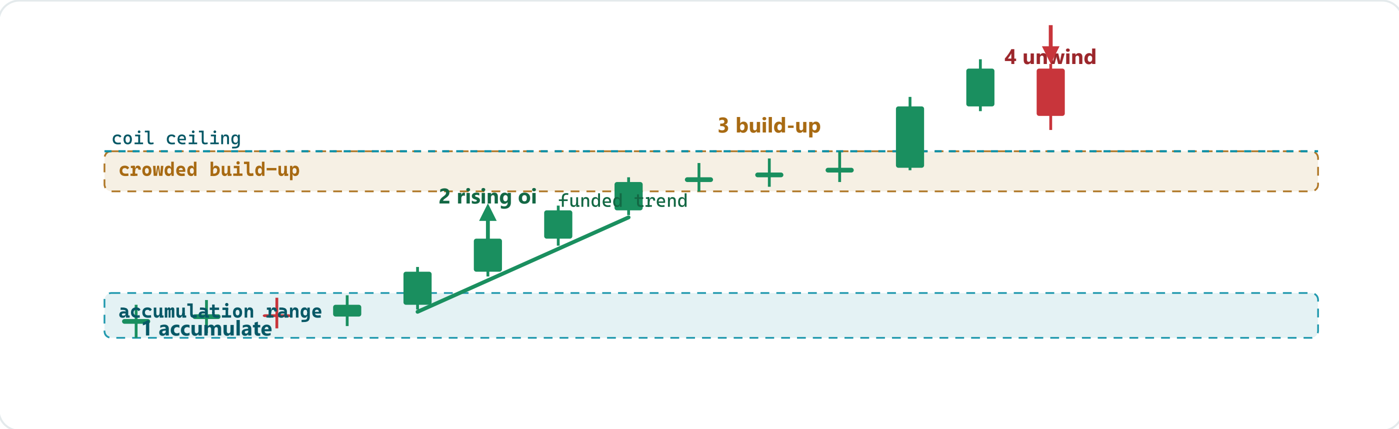
FIELD GUIDE · CRYPTO & DERIVATIVES

# Open interest: reading the money that stays committed

Open interest counts the derivative contracts still open right now. It is a running tally of money committed to positions, and watching it rise or fall next to price hints at whether a move is being funded or unwound.

QUANTREEF
market microstructure




PHASE 1 · THE BASE

### Positions accumulate

Price drifts in a quiet range while open interest slowly climbs. New contracts are opening, so money is being committed even though the candles look calm. A larger pool of open positions is being built up beneath the surface.

PHASE 2 · THE DRIVE

### Rising oi, rising price

Price trends up and open interest rises with it. Fresh contracts are funding the move rather than old ones simply changing hands, which is often described as conviction behind the direction.

PHASE 3 · THE CROWDING

### Build-up before a squeeze

Price stalls in a tight coil while open interest keeps stacking. A lot of positions now sit close together. Crowded, one-sided positioning is the fuel a squeeze can later burn through.

PHASE 4 · THE UNWIND

### Falling oi, positions close

A sharp move forces crowded positions to exit, and open interest drops as those contracts close. Falling open interest means money is leaving, so the move is being unwound rather than freshly funded.

## Key terms

**open interest** — the total number of derivative contracts currently open and not yet closed or settled.

**rising oi with price** — new contracts opening alongside a move, often read as money committing to the direction.

**falling oi** — open contracts closing, so money is leaving positions and the move is being unwound.

**squeeze** — a fast move that forces crowded one-sided positions to exit, often shrinking open interest.

## How to read & use it

### Pair it with price

Open interest means little alone. Read it next to price: rising oi while price trends says money is funding the move; rising oi while price stalls says positions are stacking up.

### Rising vs falling

Climbing open interest means contracts are being opened and money is committed. Falling open interest means contracts are being closed and money is stepping back out.

### Crowding is context

A large build-up shows many positions sitting close together. That is descriptive context about how crowded the field is, not a forecast of which way it resolves.

HOW QUANTREEF USES THIS

Anything Quantreef shows about open interest is descriptive context and education, meant to help you read what positioning is doing. It is not a signal, a prediction, or advice, and it never tells you to buy or sell.