



IR&M Momentum Monitor

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Price Momentum

Earnings Momentum

Calendar Week:	Medium-term				Long-term				Medium-term				Long-term			
	19	20	21	22	19	20	21	22	19	20	21	22	19	20	21	22
Equities by region																
MSCI World	13	14	15	16	91	92	93	94	20	21	22	23	66	67	68	69
Europe (STOXX 600)	7	8	9	10	92	93	94	95	-14	1	2	3	-14	-15	-16	-17
MSCI Emerging Markets	7	8	9	10	2	3	4	5	8	9	10	11	-45	1	2	3
MSCI Asia Pacific ex Japan	7	8	9	10	6	7	8	9	9	10	11	12	27	28	29	30
Equities by country																
USA (S&P 500)	4	5	6	7	120	121	122	123	75	76	77	78	114	115	116	117
Canada (SPTSX 60)	43	44	45	46	37	38	39	40	9	10	11	12	4	5	6	7
Brazil (Bovespa)	7	8	9	10	-19	-20	1	2	6	7	-1	-2	21	22	23	24
France (CAC 40)	13	14	15	16	91	92	93	94	-2	-3	-4	-5	-138	-139	-140	-141
Germany (DAX 30)	2	3	4	5	93	94	95	96	21	22	23	24	55	56	57	58
Italy (FTSE MIB)	20	-1	-2	1	37	38	39	40	-12	-13	-14	-15	-4	-5	-6	-7
Switzerland (SMI)	7	8	9	10	95	96	97	98	1	2	3	4	-16	-17	-18	-19
UK (FTSE100)	3	4	5	6	91	92	93	94	-7	-8	-9	-10	-36	-37	-38	-39
Australia (S&P/ASX)	13	14	15	16	89	90	91	92	2	3	4	5	57	58	59	60
China (Shanghai Composite)	-3	-4	-5	-6	-18	-19	-20	-21	-6	-7	-8	-9	61	62	63	64
Hong Kong (Hang Seng)	-2	1	2	3	-9	-10	-11	-12	-11	-12	-13	-1	-2	-3	-4	-5
India (Nifty)	11	12	13	14	29	30	31	32	12	13	14	15	25	26	27	28
Japan (Nikkei 225)	-15	-16	-17	1	-6	-7	-8	-9	25	26	27	28	63	64	65	66
South Korea (Kospi)	-2	1	2	3	-12	-13	-14	1	-18	-19	-20	-21	-49	-50	-51	-52
Bonds																
Barclays Global Aggregate	17	18	19	20	28	29	30	31	Commentary							
Barclays Global HY	35	36	37	38	36	37	38	39	Nearly all stock markets remain in a long-term bull market with the exception of some markets in broader China and Japan.							
Barclays Euro Aggregate	33	34	35	36	28	29	30	31	Earnings momentum for the MSCI World and S&P 500 has been positive for a while.							
Barclays Asia Pacific Aggregate	35	36	37	38	31	32	33	34	Momentum in bonds is positive.							
Barclays Global Emerging Markets	14	15	16	17	22	23	24	25	Momentum in hedge funds has been positive for nearly two years.							
Barclays US Aggregate	18	19	20	21	17	18	19	20	Commodities as a whole are in a bull market.							
Barclays US Corporate HY	35	36	37	38	124	125	126	127	The Fed's balance sheet is expanding merrily.							
Hedge Funds																
HFRX Global Hedge Funds	-5	-6	-7	1	89	90	91	92	Tutorial							
HFRX Macro/CTA	-14	-15	-16	1	-46	-47	-48	-49	The momentum numbers count the weeks of a trend based on moving averages. Green marks a positive trend, red a negative one. Example: In week 22, the S&P has been in a long-term bullish trend for 123 weeks. See www.ineichen-rm.com for more information and/or trial issue.							
HFRX Equity Hedge	-5	-6	-7	-8	89	90	91	92	Purpose							
HFRX Event Driven	-1	-2	1	2	88	89	90	91	The momentum monitor was designed to help investors with risk management, asset allocation, and position sizing. Tail events do not always happen out of the blue. They often occur when momentum is negative. Negative momentum makes hedging more important and suggests position sizing should be more conservative. In a bull market one ought to be long or flat but not short. In a bear market one ought to be short or flat but not long.							
HFRX Relative Value Arbitrage	35	36	37	38	26	27	28	29								
HFRX Fixed Income - Credit	97	98	99	100	146	147	148	149								
Commodities																
Thomson Reuters/Jefferies CRB	16	17	18	19	12	13	14	15								
Gold (Comex)	-4	-5	-6	-7	8	9	10	11								
Copper (Comex)	-15	1	2	3	-9	-10	-11	-12								
Oil (WTI)	-2	1	2	3	5	6	7	8								
FX																
USD (trade-weighted, DXY)	-5	-6	1	2	-34	-35	-36	-37								
EURUSD	13	-1	-2	-3	42	43	44	45								
JPYUSD	5	6	7	8	-76	-77	-78	-79								
Central banks' balance sheets																
Fed balance sheet	82	83	84	85	74	75	76	77								
ECB balance sheet	-1	1	-1	-2	-73	-74	-75	-76								
BoJ balance sheet	105	106	107	108	147	148	149	150								
BoE balance sheet	-3	-4	-5	-6	6	7	8	9								

Source: IR&M, Bloomberg. Notes: Medium-term based on exponentially weighted average over 3 and 10 weeks. Long-term based on simply weighted average over 10 and 40 weeks. Earnings momentum is based on 12-month forward consensus EPS estimates.



Alexander Ineichen is founder of Ineichen Research and Management AG, a research firm founded in October 2009 focusing on risk management, absolute returns, and thematic investing.

Alexander started his financial career in derivatives brokerage and origination of risk management products at Swiss Bank Corporation in 1988. From 1991 to 2005 he had various research functions within UBS Investment Bank in Zurich and London relating to equity derivatives, indices, capital flows, and alternative investments, since 2002 in the role of a Managing Director. From 2005 to 2008, he was a Senior Investment Officer with Alternative Investment Solutions, a fund of hedge funds within UBS Global Asset Management. In 2009, he was Head of Industry Research for the hedge fund platform at UBS Global Asset Management.

Alexander is the author of the two publications “In Search of Alpha: Investing in Hedge Funds” (October 2000) and “The Search for Alpha Continues: Do Fund of Hedge Funds Add Value?” (September 2001). These two documents were the most-often printed research publications in the documented history of UBS. He is also author of “Absolute Returns: The Risk and Opportunities of Hedge Fund Investing” (Wiley Finance, October 2002) and “Asymmetric Returns: The Future of Active Asset Management” (Wiley Finance, November 2006). Alexander has also written several research pieces pertaining to equity derivatives and hedge funds including AIMA’s Roadmap to Hedge Funds (2008 and 2012), which has been translated into Chinese and was the most-often downloaded document from their website at the time.

Alexander holds a Bachelor of Science in Business Administration with Major in General Management from the University of Applied Sciences in Business Administration Zürich (HWZ) in Switzerland. Alexander also holds the Chartered Financial Analyst (CFA) and Chartered Alternative Investment Analyst (CAIA) designations and is a certified Financial Risk Manager (FRM). He is on the Board of Directors of the CAIA Association and is a member of the AIMA Research Committee.