar window on 19 November, with a 98% chance of SOFR averaging above the current 3.75%-4.00% Fed range[3,8].
- Real-rate competition remains a headwind. GoldSquawk data put the US 10-year real yield at 2.88% on 19 November, up 0.02 percentage points on the week and at 94% of its one-year range, increasing the opportunity cost of holding gold[4].
- Against that backdrop, price damage has been severe. Gold ended October at US$3,913/oz, down 6.3% month-on-month, and nearby COMEX settlement was around US$3,682.10/oz by 19 November in secondary market coverage, consistent with an active futures-led deleveraging phase[2,9].

Figure 3: Gold makes a new 52-week low and stays well below key moving averages



Source: COMEX gold futures daily closes via Yahoo Finance; GoldSquawk calculations, as of 20 November 2026.

The washout is substantial, but not obviously complete

- WGC's early-November conclusion was that positioning remained elevated and that a further shake-out in futures positioning might be needed before a more durable recovery could take hold[2]. The latest CFTC data do not contradict that view: managed money remains net long by more than 100,000 contracts[1].
- Technically, the market still looks damaged. COMEX front-month gold closed at US$3,519.1/oz on 20 November, exactly its 52-week low, versus a 50-day moving average of US$4,110.9 and a 200-day moving average of US$4,444.7 [chart].
- Not all flow signals confirm a broad exodus from gold. Global gold ETF holdings rose by 19t in October to 4,275t, with US$2.7bn of inflows, while Q3 holdings had already reached a record 4,256t[5,10].
- Even so, the local US ETF picture has softened. GoldSquawk data show GLD and GLDM combined saw a 2.7t outflow in the latest week and 3.9t of outflows over four weeks, suggesting that one stabiliser is less supportive at the margin[11].

Scenarios

- **Pressure case:** If Fed repricing stays hawkish, real yields remain elevated and the next CFTC reports continue to show long liquidation alongside some fresh shorting, gold would remain vulnerable to further futures-led weakness[1,2,4,3].
- **Stabilisation case:** If positioning is cleaned out more quickly, ETF holdings remain resilient and rate expectations stop hardening further, the current deleveraging phase could begin to lose momentum even without a broad bullish shift in fundamentals[2,5,3].
- **Short-covering bounce case:** If the market interprets the move as overextended after a sharp fall in both price and speculative length, tactical short-covering could emerge, especially if incoming Fed or inflation signals soften the rates headwind[7,6,2].

Levels to watch

- US$3,519.1/oz: 52-week low and latest close on 20 Nov 2026
- US$4,110.9/oz: 50-day moving average

- US$4,444.7/oz: 200-day moving average
- US$5,318.4/oz: 52-week high

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Glossary

Managed money: A CFTC trader category that mainly captures leveraged funds such as hedge funds and CTAs in futures markets [2].

Net long: The difference between long and short futures positions; a positive reading means speculators still hold more bullish than bearish contracts [2].

Long liquidation: Selling caused by existing long holders cutting positions, rather than by traders initiating new short positions [2][7].

De-grossing: A reduction in overall exposure by cutting positions, often on both sides of a book, to lower risk or leverage [5].

Real yield: A bond yield adjusted for inflation expectations; higher real yields tend to raise the opportunity cost of holding non-yielding gold [23].

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