

Template: Sentiment Analysis Checklist for Forex Trading

Generated: 5/1/2026

Based on Article: "The Role of Sentiment Analysis in Forex Market Predictions"

Website: <https://thetraderinyou.com>

A practical checklist to incorporate sentiment analysis into your forex trading strategy.

Checklist Items:

1. Review CFTC COT Reports

Analyze the latest CFTC Commitment of Traders reports to understand the positioning of large speculators and hedgers. Look for changes in gross positions to gauge market sentiment.

Reference Section: The main sources of forex sentiment data

2. Check Retail Broker Positioning

Examine retail broker positioning data to identify the long vs short ratios among retail traders. This can provide insight into crowd behavior and potential market extremes.

Reference Section: The main sources of forex sentiment data

3. Monitor Flow Indicators

Utilize flow indicators that show real-time trading activity and sentiment shifts. This helps in understanding the current market mood and can signal crowded trades.

Reference Section: The main sources of forex sentiment data

4. Analyze News Sentiment

Keep track of news sentiment feeds for the specific currency pairs you trade. Focus on event-driven shifts in sentiment that could impact market movements.

Reference Section: The main sources of forex sentiment data

5. Combine Sentiment with Technical Analysis

Integrate sentiment analysis with technical indicators to confirm potential breakouts or reversals. Look for alignment between price action and sentiment data.

Reference Section: How to combine sentiment with technical and fundamental analysis

6. Establish Risk Controls

Set risk management parameters based on sentiment analysis. Determine thresholds for when to enter or exit trades based on the crowd's positioning.

Reference Section: Risk controls for sentiment-based trading

7. Identify Market Disagreements

Look for discrepancies between price action and sentiment. If sentiment is overly bullish or bearish while price fails to follow, consider this a warning sign.

Reference Section: A practical workflow for reading sentiment before placing a trade

8. Evaluate Social Chatter

Monitor social media and forums for retail trader sentiment. High volumes of panic or euphoria can signal potential reversals in the market.

Reference Section: The main sources of forex sentiment data

9. Track Open Interest Changes

Check changes in open interest for futures contracts to gauge whether market participation is increasing or decreasing, which can indicate the strength of a trend.

Reference Section: The main sources of forex sentiment data