

kpler

Understanding Systematic CTAs

Jack Nealon and Andrea Santiago
March 26th, 2026



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How CTAs are reflected in COT reports

CTA's footprint in intraday trade volumes

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03. Current CTA positioning in oil

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Crude & Products positioning breakdown

Positioning in historical context

04. Systematic CTA positioning vs headlines

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What Financial Flows provides

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CTA driven liquidity pockets as opportunity zones

What is a CTA?

Commodity Trading Advisors

professional money managers that trade across commodity and financial markets.

Systematic CTAs

Driver: Price
Flows: synchronized and persistent across participants

High Frequency CTAs

Driver: Price, liquidity microstructures, market events
Flows: fast, reactive, unsynchronized across participants

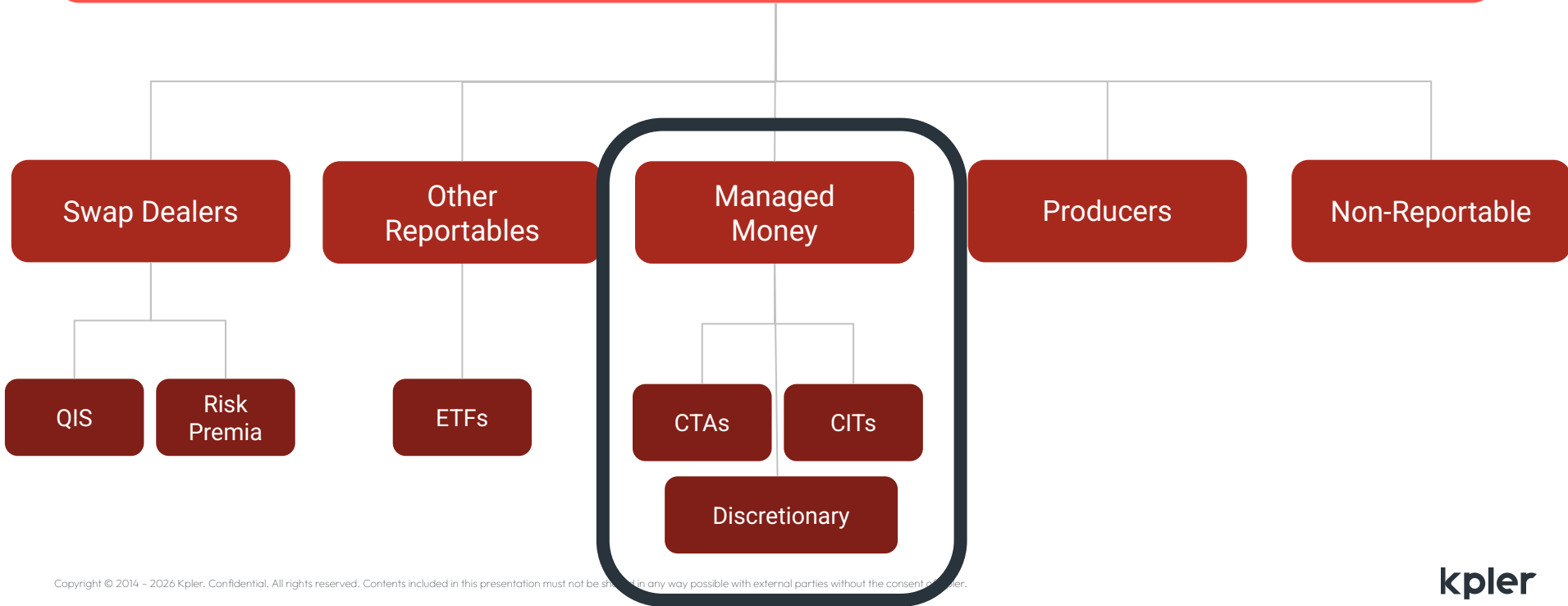
Discretionary CTAs

Driver: Macro views and fundamentals
Flows: episodic, no persistence or synchronization across participants

~70% CTA Capital

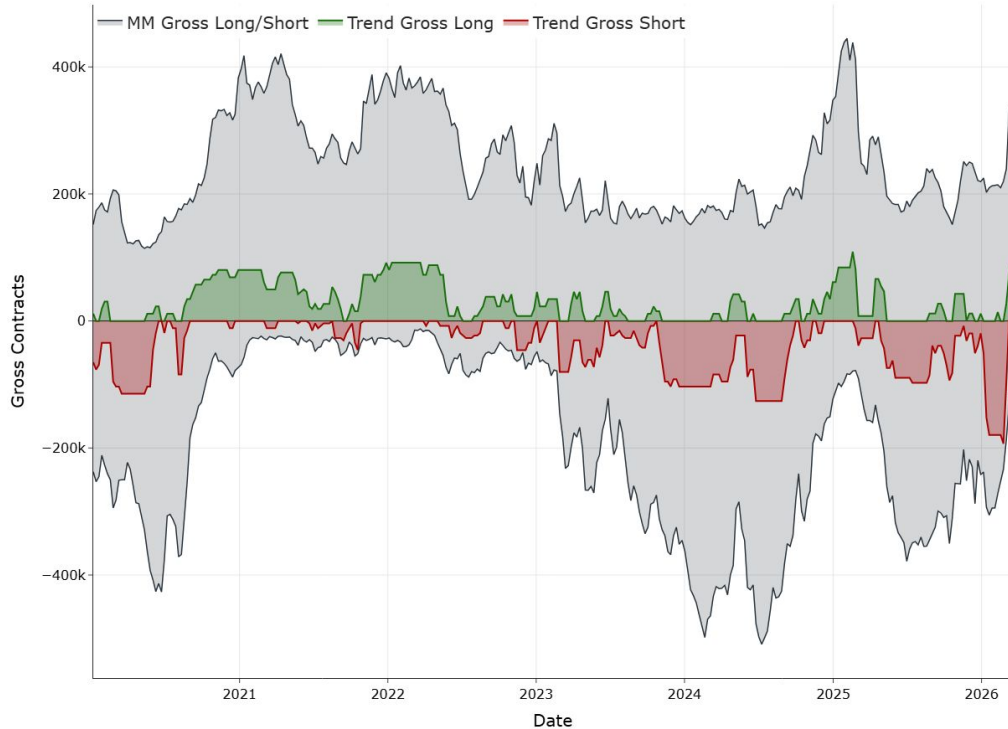
Where CTAs sit within Commitment of Traders Reports

CFTC Commitment of Traders Reports



CTA footprints in Managed Money

Corn — COT Gross Long / Short Breakdown



Market	Trend Gross Long % MM Gross Long	Trend Gross Short % MM Gross Short
Brent Crude	9.20%	22.70%
Gas Oil	21.50%	35.80%
Natural Gas	6.30%	11.70%
Gold	22.30%	26.00%
Copper	22.50%	17.50%
Corn	9.70%	17.90%
Soybeans	18.80%	31.90%
Sugar #11	16.80%	25.20%

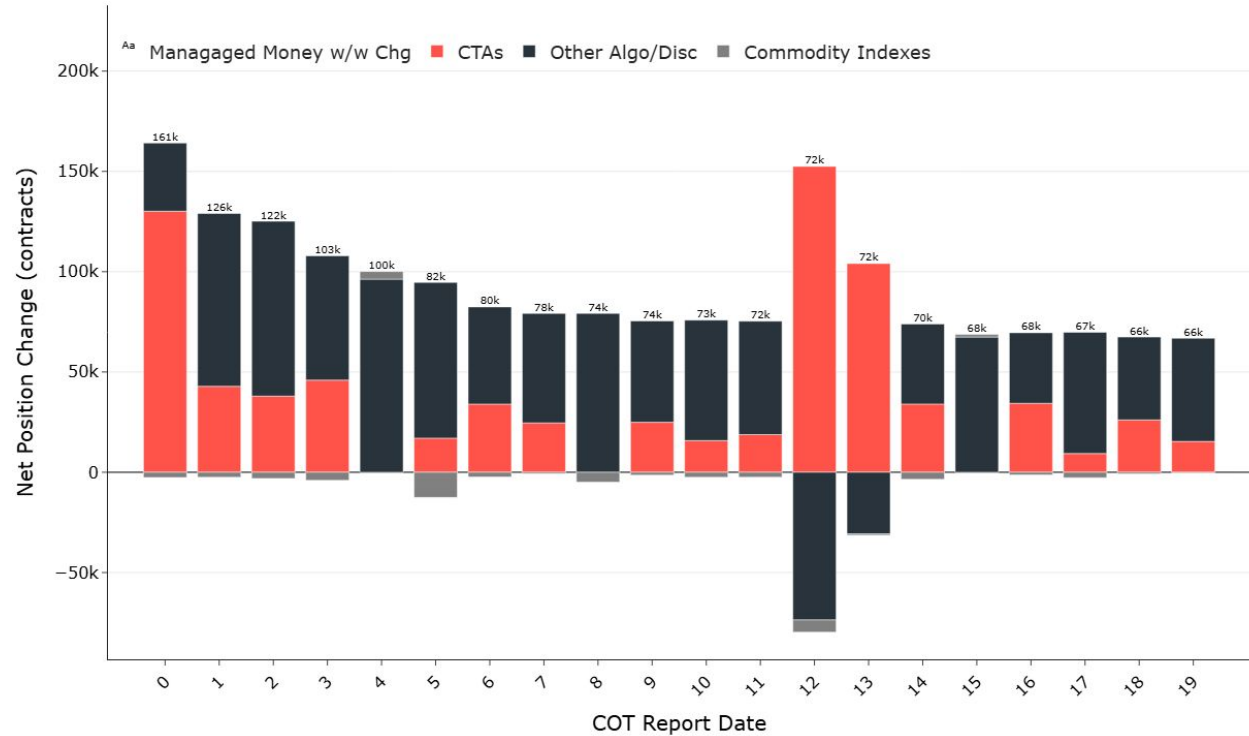
CTA flows and shifts in COT positions

CTAs are the most active component within Managed Money driving and amplifying positioning shifts

Large MM moves rarely occur in isolation CTA flows are present in nearly all major dislocations.

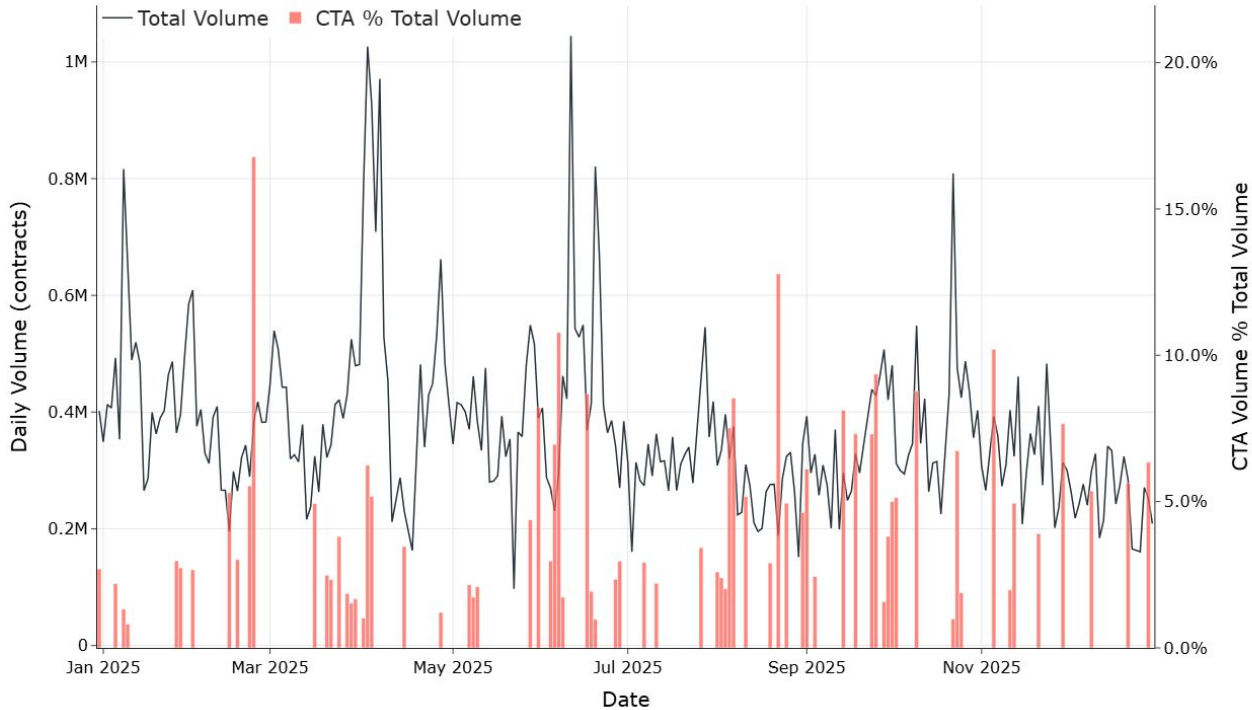
Example shows that in 17 out of 20 instances in Brent, CTAs were a participant in these large shifts (2020 to now)

BC — Top 20 Largest MM Weekly Position Changes



CTA flows and their impact on daily volumes

CTA Volume During Position Changes as % of Total Volume: Brent Oil (ICE) 2025

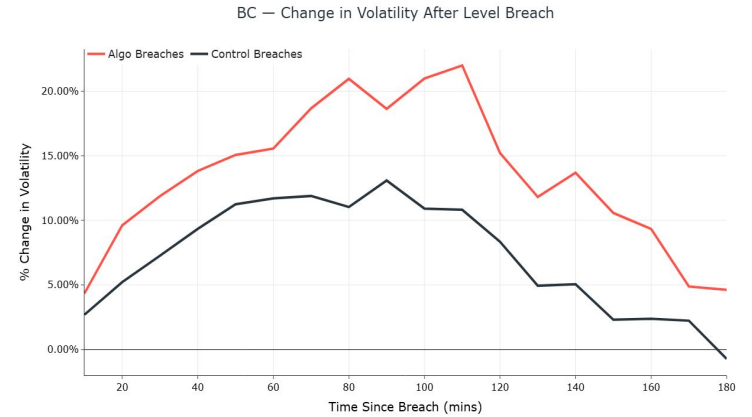
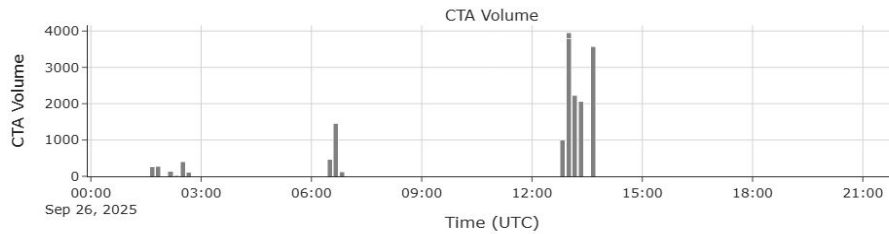
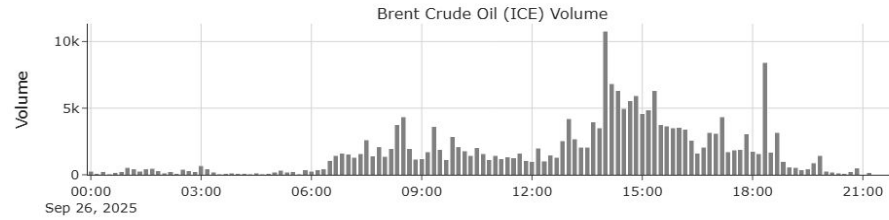
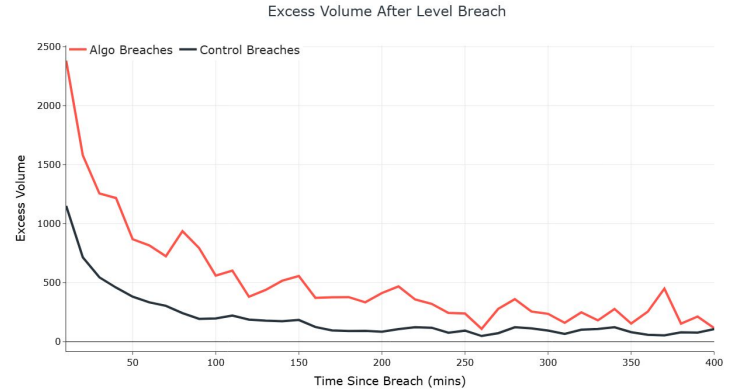
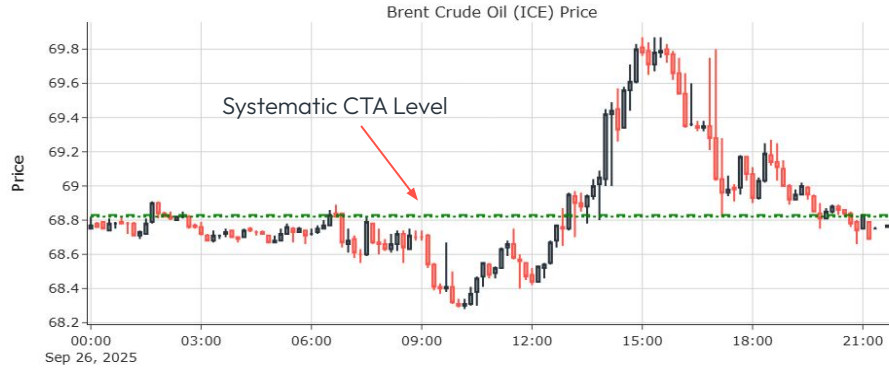


CTA flows can represent 5 to 20 percent of daily volume during position adjustments.

Markets typically absorb this flow but rapid price moves or lower underlying liquidity can drain absorption capacity and accelerate intraday volatility

Example shows Brent Front Month Daily Volume vs. CTA % of Total Volume across 2025.

What happens around Systematic CTA order levels?



How Systematic CTA strategies are built



Systematic CTA strategy construction

Inputs: Price, Open Interest, Trade Volume

Investment Thesis

Trade Entry

Risk
Management

Trade Sizing

Position
Management

What is the directional bias of the market?

Determination of bullish or bearish positioning based on prevailing market conditions

When should a position be initiated?

Confirmation signals that define entry levels and ensure alignment between market conditions and the directional thesis

How is risk defined and controlled?

Volatility-based parameters that set initial stop levels and define exposure limits, ensuring consistent risk per trade across market conditions

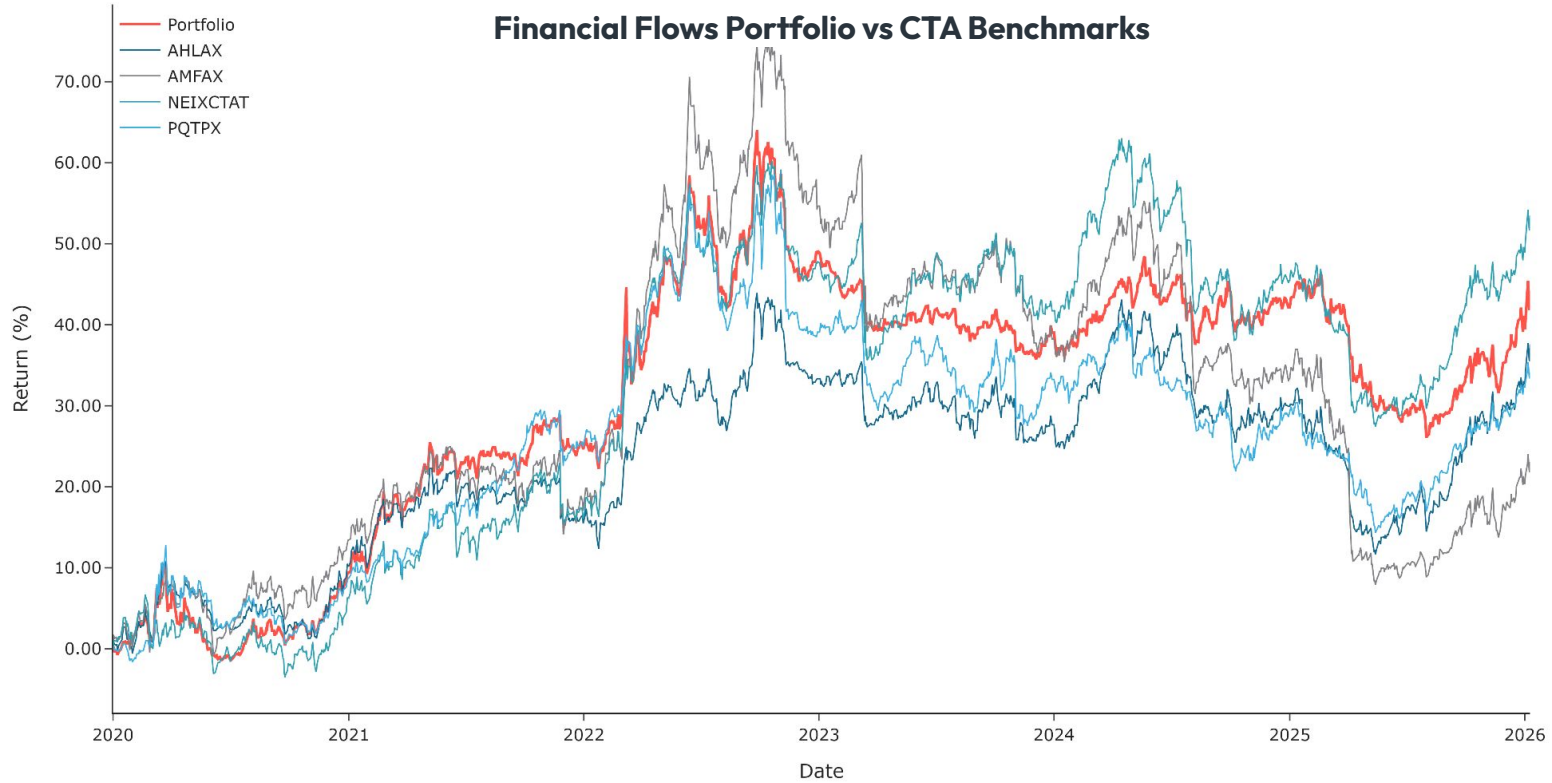
How is position size determined?

Position sizing calibrated to target risk per trade, adjusted for volatility and liquidity

How are exits managed?

Adaptive stop mechanisms that adjust to evolving market conditions, tightening or extending based on changes in volatility and time

Validating this approach



Systematic CTAs: Robustness through diversification

Systematic strategies are intentionally built with minimal, low-dimensional inputs.

They are sacrificing single-market edge in order to achieve robustness, consistency, and broad performance across markets and regimes, shifting the focus from isolated edge to diversified exposure.

CTAs will diversify across:

- **Strategy Tenors**
- Markets/Sectors
- Strategy Types



Systematic CTAs: Robustness through diversification

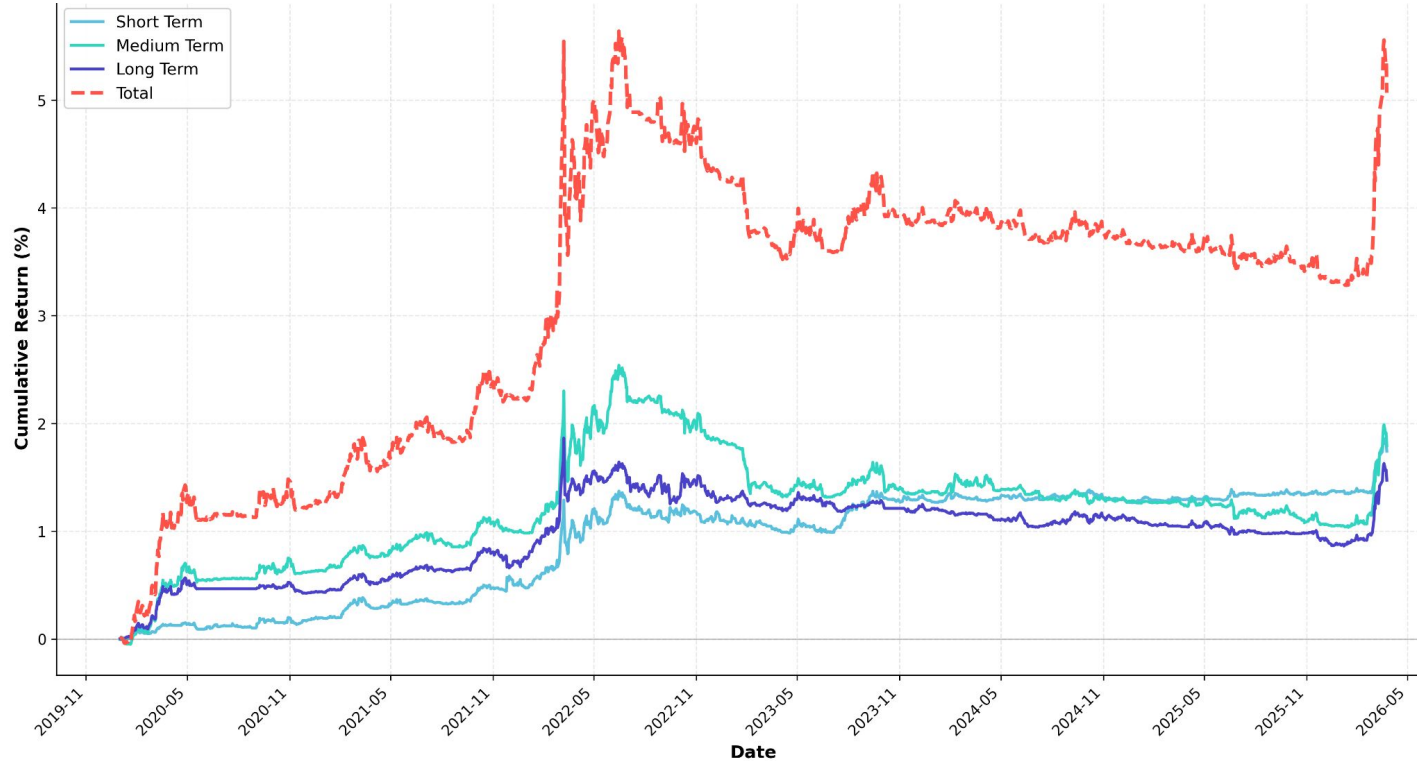
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Diversification across strategy tenors



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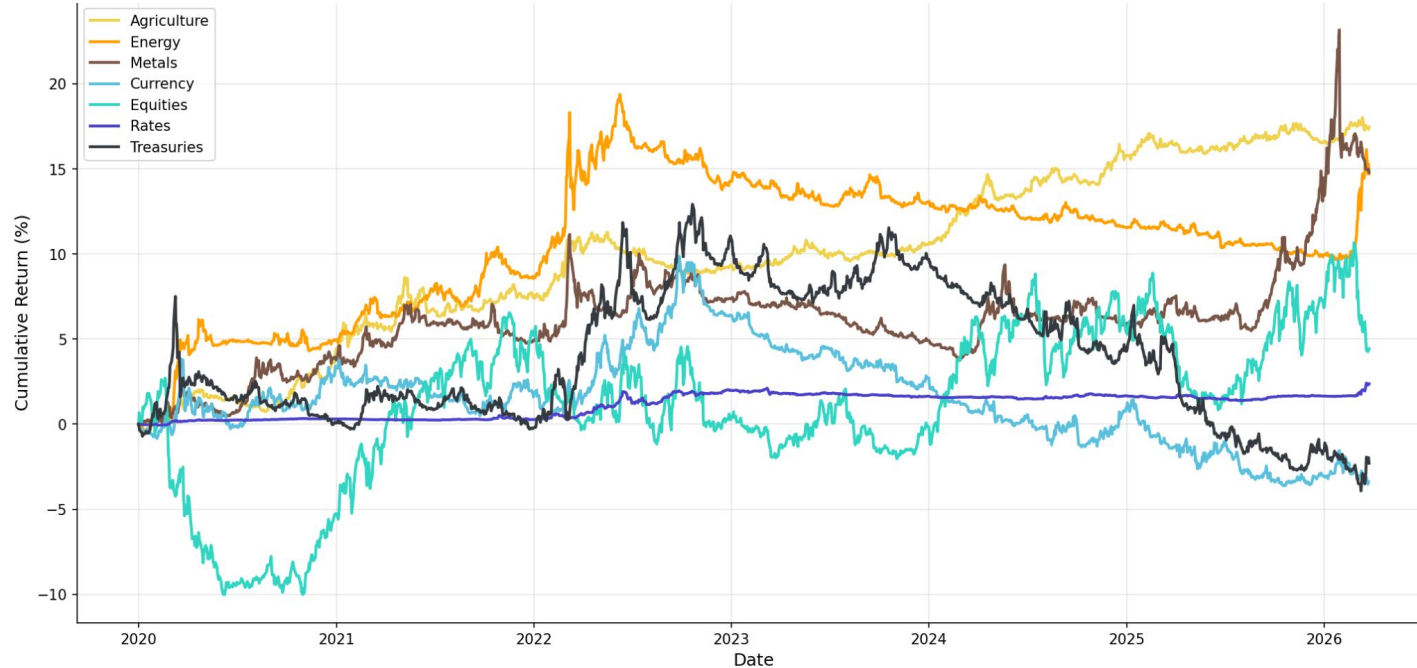
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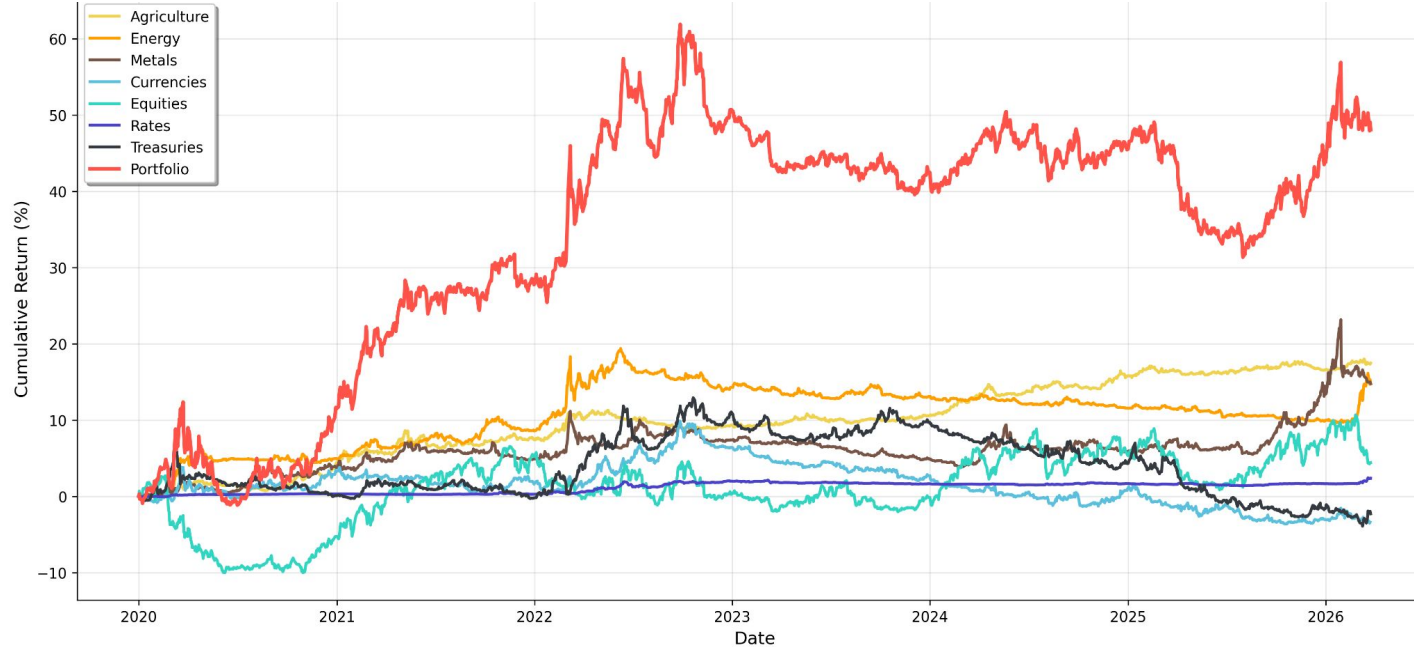
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Diversification across strategy types

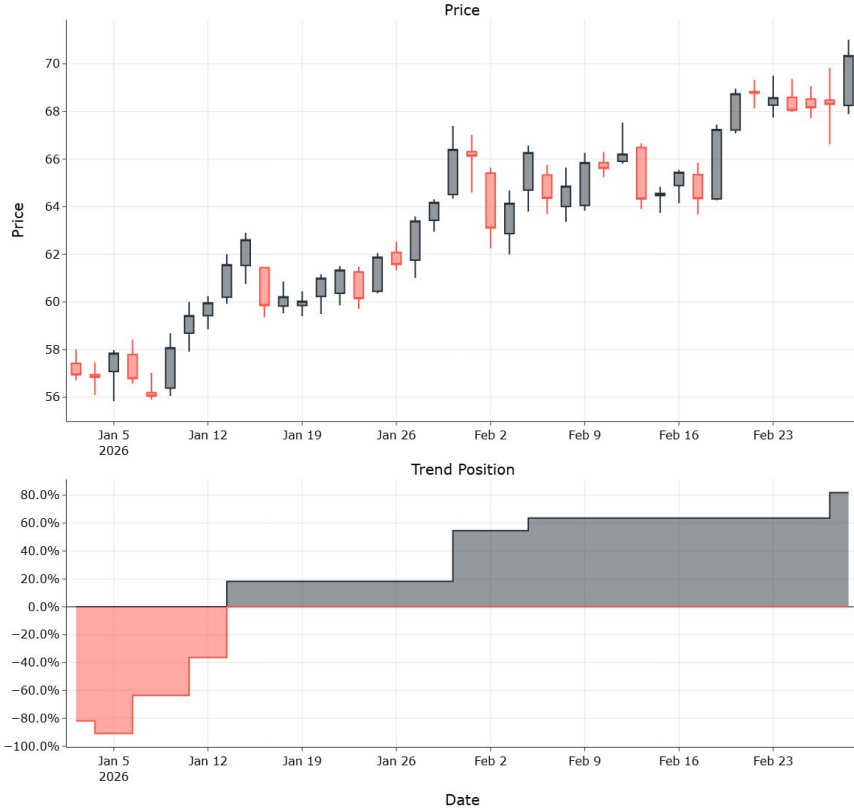


Current Systematic CTA positioning in crude & products markets



Crude & product positioning prior to US/Iran escalation

Brent Oil (ICE): Price & Trend Position



Gasoil (ICE): Price & Trend Position



Crude & product positioning post US/Iran escalation

Brent Oil (ICE) Price, Returns & Position: January 01, 2026 to March 24, 2026



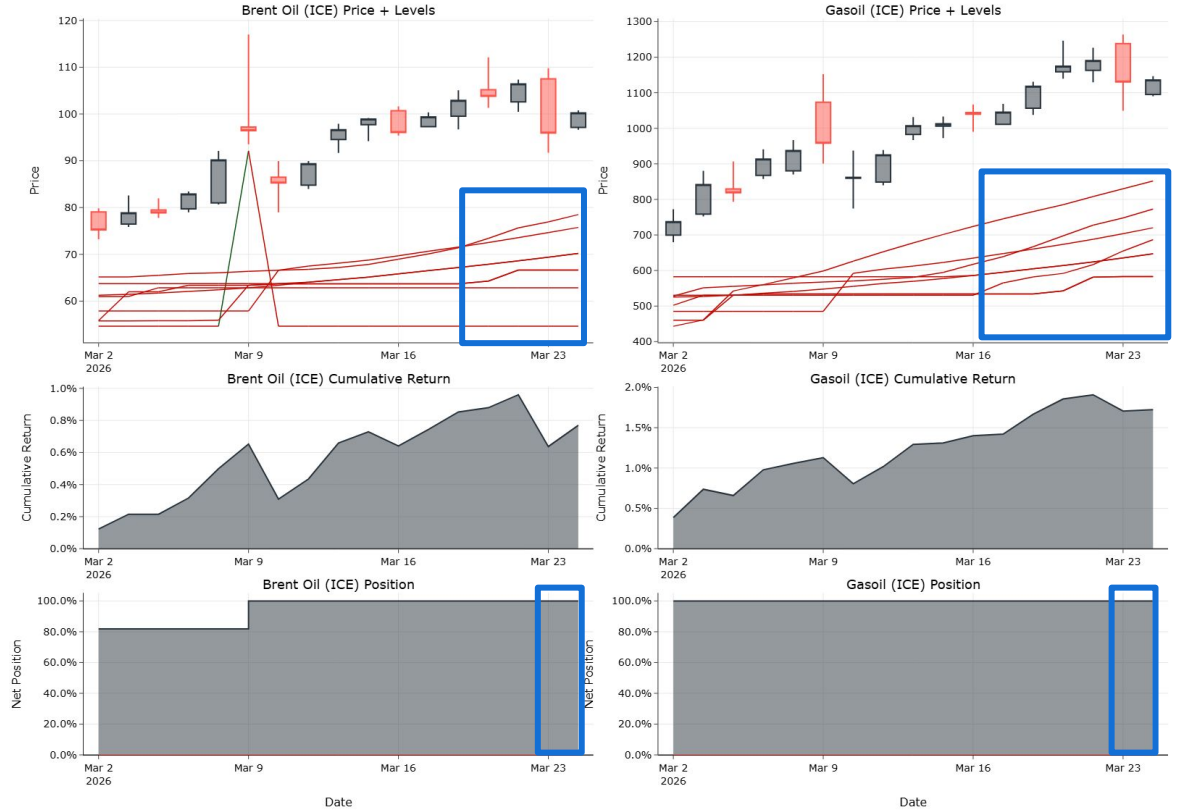
Gasoil (ICE) Price, Returns & Position: January 01, 2026 to March 24, 2026



Current crude & product positioning

- Both Crude and Products are positioned at max long
- Stops are being adjusted to protect profits as the market continues to rally
 - Profit taking will not occur

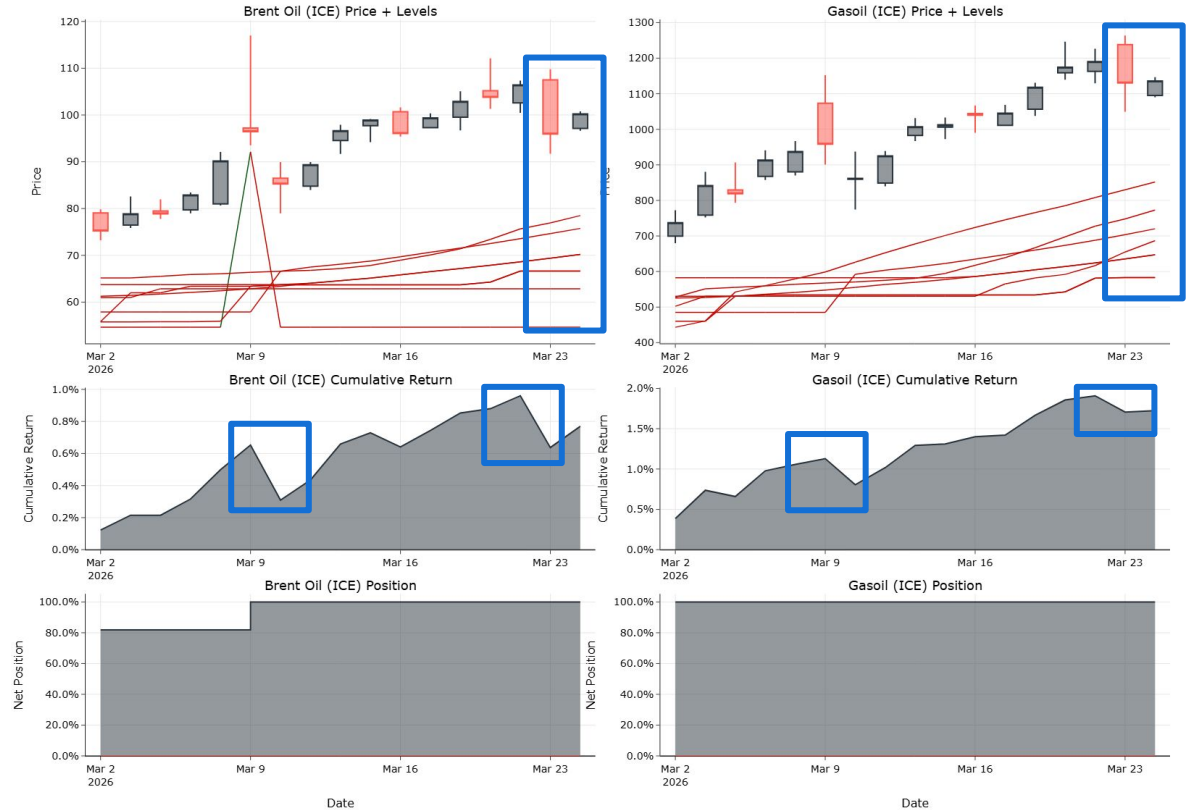
Brent Oil (ICE) & Gasoil (ICE): Price, Levels, Returns & Positions



Current crude & product positioning

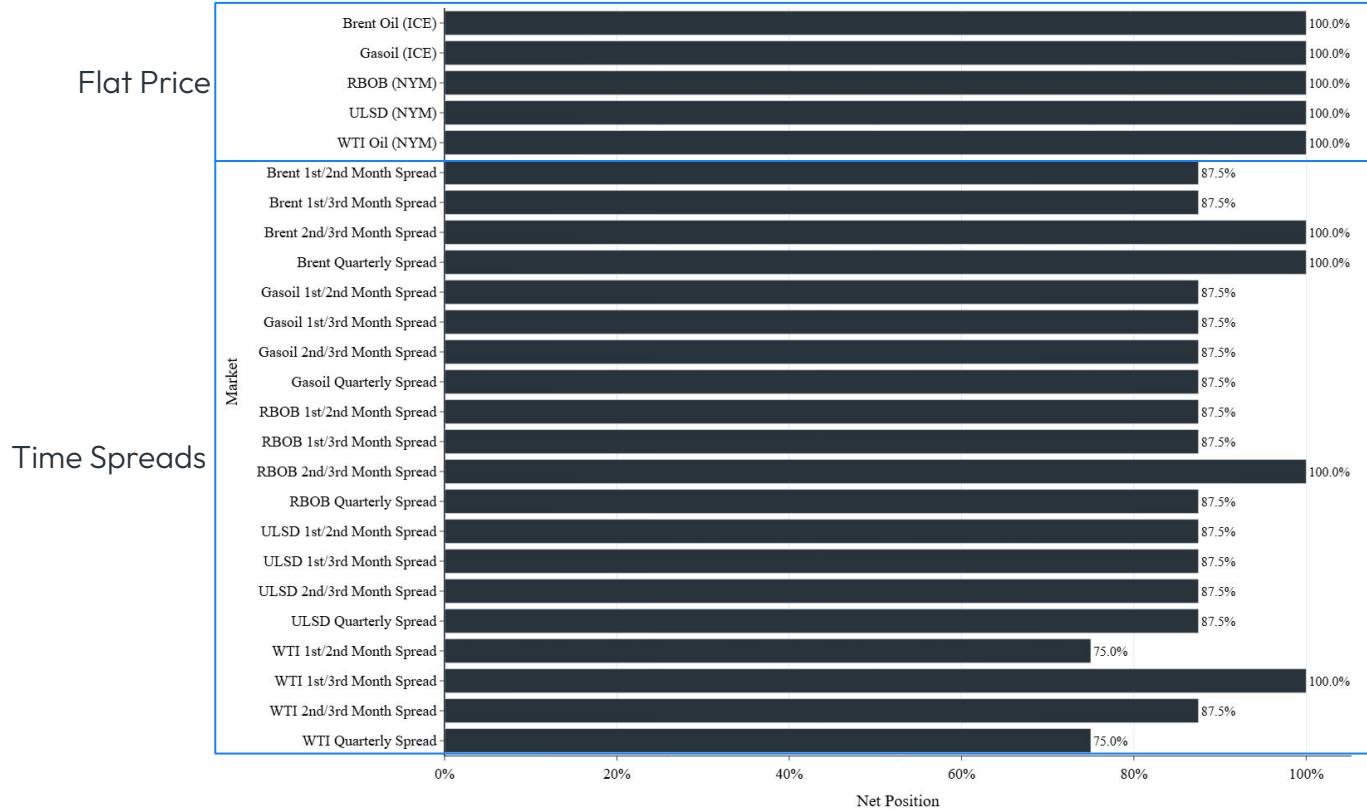
- Both Crude and Products are positioned at max long
- Stops are being adjusted to protect profits as the market continues to rally
 - Profit taking will not occur
- Stops are placed below market action to ensure stability of positions
 - Positions avoid day-to-day noise and will focus on the structural changes in the market
- Performance will have to absorb the volatility of day-to-day shifts

Brent Oil (ICE) & Gasoil (ICE): Price, Levels, Returns & Positions



Current crude & product positioning across the sector

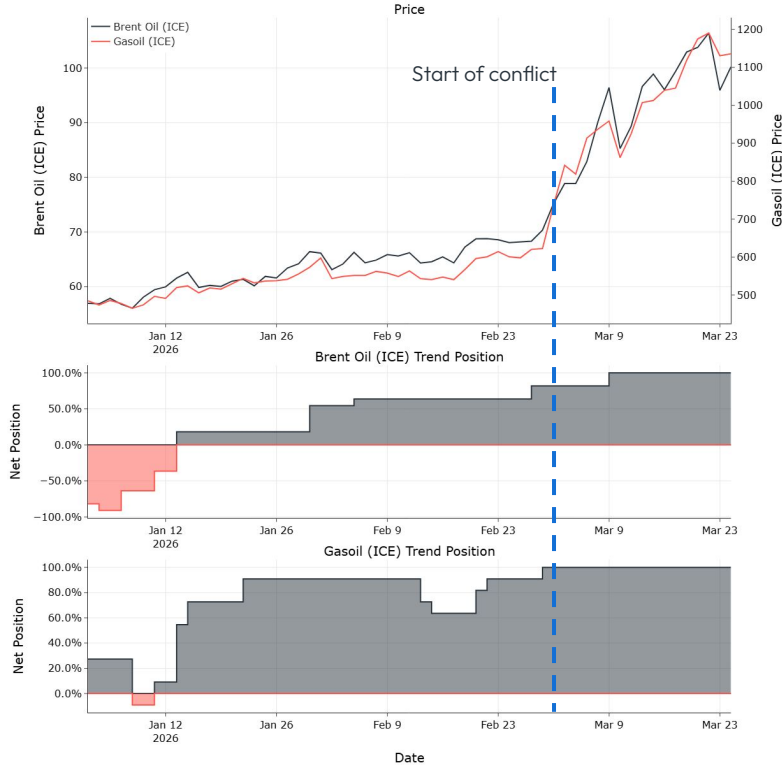
Net Position Across Crude & Product Markets



Comparison of US/Iran vs Russia/Ukraine

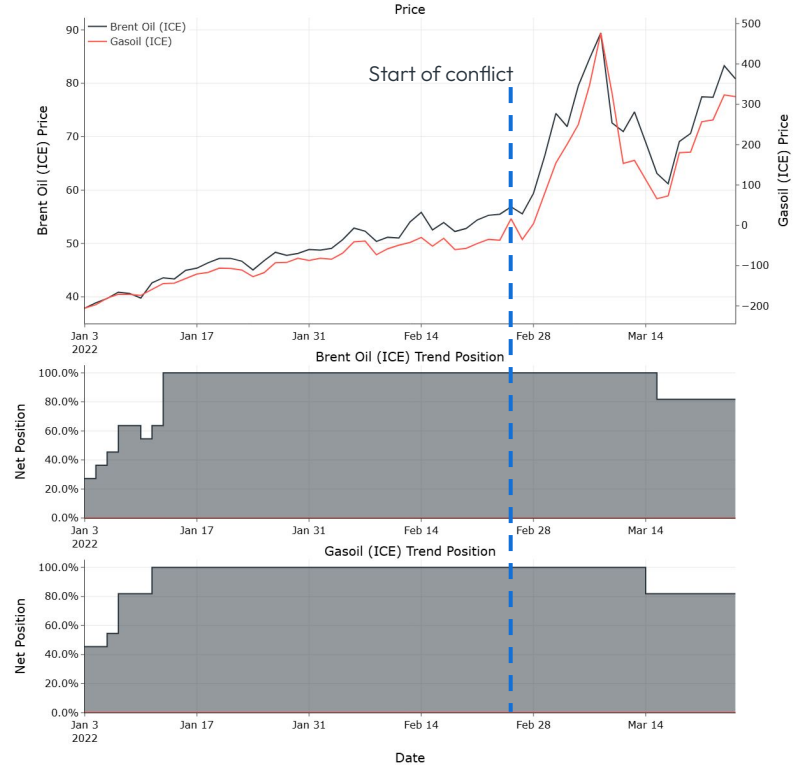
US/Iran

Brent Oil (ICE) & Gasoil (ICE): Price & Positions



Russia/Ukraine

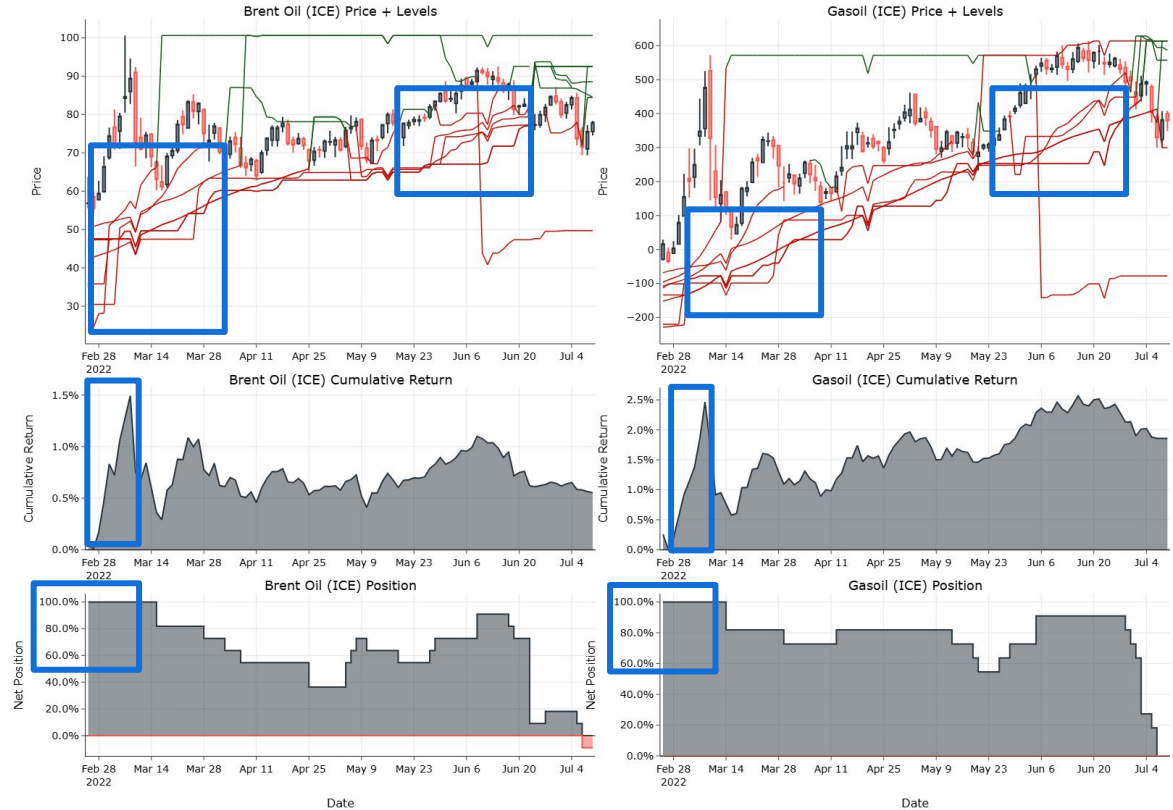
Brent Oil (ICE) & Gasoil (ICE): Price & Positions



Russia/Ukraine position unwinding

- Both Crude and Products were max long
- Returns spike during the initial reaction to the headline
- Stops adjust to lock in profits, but stay far enough away to avoid being whipped in and out of positions

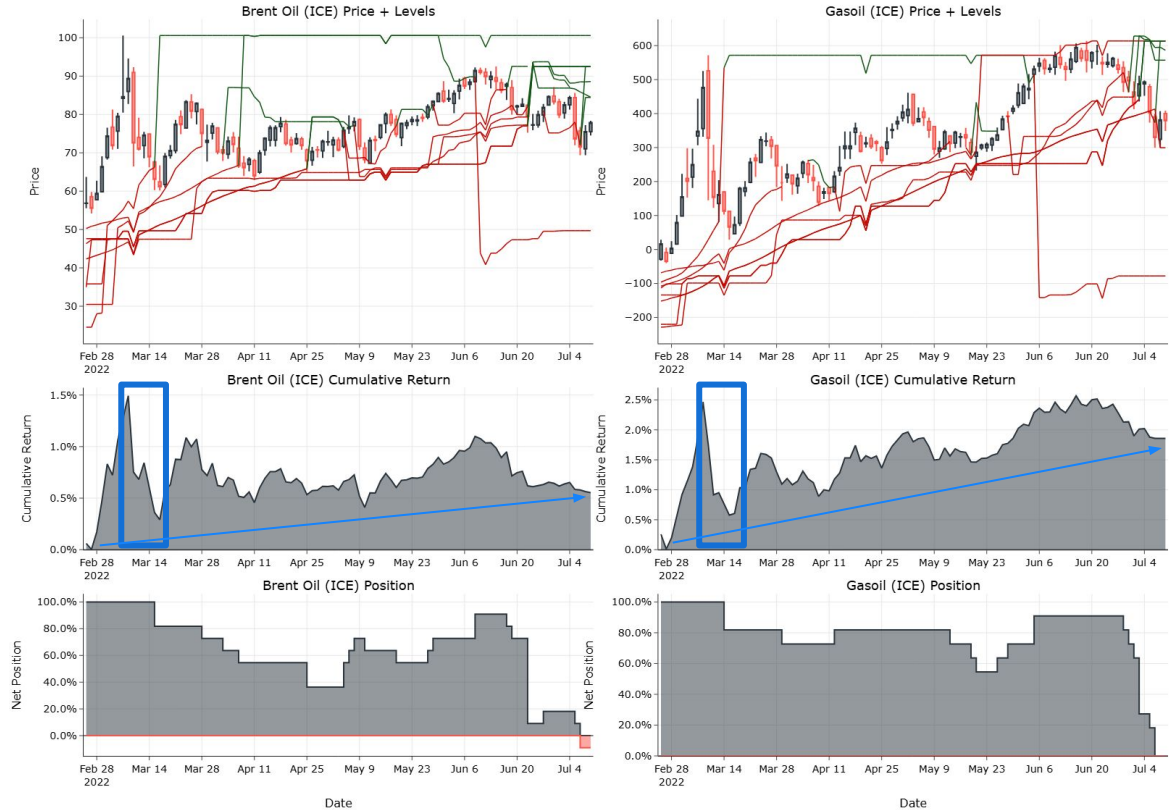
Brent Oil (ICE) & Gasoil (ICE): Price, Levels, Returns & Positions



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- Returns absorb the volatility and still come out profitable
 - Drawdowns still occur from highs made during initial headline reaction

Brent Oil (ICE) & Gasoil (ICE): Price, Levels, Returns & Positions



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- Stops adjust to lock in profits, but stay far enough away to avoid being whipped in and out of positions
- Returns absorb the volatility and still come out profitable
 - Drawdowns still occur from highs made during initial headline reaction
- Unwinding of longs can be slow as different strategy tenors adjust stops at different speeds
 - Final unwind can be abrupt at the momentum begins to structurally shift

Brent Oil (ICE) & Gasoil (ICE): Price, Levels, Returns & Positions



Systematic CTA positions vs headlines



Prior to the headline

Set Up:

- Price in a up trend, trading at 1 year highs
- Trend Positions had built to max long
 - Had been max long for 17 days



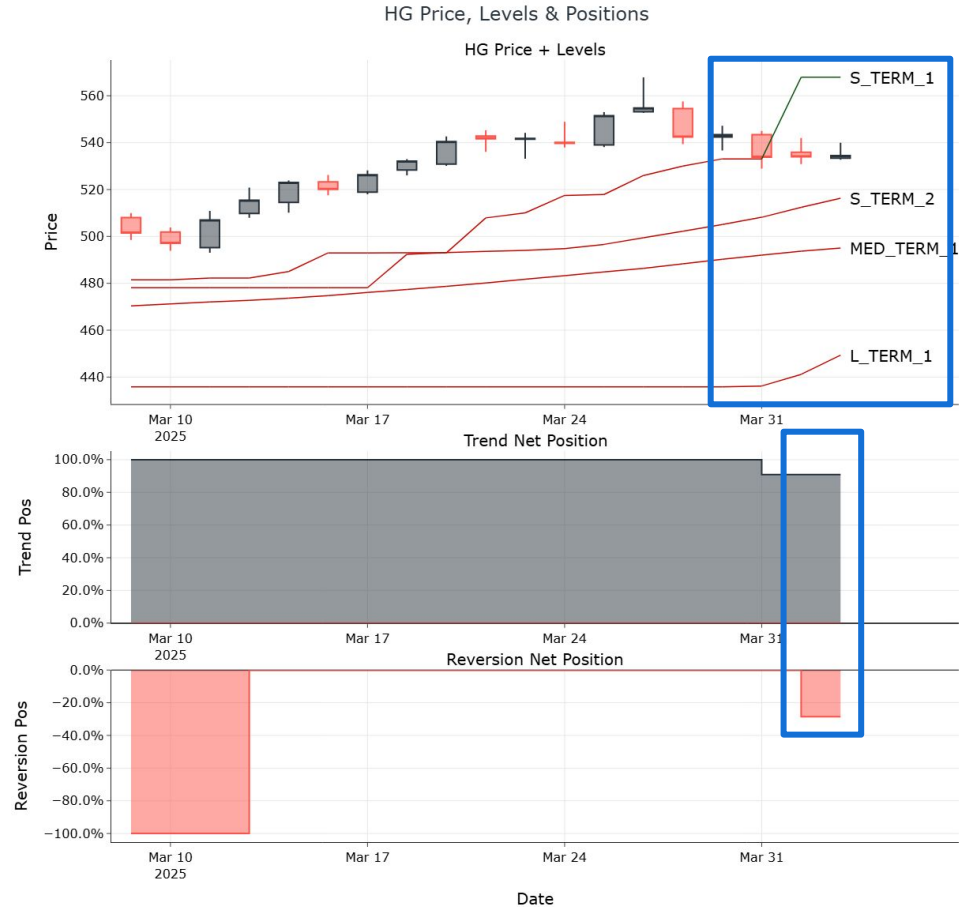
Initial warning signs

March 31st:

- ST Trend level covers long position
- Overall Trend positions shifts from 100% long to 91% long
- Stop levels across other tenors begin to accelerate towards market action

April 1st:

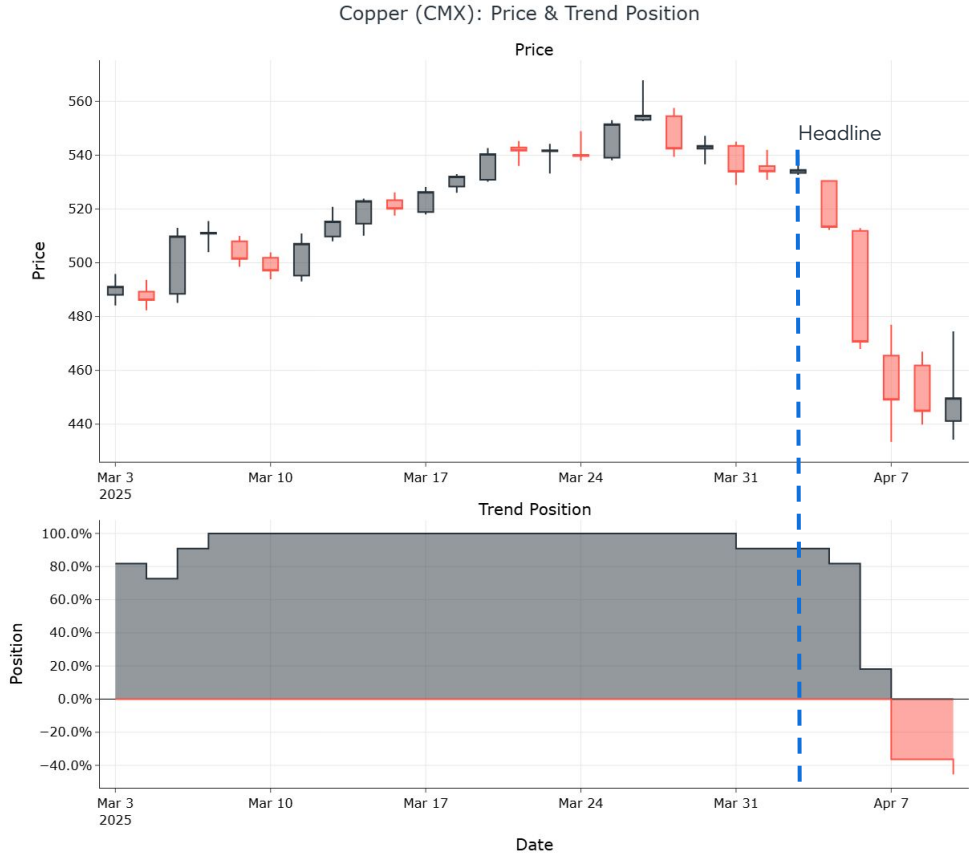
- 2 Reversion strategies open short positions
- Reversion net position shifts from flat to net short



Headline

April 2nd, 2025

- Trump announces Liberation Day tariffs, imposing a 10% baseline tariff on most countries



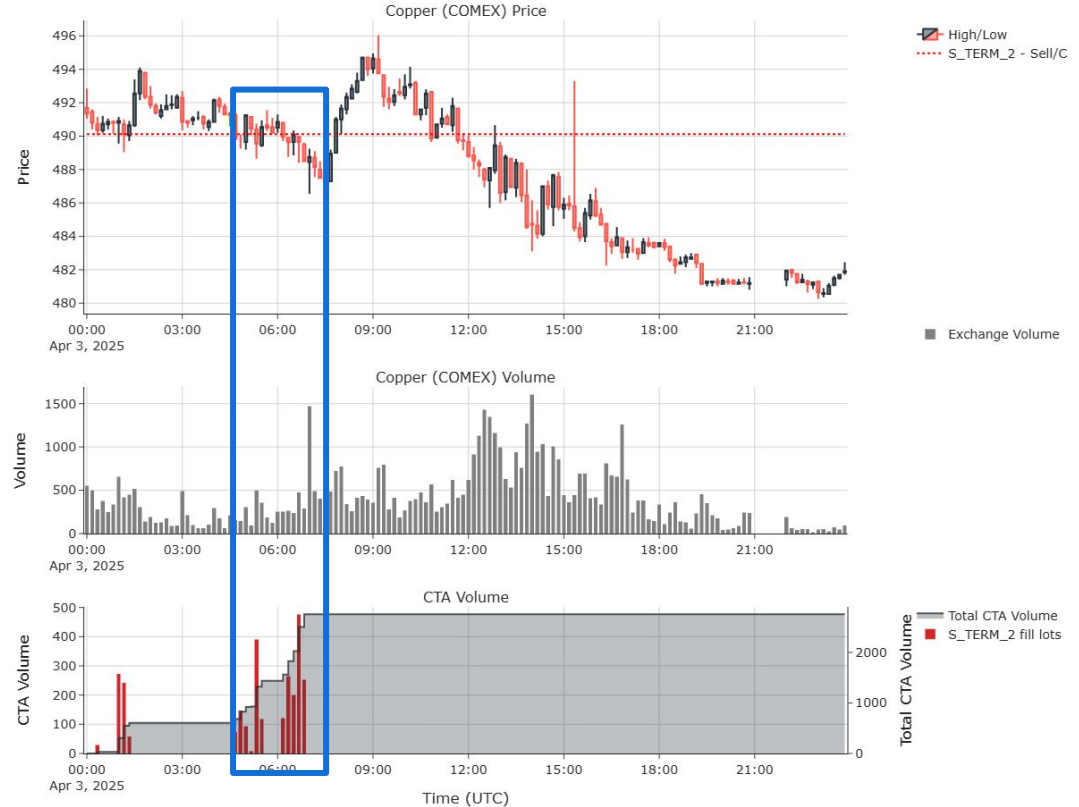
Reaction April 3rd

CTAs sell 2.9k lots

Trend closes one long position, shifting the overall net position from 91% long to 82% long

Reversion opens additional shorts, extending positions from 29% short to 86% short

Intraday Price & Algo Filling: April 03, 2025



Reaction April 4th

Prices breach a Trend level on open

Downward momentum begins to increase

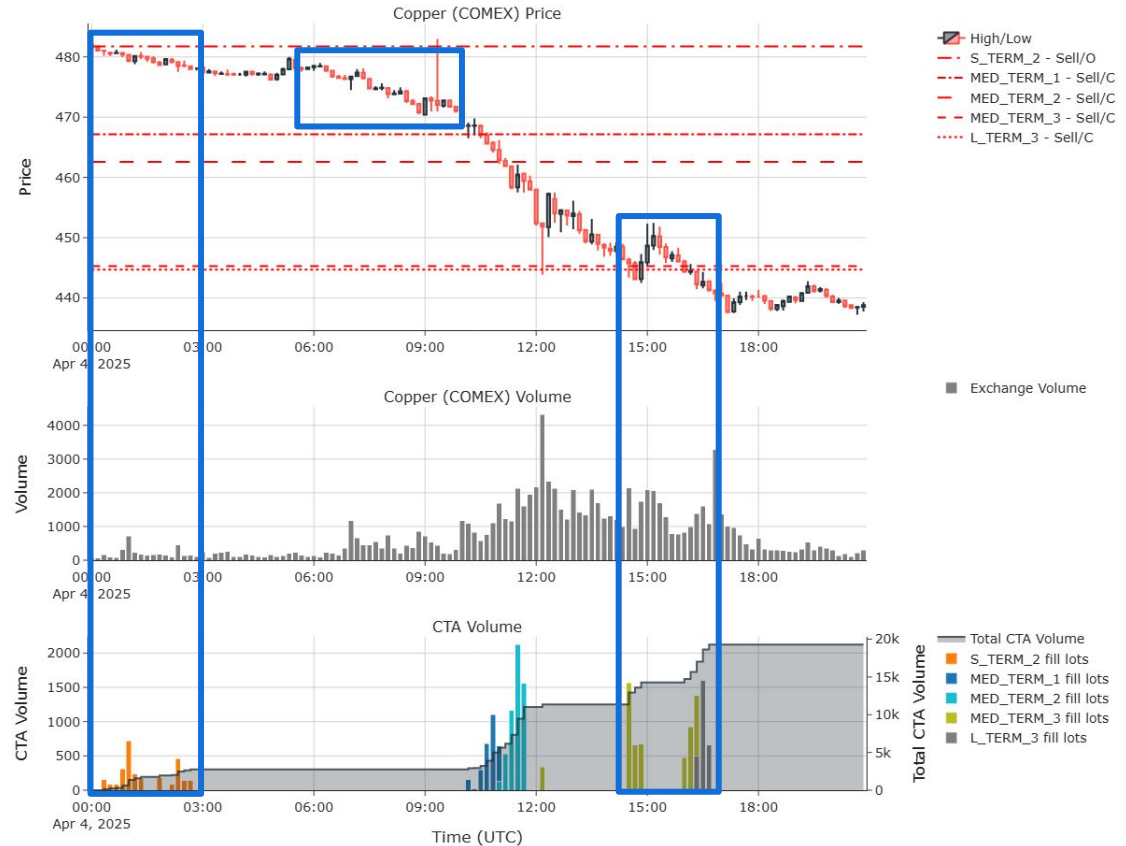
Two additional trend levels are triggered & prices accelerate as CTAs accelerate their pace of filing

Two more trend levels trigger as prices continue to fall

Total CTA execution

- 19.4k lots sold by CTAs
- Trend closes 4 long positions and opens a new short
- Net position shifts from 82% long to 18% long

Intraday Price & Algo Filing: April 04, 2025



Reaction April 7th

5 Trend levels breach on open as an algos fight to close remaining long positions and open new shorts

4 out the 5 CTA orders finish filling in the first 100 minutes of trading. 6x more volume in first bars compared to previous days

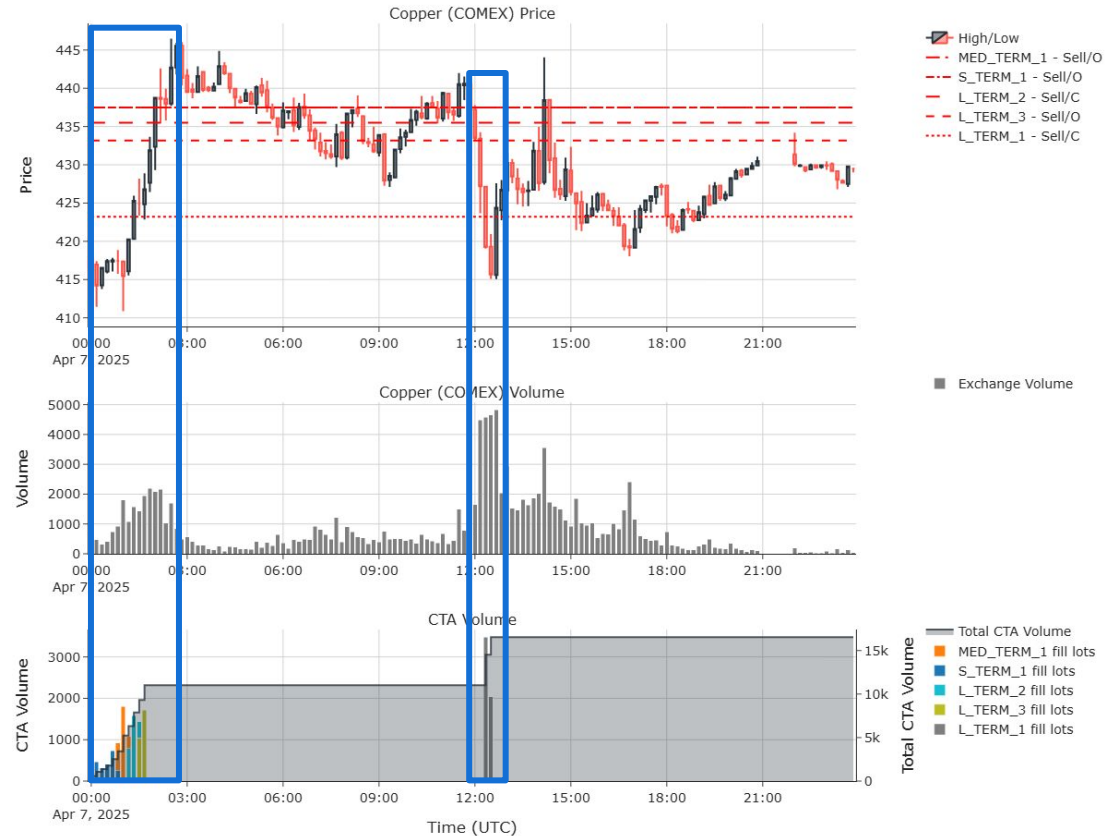
Prices begin to reverse as CTA execution subsides

Sharp reversal midday triggers additional CTA execution, further pushing prices

Total CTA execution:

- 16.5k lots sold by CTAs
- Trend shifts to 36% short
 - Short time Trend had been net short in Copper since the start of 2025

Intraday Price & Algo Filling: April 07, 2025



Impact

In a span of three days:

- CTAs sell 39k lots
- Trend position flips from 91% long to 36% short
- CTA drawdown, erasing all gains made during the max long

Trend algos slowly unwind remaining shorts as they struggle to keep pace with the rapid market shifts

Returns fall from +0.46% on March 26 to -0.18% on April 25

- 0.28% lost between April 3-7
- 0.21% lost between April 8-25 as Trend algos are slow to unwind shorts

Copper (CMX) Price, Returns & Position: March 01, 2025 to April 25, 2025



Impact

In a span of Three days:

- CTAs sell 39k lots
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- CTA erase all gains made during the max long

Fallout

Trend algos slowly unwind remaining shorts as they struggle to keep pace with the rapid market shifts

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Copper (CMX) Price, Returns & Position: March 01, 2025 to April 25, 2025



Integrating CTA data



Recommended workflow

Your Current Position



Your Next Action



Improve Trade Timing with
Financial Flows

A Factor within a more advanced signal

- Add regime models to the output
- Add macro data to the output

Trade filters

- Trade your bias only when Financial Flows positions are aligned or flat

A method to leverage positions

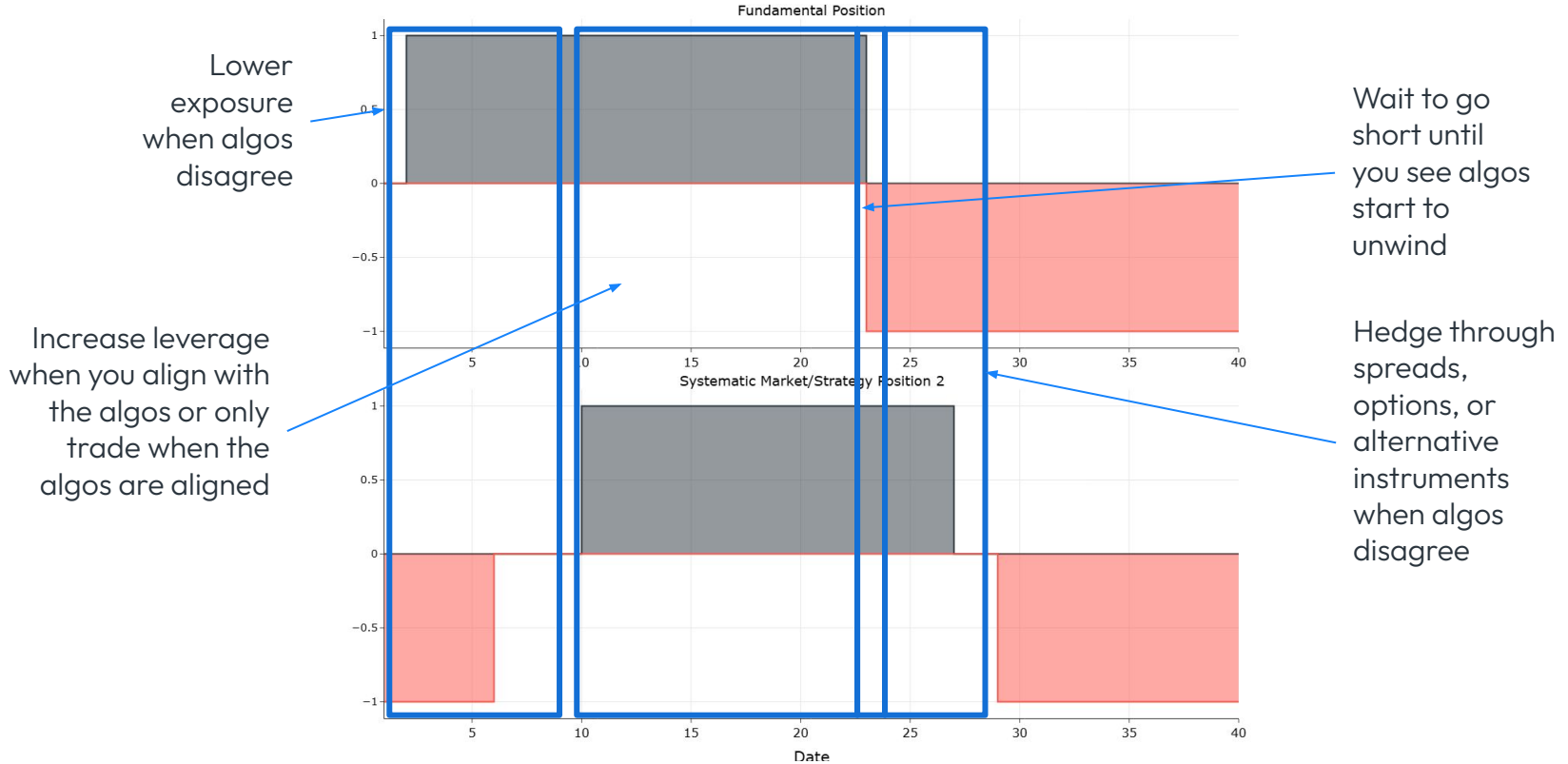
- Increase your leverage if the output confirms with your bias.
- Decrease your leverage if the output disagrees with your bias

A timing mechanism

- Trade your bias, but adjust your entry or exit point based on Financial Flows positions/flows

Creating overlays

Example Systematic+Fundamental Overlays



What Financial Flows can offer

Actionable visibility, not black boxes

Financial Flows delivers:

- Clear views of overall systematic positions
- Quantification of systematic trade order volumes
- Identification of crowded trades and asymmetric risk zones
- Flow-driven scenarios showing how positioning may evolve with price moves

Designed to support:

- Better trade timing
- Improved risk awareness
- Higher-conviction decision-making



Request a demo

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