Quant Daily Digest

■ Daily Overview

Macro & Sentiment: Market sentiment is cautious amid escalating geopolitical and tech sector tensions. The Trump administration's sanctions on major Russian oil companies have triggered a sharp 5% jump in Brent crude, injecting risk premium into energy markets and raising concerns over supply disruptions. Meanwhile, AI sector rivalry intensifies, with Alphabet's shares falling after OpenAI unveiled a new AI product, signaling heightened competitive pressure. The CoreWeave $9 billion acquisition faces uncertainty due to shareholder pushback, reflecting broader M&A; friction in AI cloud infrastructure. Equities / Rates: Tesla's Q3 revenue growth breaks a two-quarter decline, yet the stock dropped, likely reflecting investor skepticism on margins or forward guidance. Alphabet's selloff amid AI competition weighs on tech indices, while broader equity markets remain range-bound, digesting mixed signals. Rates markets are likely pricing in geopolitical risk and inflation concerns tied to energy price spikes, with potential modest steepening as crude-driven inflation expectations rise. FX & Commodities: USD strength persists amid risk-off flows and safe-haven demand. Brent crude's 5% surge post-sanctions is the headline commodity move, pressuring inflation expectations globally. Crypto markets see renewed interest in AI-driven strategies after DeepSeek outperformed rivals in a live-market crypto AI trading showdown, potentially attracting quant capital to crypto-algorithmic strategies. What to Watch: • Progress and fallout from CoreWeave's contested $9bn deal in AI cloud sector. • Market reaction to further AI product launches and competitive dynamics among tech giants. • Energy market volatility and potential spillover into inflation and central bank policy signals.

■ Hot List

DeepSeek outperforms AI rivals in 'real money, real market' crypto showdown

DeepSeek, an AI-driven cryptocurrency trading model, has outperformed its rivals in a real-money, real-market experiment evaluating leading AI trading systems. The competition involved deploying these models in live crypto markets to assess their effectiveness in generating returns. DeepSeek demonstrated superior price prediction accuracy and trading profitability, highlighting advancements in AI's capability to navigate volatile crypto markets. This performance underscores the growing role of AI in quantitative crypto trading strategies and may influence future capital flows towards AI-based trading solutions. The experiment provides valuable data on AI model positioning and market impact in digital asset trading.
Read more: https://finance.yahoo.com/news/deepseek-outperforms-ai-rivals-real-093000567.html
Yahoo Entertainment

Alphabet's Google stock falls as AI rivalry intensifies

Alphabet Inc. (NASDAQ: GOOGL) shares dropped significantly following increased competitive pressure in the AI sector. The decline was triggered by OpenAI's announcement of a new AI-powered product, intensifying the rivalry in artificial intelligence. This development raises concerns about Alphabet's market share and growth prospects in AI-driven technologies. The stock's price action reflects investor caution amid escalating competition. Market participants are likely reassessing positioning in tech stocks exposed to AI innovation and disruption. The move underscores the sensitivity of Alphabet's valuation to AI sector dynamics and competitive flows.

CoreWeave's controversial $9 billion deal at risk

CoreWeave's $9 billion acquisition of Core Scientific faces uncertainty as CEO Michael Intrator refuses to increase the offer despite shareholder pressure. The deal, significant in the AI cloud sector, highlights tensions between management and investors over valuation. Market participants are closely watching CoreWeave's positioning, as the outcome could impact AI infrastructure consolidation trends. The standoff may influence CoreWeave's stock volatility and investor sentiment in the tech M&A; space. No immediate policy changes or capital flow shifts have been reported, but the deal's resolution remains a key event for quant strategies tracking tech sector M&A; activity.

Brent crude jumps about 5% after Trump administration sanctions big Russian oil companies

Brent crude oil prices surged approximately 5% following the Trump administration's announcement of sanctions targeting major Russian oil companies. The move comes amid the cancellation of a planned meeting between President Trump and Russian President Vladimir Putin, signaling heightened geopolitical tensions. The sanctions are expected to disrupt Russian oil exports, tightening global supply and driving price volatility. Market participants are likely adjusting positions in energy futures and related equities in response to the increased risk premium. This development underscores the impact of geopolitical events on commodity flows and pricing dynamics.

Tesla reports revenue growth after two down quarters. Why the stock is falling

Tesla reported revenue growth in Q3 2025, reversing two consecutive quarters of decline, signaling a potential turnaround in its financial performance. Despite this positive top-line development, the stock fell, likely due to investor concerns over margins, supply chain issues, or cautious forward guidance. Market reaction suggests that while revenue improved, underlying profitability or growth prospects may not have met expectations. This mixed signal has influenced positioning, with some traders possibly reducing exposure amid uncertainty. The stock's price action reflects a nuanced investor response balancing revenue gains against lingering operational challenges.

IBM tops third-quarter estimates and lifts guidance, but stock drops

IBM reported third-quarter earnings that exceeded analyst estimates and raised its full-year guidance, driven by strong demand in artificial intelligence-related services. Despite the positive earnings surprise and optimistic outlook, IBM's stock declined in after-hours trading, suggesting profit-taking or concerns about valuation. The company highlighted robust growth in its AI software and cloud segments, which are key drivers for future revenue. Market participants may be reassessing positioning amid broader

tech sector volatility and interest rate uncertainties. The earnings beat and guidance raise underscore IBM's strategic pivot towards AI, potentially influencing sector flows and quant models focused on tech innovation.
Read more: https://www.cnbc.com/2025/10/22/ibm-q3-2025-earnings-report.html
US Top News and Analysis

Southwest beats earnings estimates, forecasts record revenue for current quarter

Southwest Airlines reported a surprise profit for Q3 2025, beating earnings estimates and signaling stronger-than-expected operational performance. The airline also forecasted record revenue for the current quarter, indicating robust demand and potential pricing power in the sector. This positive earnings surprise may influence airline sector equities and related ETFs, potentially driving increased investor flows into travel and leisure stocks. Market participants should monitor Southwest's guidance for insights into broader economic recovery trends and consumer travel behavior. The stock's price action following the earnings release could present quant trading opportunities based on momentum and volatility shifts.
Read more: https://www.cnbc.com/2025/10/22/southwest-airlines-luv-earnings-q3-2025.html
US Top News and Analysis

Dow Jones Futures Fall, Tesla Skids On Earnings, Elon Musk; AI Stocks Under Pressure

Dow Jones futures declined following a broad selloff in key AI-related stocks, which pressured major indices on Wednesday. Tesla's earnings report missed expectations, contributing to the negative sentiment, despite Elon Musk participating in the earnings call. The underperformance in AI leaders weighed heavily on market momentum, signaling potential shifts in sector positioning. Investors appeared cautious, with flows moving away from high-growth tech names amid earnings disappointments and valuation concerns. This market reaction highlights the sensitivity of quant models to earnings surprises and sector rotation dynamics.
Read more: https://finance.yahoo.com/m/fa25b017-a3ea-3ca2-96cd-b37177b7bc3b/dow-jones-futures-fall%2C-tesla.html?.tsrc=rss
Yahoo! Finance: ^GSPC ^IXIC ^DJI News

Wall Street ends lower on mixed earnings, US-China trade tensions

Wall Street closed lower with the Dow down 0.7%, S&P; 500 down 0.5%, and Nasdaq down nearly 1%, pressured by tech and communication services amid US-China trade tensions. Reports of the Trump administration considering export limits on US software to China triggered extended losses, particularly in tech stocks. Tesla shares fell in after-hours despite record revenue but missed EPS estimates, while Netflix dropped 10% after missing profit expectations, raising valuation concerns. Conversely, Intuitive Surgical surged nearly 14% on strong Q3 earnings driven by demand for surgical robots. Strategists note typical seasonal volatility ahead but maintain a bullish near-term outlook.
Read more: https://finance.yahoo.com/video/wall-street-ends-lower-mixed-220941910.html?.tsrc=rss
Yahoo! Finance: ^GSPC ^IXIC ^DJI News

Tesla stock lower after Q3 earnings miss; Musk says Robotaxi expansion coming by end of the year

Tesla shares declined following a Q3 earnings miss, reflecting investor concerns despite the company's ongoing growth efforts. The automaker reported mixed results, with revenue and earnings falling short of analyst expectations amid a challenging post-EV tax credit landscape. CEO Elon Musk announced plans for Robotaxi expansion by year-end, signaling a strategic focus on autonomous vehicle technology. Market participants are closely monitoring Tesla's ability to scale production and navigate regulatory hurdles. The stock's price action suggests cautious positioning ahead of further updates on Robotaxi deployment and broader EV market dynamics.
Read more: https://finance.yahoo.com/news/tesla-stock-lower-after-q3-earnings-miss-musk-says-robotaxi-expansion-coming-by-end-of-the-year-215657582.html?.tsrc=rss
Yahoo! Finance: ^GSPC ^IXIC ^DJI News

SAP Stock Drops After Earnings. Cloud Revenue Fell Short.

SAP reported adjusted EPS of €1.59, beating the consensus estimate of €1.49 and up from €1.23 a year ago. Despite the earnings beat, SAP's stock declined 1.2% in after-hours trading. The cloud revenue, a key growth driver for software firms due to its subscription-based recurring cash flows, fell short of expectations. This underperformance in cloud revenue likely pressured investor sentiment, outweighing the positive EPS surprise. The market reaction highlights the importance of cloud growth metrics and recurring revenue streams in software sector valuations and positioning.
Read more: https://finance.yahoo.com/m/6ebfd8b2-af2e-3182-8c4c-3dbfe3c631ec/sap-stock-drops-after.html?.tsrc=rss
Yahoo! Finance: ^GSPC ^IXIC ^DJI News

Why Did Applied Digital Stock Sink 5.8% Today?

Applied Digital's stock dropped 5.8% despite announcing a significant new data center project, highlighting a disconnect between operational expansion and investor sentiment. The decline suggests concerns over capital expenditure, potential dilution, or near-term profitability pressures. Market positioning may reflect skepticism about the timing or scale of the investment amid broader tech sector volatility. Price action indicates profit-taking or risk-off behavior, possibly influenced by macroeconomic factors or sector rotation. No immediate policy changes were noted, but the stock's reaction underscores the importance of balancing growth announcements with financial metrics in quant models.
Read more:
https://www.fool.com/investing/2025/10/22/why-did-applied-digital-stock-sink-58-today/?.tsrc=rss
Yahoo! Finance: ^GSPC ^IXIC ^DJI News

The grossly underestimated hedge fund bid for Treasuries

Hedge funds have significantly increased their demand for U.S. Treasuries, a factor that has been largely underestimated by the market. This surge in hedge fund buying is influencing Treasury prices and yields, contributing to tighter liquidity conditions. The increased positioning reflects a strategic shift amid volatile macroeconomic signals and changing Federal Reserve policy expectations. Data shows hedge funds are accumulating long Treasury positions, potentially anticipating either a pause or pivot in Fed rate hikes. This dynamic is critical for quant models relying on flow and positioning data to forecast Treasury price movements and volatility.

Read more: https://www.ft.com/content/e149afbd-5090-4482-b872-3585446cd1ce
FT Alphaville

FTAV Q&A;: Mark Sobel

Mark Sobel discusses the implications of the G20 communiqué scrapping, highlighting increased uncertainty in global policy coordination. He warns of a potential "Truss moment" in U.S. Treasuries, referencing the market turmoil following the UK mini-budget, suggesting that aggressive fiscal moves could unsettle bond markets. Sobel also addresses concerns about the dollar's dominance, noting challenges from geopolitical shifts and alternative reserve currencies. These factors contribute to heightened volatility and risk in fixed income and FX markets, impacting positioning and flows as investors reassess safe-haven assets and currency strategies amid evolving global economic policies.
Read more: https://www.ft.com/content/2608bceb-4bae-4b2a-8e22-46bb2b5ad325
FT Alphaville

Strategy shares will go up if bitcoin goes up and won't if it doesn't: Citi

Citi analysts highlight a strong correlation between Bitcoin price movements and the performance of Bitcoin strategy shares. Their research suggests that these shares tend to rise only when Bitcoin itself appreciates, indicating limited independent upside in the absence of Bitcoin price gains. This relationship underscores the importance of Bitcoin's price action as a primary driver for related equity strategies. For quant investors, this implies that Bitcoin strategy shares may offer little diversification benefit and are highly sensitive to Bitcoin market volatility. Positioning in these shares should consider Bitcoin's price trends and potential policy impacts on cryptocurrency markets.
Read more: https://www.ft.com/content/c2c91673-6a18-4d33-a40c-595bff5c82c7
FT Alphaville

■ Articles

detquantlib 3.10.4

Detquantlib 3.10.4 is an internal library designed to support quantitative models by providing reusable functions and classes. While not directly market-facing, it facilitates the development and deployment of quant strategies by standardizing model components. The update may include enhancements or bug fixes improving model accuracy or computational efficiency, indirectly impacting quant workflows and risk management. No specific data points, price actions, or policy changes are mentioned. Its relevance lies in quant infrastructure rather than immediate market movements or flows.
Read more: https://pypi.org/project/detquantlib/3.10.4/
Pypi.org

mysingle-quant 0.1.89

The release of mysingle-quant version 0.1.89 on Pypi.org introduces updated utilities and configurations tailored for Quant Platform microservices. This update likely enhances the efficiency and integration capabilities of quant trading systems by streamlining microservice operations. While specific data points or performance metrics are not detailed, such tools are critical for managing complex quant workflows and ensuring robust data handling. Market participants utilizing this package can expect

improved infrastructure support, potentially aiding in faster deployment and more reliable quant strategies. No direct impact on price action or flows is indicated.
Read more: https://pypi.org/project/mysingle-quant/0.1.89/

mysingle-quant 0.1.88

The release of mysingle-quant 0.1.88 on Pypi.org introduces updated utilities and configurations tailored for Quant Platform microservices. This version aims to enhance the efficiency and integration of quant-focused services, potentially improving data processing and model deployment workflows. While no direct market data or price action is involved, the update is relevant for quantitative analysts and developers seeking streamlined infrastructure for algorithmic trading and risk management. The improved configurations may facilitate better handling of market data feeds and execution strategies, indirectly impacting quant-driven market activities.
Read more: https://pypi.org/project/mysingle-quant/0.1.88/

7 mutual funds trim their exposure in 20 smallcap stocks in September

In September, seven mutual funds collectively reduced their holdings in approximately 20 small-cap stocks, signaling a cautious stance amid market uncertainties. This portfolio adjustment reflects active management strategies aimed at optimizing returns by trimming riskier or underperforming assets. The reduction in exposure may indicate concerns over small-cap volatility or a shift towards more stable sectors. Such moves can influence liquidity and price action in these stocks, potentially impacting short-term market dynamics. The data underscores ongoing portfolio rebalancing trends among mutual funds in response to evolving market conditions.
Read more: https://m.economictimes.com/mf/analysis/7-mutual-funds-trim-their-exposure-in-20-smallcap-stocks-in-september/reduction-in-exposure/slideshow/124717014.cms

vnpy_postgresql 1.1.2

The vnpy_postgresql 1.1.2 release is a PostgreSQL database adapter designed for the VeighNa quant trading framework. This update facilitates efficient data storage and retrieval for quantitative trading strategies, enhancing database integration and performance. By leveraging PostgreSQL, quants can manage large datasets and historical market data more effectively, supporting improved backtesting and live trading operations. The adapter's compatibility with VeighNa underscores its utility in systematic trading environments where robust data handling is critical. This release is relevant for quant developers focusing on infrastructure and data flow optimization.
Read more: https://pypi.org/project/vnpy-postgresql/1.1.2/

vnpy_optionmaster 1.2.2

The vnpy_optionmaster 1.2.2 release on Pypi.org introduces an updated option pricing and trading application tailored for the VeighNa quant trading framework. This version likely includes enhancements in pricing models, trade execution algorithms, or risk management features, which are

critical for quantitative traders focusing on options markets. The tool's integration with VeighNa suggests improved data handling and strategy deployment capabilities, potentially aiding in more precise market positioning and flow analysis. Quant traders can leverage this update to refine option strategies, optimize pricing accuracy, and better respond to market dynamics.
Read more: https://pypi.org/project/vnpy-optionmaster/1.2.2/

mysingle-quant 0.1.86

The release of mysingle-quant 0.1.86 on Pypi.org introduces updated utilities and configurations tailored for Quant Platform microservices. This version aims to enhance the efficiency and integration of quant-focused services, potentially improving data processing and model deployment workflows. While no direct market data or price action is involved, the update may indirectly impact quant strategies by streamlining backend operations. The package's improvements could facilitate better handling of financial data and algorithmic trading models. Overall, this release supports the infrastructure underlying quantitative finance applications.
Read more: https://pypi.org/project/mysingle-quant/0.1.86/

mysingle-quant 0.1.85

The release of mysingle-quant 0.1.85 on Pypi.org introduces updated utilities and configurations tailored for Quant Platform microservices. This version aims to enhance the efficiency and integration capabilities of quant-focused services, potentially improving data processing and algorithmic trading workflows. While no direct market data or price action is involved, the update is relevant for quant developers seeking streamlined tools for managing microservice architectures. Improved configurations may facilitate better handling of market data feeds and execution strategies, indirectly impacting quant trading performance. The release underscores ongoing advancements in quant infrastructure support.
Read more: https://pypi.org/project/mysingle-quant/0.1.85/

mysingle-quant 0.1.84

The release of mysingle-quant 0.1.84 on Pypi.org introduces updated utilities and configurations tailored for Quant Platform microservices. This version aims to enhance the efficiency and integration of quant-related services, potentially improving data processing and model deployment workflows. While no direct market data or price action is involved, the update is relevant for quantitative analysts and developers focusing on algorithmic trading infrastructure. Improved microservice configurations can lead to faster, more reliable quant strategies and better handling of market data streams. This release supports the ongoing evolution of quant technology stacks.
Read more: https://pypi.org/project/mysingle-quant/0.1.84/

Meta lays off 600 from 'bloated' AI unit as Wang cements leadership

Meta has laid off 600 employees from its AI division, described as "bloated," signaling a strategic refocus under CEO Mark Wang's leadership. The layoffs notably spared staff within TBD Labs, a high-profile AI unit that includes recent top-tier hires, indicating prioritization of key talent and projects. This move may impact Meta's AI development pace and investor sentiment, reflecting a broader tech

trend of streamlining AI operations amid cost pressures. Market participants should watch for potential shifts in Meta's AI investment and innovation trajectory, which could influence tech sector valuations and AI-related equity flows.
Read more: https://www.cnbc.com/2025/10/22/meta-layoffs-ai.html
US Top News and Analysis

Why has US jobs growth been so anaemic?

US jobs growth has been notably weak, defying expectations despite strong economic conditions. The article attributes this anaemia not to AI or technological disruption but to demographic factors, including an aging workforce and lower labor force participation rates. Additionally, shifts in worker preferences and structural changes in the labor market contribute to subdued employment gains. This sluggish jobs growth impacts market expectations for Federal Reserve policy, potentially influencing rate hike trajectories and economic forecasts. Investors and quants should monitor labor market data closely, as persistent weakness could affect equity valuations and fixed income yields.
Read more: https://www.ft.com/content/344eeb4a-9fc2-4783-a7d2-0c511b90cade
FT Alphaville

FTAV's further reading

The FT Alphaville article covers diverse themes including office romance, challenges with large language models (LLMs), undersea cable infrastructure, and the economic trajectory of America, highlighting concerns about decline or stagnation. It also touches on societal choices and cultural identity, such as the notion of becoming an English gentleman. While not directly focused on market data or price action, the discussion on undersea cables and America's economic status has implications for global connectivity and investment flows. These factors may influence market sentiment and positioning, especially in tech and infrastructure sectors.
Read more: https://www.ft.com/content/4769a839-f989-4478-9d38-e9007ccdd0d8
FT Alphaville

■ AI & Finance

The attendee guide to digital sovereignty sessions at AWS re:Invent 2025

AWS re:Invent 2025, scheduled for December 1–5 in Las Vegas, will focus on digital sovereignty among other cloud computing themes. The event is expected to attract a global audience, highlighting trends in data localization, compliance, and cloud security policies. Market participants should watch for announcements on regulatory impacts and cloud infrastructure investments, which could influence tech sector valuations and cloud service providers' competitive positioning. The sessions may also shed light on evolving data governance frameworks, potentially affecting multinational corporations' data strategies and cross-border data flows. These developments are relevant for quant models tracking tech sector momentum and regulatory risk.
Read more: https://aws.amazon.com/blogs/security/the-attendee-guide-to-digital-sovereignty-sessions-at-aws-reinvent-2025/
Amazon.com

Cerebras, Groq And SambaNova Line Up To Compete With Nvidia

Cerebras, Groq, and SambaNova are positioning themselves as key competitors to Nvidia's NVL72 class system in the AI inference hardware market. Each company is offering rack-scale infrastructure solutions aimed at accelerating AI workloads, challenging Nvidia's dominance. This competition could impact Nvidia's market share and pricing power in the AI chip sector. Investors should monitor these firms' product launches, adoption rates, and potential shifts in enterprise spending on AI infrastructure. Market flows may see increased volatility as these competitors gain traction and influence Nvidia's valuation and sector positioning.

Read more: https://www.forbes.com/sites/karlfreund/2025/10/21/cerebras-groq-and-sambanova-line-up-to-compete-with-nvidia/

Forbes

Micron 9550 MAX Review: Balanced Performance for AI, DB, and Analytics

Micron's 9550 MAX NVMe SSD, launched in July 2024, targets enterprise workloads including AI, databases, and analytics with a Gen5 platform. It offers balanced performance with 3 drive writes per day (DWPD) endurance, supporting both U.2 and E3.S form factors. The drive demonstrates steady latency and strong results in Deep Learning I/O (DLIO) and General Database I/O (GDSIO) benchmarks, indicating suitability for mixed-use cases requiring consistent throughput and reliability. These features position the 9550 MAX as a competitive option for data centers optimizing for AI and analytic workloads, potentially influencing storage demand and vendor positioning in the enterprise SSD market.

Read more: https://www.storagereview.com/review/micron-9550-max-review-balanced-performance-for-ai-db-and-analytics

Storagereview.com

■ Quant Keywords & Mini-Glossary

price prediction accuracy — [Measure of how closely a model forecasts asset prices.]

trading profitability — [Returns generated by a trading strategy or model.]

positioning — [Market participants' allocation or exposure to assets or sectors.]

volatility — [Degree of variation in asset prices over time.]

risk premium — [Extra return demanded by investors for taking on risk.]

earnings surprise — [Difference between reported and expected corporate earnings.]

forward guidance — [Company's projections about future financial performance.]

sector rotation — [Shift of investment flows between different market sectors.]

momentum — [Tendency of asset prices to continue moving in the same direction.]

price action — [Movement of an asset's price over time.]

valuation concerns — [Investor worries about whether an asset is fairly priced.]

portfolio rebalancing — [Adjusting asset weights to maintain desired risk-return profile.]

liquidity — [Ease with which assets can be bought or sold without affecting price.]

supply disruption — [Interruption in the availability of a commodity or asset.]

geopolitical risk — [Market risk arising from political events or tensions.]

recurring revenue streams — [Predictable, ongoing income from subscriptions or contracts.]

capital expenditure (CapEx) — [Funds used by a company to acquire or upgrade physical assets.]

profit-taking — [Selling assets to realize gains after price increases.]

earnings estimates — [Analysts' forecasts of a company's future earnings.]

market share — [Portion of total sales in a market held by a company.]

cloud revenue growth — [Increase in income from cloud-based services.]

order flow imbalance — [Disparity between buy and sell orders affecting price moves.]

algorithmic trading — [Use of computer algorithms to execute trades automatically.]

backtesting — [Testing a trading strategy on historical data to evaluate performance.]

data latency — [Delay between data generation and its availability for use.]