

# Quant Daily Digest

## ■ Daily Overview

Macro & Sentiment 2025 closed with a volatile “up-crash” in global markets, reflecting a year marked by economic shocks—AI-driven productivity surges, tariff disruptions, and evolving trade frameworks. The AI boom underpinned stronger growth expectations, yet Fed chair candidate Kevin Hassett’s comments that the U.S. is “way behind the curve” on rate cuts suggest monetary policy may remain tighter for longer. This dynamic fuels a cautious but optimistic risk appetite, with institutional flows into crypto ETFs signaling a search for alternative alpha amid traditional market gyrations. Equities / Rates Tech stocks led the rally, hitting record highs on AI optimism despite macro uncertainties. Citadel’s Wellington fund posted a 9.3% gain YTD, returning \$5 billion to investors—a strong signal of robust multistrategy performance amid market turbulence. Rates markets remain sensitive to Fed rhetoric; expectations for rate cuts have been tempered by persistent inflation signals and growth resilience. The yield curve shows modest flattening, reflecting uncertainty about the timing and pace of easing. FX & Commodities Bitcoin ETF holdings now exceed 1.3 million BTC (~6% of supply), with AI models projecting prices could surge toward \$250K if 1 million BTC were locked in ETFs, underscoring strong institutional demand and reduced circulating supply. Commodity markets remain range-bound, with no major shifts reported; focus remains on tech-driven sectors and alternative assets. What to Watch • Fed chair nomination developments and implications for rate policy • Bitcoin ETF flows and price dynamics amid institutional demand • New quant tools: vnpy\_ib and vnpy\_ctastrategy updates enhancing algo trading frameworks

## ■ Hot List

### A chaotic 'up-crash' for markets riding a turbulent 2025

Markets experienced a volatile "up-crash" in 2025 amid a backdrop of economic shocks including AI advancements, tariff disruptions, and shifting global trade frameworks. Key data points highlighted record highs in tech stocks driven by AI optimism, despite ongoing tariff tensions primarily involving the US and China. Interest rates remained elevated as central banks balanced inflation concerns with growth risks, influencing bond yields and equity valuations. Market flows showed increased retail participation and hedge fund repositioning, capitalizing on the turbulence. Overall, the year was marked by sharp price swings and heightened uncertainty, reflecting a complex interplay of policy shifts and technological change.

Read more: <https://www.abc.net.au/news/2025-12-23/trump-tariffs-interest-rates-and-ai-2025-was-a-chaotic-up-crash/106086538>

ABC News (AU)

### AI Predicts Bitcoin Price if 1 Million BTC Gets Locked in ETFs: The \$250K Scenario

Bitcoin ETFs currently hold over 1.3 million BTC, about 6% of total mined supply, indicating strong institutional demand that reduces circulating availability. An AI model predicts that if 1 million BTC were locked in ETFs, the price could surge to \$250,000, reflecting significant supply constraints and heightened demand. This scenario underscores the impact of ETF inflows on Bitcoin’s price dynamics and market liquidity. The growing ETF holdings suggest increased institutional positioning, potentially driving volatility and influencing market flows. Quant strategies should monitor ETF accumulation

trends as a key factor in Bitcoin price forecasting.

Read more: <https://247wallst.com/investing/2025/12/22/ai-predicts-bitcoin-price-if-1-million-btc-gets-locked-in-etfs-the-250k-scenario/>

24/7 Wall St.

## **Fed chair candidate Hasset says U.S. is way behind the curve on lowering interest rates**

Kevin Hasset, a candidate for Fed chair, stated that the U.S. is significantly behind in reducing interest rates. He highlighted that the ongoing artificial intelligence boom is driving stronger economic growth while exerting downward pressure on inflation. This suggests a potential shift in monetary policy expectations, with markets possibly anticipating earlier or more aggressive rate cuts. The comments could influence positioning in interest rate futures and inflation-linked securities, as investors reassess the trajectory of Fed policy in light of technological advancements impacting economic dynamics.

Read more: <https://www.cnbc.com/2025/12/23/fed-chair-candidate-hasset-says-us-behind-the-curve-on-lowering-rates.html>

US Top News and Analysis

## **Citadel to return \$5 billion in profit to investors, source says**

Citadel's flagship multistrategy fund, Wellington, delivered a 9.3% gain in the year through last week, according to a source. The firm plans to return \$5 billion in profits to its investors, signaling strong performance and robust capital flows. This profit distribution highlights Citadel's effective positioning and risk management amid current market conditions. The sizable return may influence liquidity and asset allocation decisions among institutional investors. Market participants should monitor Citadel's moves as a barometer for multistrategy fund performance and broader hedge fund trends.

Read more:

<https://www.cnbc.com/2025/12/23/citadel-to-return-5-billion-in-profit-to-investors-source-says.html>

US Top News and Analysis

## **Trump administration to start seizing pay of defaulted student loan borrowers in January**

The Trump administration plans to resume wage garnishment for defaulted student loan borrowers starting in early January. This policy shift marks a return to stricter debt collection measures after a pause during the pandemic. The move is expected to increase cash flow for federal loan programs but may pressure consumer spending among affected borrowers. Market participants should monitor potential impacts on consumer credit and loan performance data. The policy change could also influence credit risk models and default rate forecasts in the student loan sector.

Read more: <https://www.cnbc.com/2025/12/23/student-loan-borrowers-wage-garnishment.html>

US Top News and Analysis

## **Stock market today: Dow, S&P; 500, Nasdaq futures steady as Wall Street flies high into Christmas holiday**

The S&P; 500 reached a new record high, signaling strong market momentum as Wall Street heads into the Christmas holiday. Dow and Nasdaq futures remained steady, reflecting investor confidence

and balanced positioning ahead of the year-end. The market's resilience is supported by solid earnings reports and stable economic data, with no major policy shifts impacting flows. Trading volumes are lighter, typical for the holiday season, but the overall trend remains bullish. This steady price action suggests continued risk-on sentiment among market participants.

Read more: <https://finance.yahoo.com/news/live/stock-market-today-dow-sp-500-nasdaq-futures-steady-as-wall-street-flies-high-into-christmas-holiday-230346872.html?.tsrc=rss>

Yahoo! Finance: ^GSPC ^IXIC ^DJI News

## **Dow Jones Futures: Stock Market At Record Close As Nvidia, Google Lead**

The S&P; 500 reached a record closing high on Tuesday, driven primarily by strong performances from Nvidia and Google. Despite narrow market breadth, these tech giants led gains, signaling concentrated buying in key growth sectors. Dow Jones futures also reflected positive sentiment, suggesting continued momentum in equity markets. The rally underscores investor confidence amid ongoing economic data and corporate earnings. Market participants should monitor positioning in large-cap tech stocks, which are currently influencing broader index movements.

Read more: <https://finance.yahoo.com/m/c9ddb9d-1d58-3eb6-bce5-f5630f975e57/dow-jones-futures-%3A-stock.html?.tsrc=rss>

Yahoo! Finance: ^GSPC ^IXIC ^DJI News

## **S&P; registers record close as growth stocks advance**

U.S. stocks advanced Tuesday with the S&P; 500 closing at a record high, up nearly 0.5%, led by a 3% gain in Nvidia and strong performances from Amazon, Alphabet, and Broadcom, all rising over 1%. The Dow inched up slightly, while the Nasdaq climbed more than 0.5%. The Commerce Department reported Q3 GDP growth at a robust 4.3% annualized rate, surpassing expectations and driven by strong consumer spending, though consumer confidence weakened in December amid job and income concerns. AI-related stocks rebounded after last week's selloff over valuation and capital spending worries. Copper prices hit a record high, lifting Freeport-McMoRan shares 2.5% to a 15-month peak.

Read more: <https://finance.yahoo.com/video/p-registers-record-close-growth-230107601.html?.tsrc=rss>

Yahoo! Finance: ^GSPC ^IXIC ^DJI News

## **UiPath Set to Join S&P; MidCap 400 and Versant Media Group to Join S&P; SmallCap 600**

UiPath is scheduled to be added to the S&P; MidCap 400 index, while Versant Media Group will join the S&P; SmallCap 600. These index inclusions typically lead to increased demand for the stocks from index funds and ETFs tracking these benchmarks, potentially driving price appreciation. The rebalancing reflects the companies meeting the indices' market capitalization and liquidity criteria, signaling their growth and market relevance. Market participants should monitor related flow dynamics and positioning shifts as passive funds adjust holdings accordingly. This update may also influence sector and style exposures within midcap and smallcap segments.

Read more: <https://finance.yahoo.com/news/uipath-set-join-p-midcap-225500495.html?.tsrc=rss>

Yahoo! Finance: ^GSPC ^IXIC ^DJI News

## **■ Articles**

## **Show HN: A repo to turn any model into a reasoning model without training**

The GitHub repository "Latent-Space-Reasoning" introduces a method to convert any AI model into a reasoning model without additional training. This approach addresses the high costs and computational demands typically associated with training reasoning capabilities, such as extensive data requirements and reinforcement learning. By providing reusable reasoning infrastructure, it potentially enhances model efficiency and adaptability. For quant and market participants, this could lead to faster deployment of advanced AI models for predictive analytics and decision-making without the usual resource constraints. The innovation may impact AI-driven trading strategies and risk models by enabling more sophisticated reasoning with lower overhead.

Read more: <https://github.com/dl1683/Latent-Space-Reasoning>

GitHub.com

## **Why Multi-Asset Funds Beat Thematic Bets In NFO Scorecard Over 1 Year?**

Analysis of 2024 new fund offerings (NFOs) over one year shows multi-asset funds outperform thematic bets, according to Value Research data. Multi-asset funds benefited from diversified allocations, helping mitigate volatility and capture broader market gains. Thematic funds, while popular, faced challenges due to concentrated sector exposure and market rotation away from high-beta themes. Experts highlight disciplined asset allocation as key to consistent returns amid uncertain macro conditions. This trend suggests investors may favor balanced strategies over niche thematic plays for risk-adjusted performance. The data underscores the importance of portfolio diversification in active fund selection.

Read more: <https://www.ndtvprofit.com/markets/mutual-funds-multi-asset-funds-thematic-bets-new-fund-offerings-nfo-scorecard>

Ndtvprofit.com

## **Frozen Yogurt Market Set to Reach USD 11.53 Billion by 2035, Driven by Health Trends and Flavor Innovation**

The global frozen yogurt market is projected to grow from USD 6.60 billion in 2026 to USD 11.53 billion by 2035, representing a CAGR of 6.4%. This expansion is driven primarily by increasing consumer demand for healthier food options and continuous flavor innovation. The market's steady growth trajectory suggests potential investment opportunities in related food and beverage sectors. No specific data on flows, price action, or policy impacts were mentioned, but the sustained CAGR indicates positive positioning for companies within this niche. Market participants may consider exposure to health-focused consumer goods aligned with these trends.

Read more: <https://www.globenewswire.com/news-release/2025/12/22/3209389/0/en/Frozen-Yogurt-Market-Set-to-Reach-USD-11-53-Billion-by-2035-Driven-by-Health-Trends-and-Flavor-Innovation.html>

GlobeNewswire

## **Cocoa Fiber Market to Reach USD 822.94 Million by 2035, Driven by Rising Demand for High-Fiber and Sustainable Ingredients**

The global cocoa fiber market is projected to grow from USD 474.86 million in 2026 to USD 822.94 million by 2035, representing a CAGR of 6.3%. This expansion is driven by increasing demand for

high-fiber and sustainable ingredients in food products. The market growth signals rising commercial adoption of cocoa fiber, potentially impacting commodity flows and pricing dynamics in cocoa-related markets. Investors and quant models may consider this trend for long-term positioning in cocoa derivatives and related agricultural sectors. The sustained growth trajectory could influence supply chain strategies and sustainability-focused investment flows.

Read more: <https://www.globenewswire.com/news-release/2025/12/22/3209376/0/en/Cocoa-Fiber-Market-to-Reach-USD-822-94-Million-by-2035-Driven-by-Rising-Demand-for-High-Fiber-and-Sustainable-Ingredients.html>

GlobeNewswire

## **Global Precision Medicine Market Growth Accelerates at 16.26% CAGR Through 2035 Expands Rapidly as AI, Genomic Testing, and Targeted Therapies Gain Momentum**

The global precision medicine market is projected to grow at a robust CAGR of 16.26% through 2035, driven by advancements in AI, genomic testing, and targeted therapies. This rapid expansion highlights increasing investments and innovation in personalized healthcare solutions. Key market players are leveraging AI to enhance diagnostic accuracy and treatment efficacy, while genomic technologies enable more tailored therapeutic approaches. The growth trajectory suggests significant capital inflows into biotech and healthcare sectors focused on precision medicine, potentially influencing equity and healthcare-related asset allocations. Regional market dynamics also indicate rising demand in North America and Asia-Pacific, reflecting broader adoption trends.

Read more: <https://www.globenewswire.com/news-release/2025/12/22/3209349/0/en/Global-Precision-Medicine-Market-Growth-Accelerates-at-16-26-CAGR-Through-2035-Expands-Rapidly-as-AI-Genomic-Testing-and-Targeted-Therapies-Gain-Momentum.html>

GlobeNewswire

## **Guavy Launches Mobile App: AI-Powered Crypto Market Sentiment and Trading Signals**

Guavy has launched a new mobile app that leverages AI to provide crypto market sentiment analysis and trading signals. The app aims to enhance decision-making by delivering real-time data on market trends and investor sentiment. This tool could influence trading flows by enabling users to react swiftly to sentiment shifts and price movements. The integration of AI-driven insights may also impact positioning strategies among retail and institutional traders. The app's launch reflects growing adoption of machine learning technologies in crypto market analytics.

Read more: <https://dailyhodl.com/2025/12/22/guavy-launches-mobile-app-ai-powered-crypto-market-sentiment-and-trading-signals/>

The Daily Hodl

## **vnpy\_ib 10.40.1.2**

The vnpy\_ib 10.40.1.2 release on Pypi.org introduces an updated IB Gateway integration for the VeighNa quant trading framework. This update likely enhances connectivity and data flow between Interactive Brokers and the VeighNa platform, facilitating improved real-time market data access and order execution for quantitative strategies. Enhanced API stability and performance could support more efficient algorithmic trading and risk management. While specific data points or policy changes are not detailed, the release underscores ongoing infrastructure improvements critical for quant traders relying

on IB's market access. This update may influence positioning and flow by enabling more seamless trade automation.

Read more: <https://pypi.org/project/vnpy-ib/10.40.1.2/>

Pypi.org

## **vnpy\_ctastrategy 1.4.0**

The vnpy\_ctastrategy 1.4.0 release on Pypi.org introduces an updated CTA (Commodity Trading Advisor) strategy application for the VeighNa quant trading framework. This version likely includes enhancements to algorithmic trading models focused on futures and commodities, potentially improving signal generation and execution efficiency. Such updates can impact quant traders by providing refined tools for trend-following or mean-reversion strategies, influencing market positioning and flow analysis. While no direct market data or price action is mentioned, the release supports systematic trading approaches that rely on robust backtesting and live execution capabilities.

Read more: <https://pypi.org/project/vnpy-ctastrategy/1.4.0/>

Pypi.org

## **Here are the 10 hedge funds to watch in 2026**

As 2026 begins, notable hedge funds to monitor include established giants such as Point72, which is launching new products aimed at expanding its market reach. Emerging players like Ning Jin's Avantyr are gaining attention for their innovative strategies and growing influence. The list also features firms like Millennium and Coatue, known for their strong positioning and adaptive approaches to market volatility. These funds are expected to impact flows and pricing dynamics across equities and alternative assets, reflecting evolving investor preferences and risk management techniques. Their activity will be critical for quant strategies tracking hedge fund positioning and sector rotations.

Read more: <https://www.businessinsider.com/hedge-funds-to-watch-in-2026-millennium-point72-coatue-avantyr-2025-12>

Business Insider

## **vnpy\_ctabacktester 1.3.0**

The vnpy\_ctabacktester 1.3.0 release is a new version of a CTA (Commodity Trading Advisor) strategy backtesting tool designed for the VeighNa quant trading framework. This application enables quantitative traders to simulate and evaluate CTA strategies, facilitating improved strategy development and risk management. The update may include enhancements in data handling, execution simulation, or performance metrics, which are crucial for refining algorithmic trading models. By providing a robust backtesting environment, it supports better-informed decision-making in systematic trading. This tool is relevant for quants focusing on futures and commodities markets.

Read more: <https://pypi.org/project/vnpy-ctabacktester/1.3.0/>

Pypi.org

## **Epstein files: Latest batch from DOJ includes a personal letter, emails and heavily redacted documents**

The latest batch of DOJ-released Epstein files includes a personal letter, emails, and heavily redacted documents, intensifying scrutiny from congressional lawmakers and victims regarding the department's handling of the case. While the release is primarily legal and political, it may impact market sentiment



around entities linked to Epstein or related investigations. No immediate market-moving data points or policy changes are evident, but ongoing legal developments could influence risk premiums or sector-specific flows, particularly in legal and compliance-sensitive industries. Traders and quants should monitor for potential volatility in stocks connected to implicated individuals or firms.

Read more: <https://www.cnbc.com/2025/12/23/epstein-files-doj-release-trump.html>

US Top News and Analysis

## Supreme Court rejects Trump's bid to send National Guard to Chicago

The U.S. Supreme Court ruled against former President Trump's attempt to federalize the National Guard in Chicago, stating he lacked the legal authority to do so. This decision limits the federal government's ability to deploy troops without clear congressional approval, potentially impacting future federal interventions in cities facing unrest. The ruling may influence market perceptions of political risk and federal policy enforcement, particularly in sectors sensitive to regulatory and security environments. No immediate market price action was noted, but the decision could affect flows into defense and security-related assets if similar federal actions are constrained. Positioning in politically sensitive regions may adjust accordingly.

Read more: <https://www.cnbc.com/2025/12/23/supreme-court-trump-national-guard-chicago.html>

US Top News and Analysis

## If You'd Invested \$1,000 in Visa 10 Years Ago, Here's How Much You'd Have Today

Visa has solidified its position as the dominant player in the card payments sector, processing nearly \$17 trillion in total payment volume in fiscal 2025. Over the past decade, Visa's stock has demonstrated strong performance, significantly outperforming broader market indices. This growth reflects robust consumer spending trends and the ongoing shift toward digital payments. The company's consistent revenue expansion and strategic investments in technology have bolstered investor confidence, driving positive price momentum. Visa's market leadership and resilient business model make it a key stock for market participants focused on fintech and payment processing sectors.

Read more:

<https://www.fool.com/investing/2025/12/23/if-invest-1000-visa-stock-decade-how-much/?tsrc=rss>

Yahoo! Finance: ^GSPC ^IXIC ^DJI News

## What links the Trump crypto empire and Burkina Faso's stablecoin plans?

The article explores the unexpected connection between Donald Trump's crypto ventures and Burkina Faso's plans to launch a national stablecoin. Trump's crypto empire, despite regulatory and market challenges, highlights the growing influence of political figures in digital asset markets. Burkina Faso's stablecoin initiative reflects a broader trend of African nations adopting blockchain technology to enhance financial inclusion and reduce reliance on traditional currencies. These developments underscore increasing government and political involvement in crypto, potentially impacting market dynamics, regulatory frameworks, and investor positioning. The interplay between political influence and crypto innovation remains a key factor for quant strategies monitoring policy and flow shifts.

Read more: <https://www.ft.com/content/ddc2b71b-7134-4863-a096-6256f17ddfe0>

FT Alphaville

## **Dotcom tycoon to bankruptcy court: the fall and fall of Robert Bonnier**

Robert Bonnier, a dotcom entrepreneur, is facing bankruptcy court amid allegations of manipulating AudioBoom's share price. A judge ruled that Bonnier lied to secure investment from property developer Nick Candy, raising concerns about the integrity of the company's stock movements. This case highlights potential market manipulation risks and the impact of misleading disclosures on investor confidence. AudioBoom's shares may experience increased volatility as the legal proceedings unfold, affecting market positioning and flows related to the stock. The situation underscores the importance of due diligence in assessing corporate governance and price action signals.

[Read more: https://www.ft.com/content/728d7c77-f037-48b3-9a81-d112791d8b62](https://www.ft.com/content/728d7c77-f037-48b3-9a81-d112791d8b62)

FT Alphaville

## **The best of FT Alphaville, 2025 edition**

FT Alphaville's 2025 edition highlights introspective analysis on market dynamics, focusing on evolving data trends and investor behavior. The coverage emphasizes shifts in policy impacts, particularly central bank communications influencing volatility and positioning. Quantitative strategies are adapting to new data regimes, with increased attention on alternative data sources and machine learning applications. Market flows reveal cautious sentiment amid geopolitical uncertainties, affecting asset allocation and liquidity patterns. Price action reflects these nuanced shifts, with selective sector rotations and emerging thematic plays gaining traction among quant funds.

[Read more: https://www.ft.com/content/c5e120cd-494e-4eef-a620-35fed8d62d27](https://www.ft.com/content/c5e120cd-494e-4eef-a620-35fed8d62d27)

FT Alphaville

## **Prediction markets barely make money; sportsbooks make money**

Prediction markets like Kalshi, designed to financialize differences of opinion on events including sports, struggle to generate consistent profits compared to traditional sportsbooks. While sportsbooks leverage odds and betting volumes to maintain a profitable edge, prediction markets face challenges in liquidity and market efficiency, limiting their ability to price risk accurately. This results in minimal returns for participants and the platform itself. The article highlights the structural differences in market design and participant behavior that contribute to sportsbooks' sustained profitability versus the relatively flat financial outcomes in prediction markets. These insights are relevant for quant strategies focusing on market microstructure and pricing inefficiencies.

[Read more: https://www.ft.com/content/1ac03f57-bd5d-4196-85ff-4bd96dc69e0d](https://www.ft.com/content/1ac03f57-bd5d-4196-85ff-4bd96dc69e0d)

FT Alphaville

## **Person of Interest 2025: the longlist**

The FT Alphaville article "Person of Interest 2025: the longlist" highlights key individuals and entities under scrutiny or facing potential cancellation in 2025, reflecting shifting market and regulatory risks. This annual list serves as a gauge for investors and quants on reputational and compliance risks that could impact asset valuations and sector flows. The focus on cancellation trends underscores the importance of monitoring social and political factors influencing market sentiment and positioning. Such insights can inform risk models and trading strategies sensitive to policy changes and public perception. The article does not provide specific price data but emphasizes the growing relevance of



non-financial risks in market dynamics.

Read more: <https://www.ft.com/content/6d1e1434-ddca-44cc-af66-8422fee0b0bf>

FT Alphaville

## ■ AI & Finance

### **Datavault AI and The Dream Bowl Announce National Broadcast Partnership for Dream Bowl XIV and Confirm Dream Bowl 2026 Meme Coin Claim Process for Dec. 24 Drop**

Datavault AI and The Dream Bowl have announced a national television broadcast partnership for Dream Bowl XIV, enhancing visibility and potential investor interest. Additionally, they confirmed the claim process for the Dream Bowl 2026 meme coin, set for a December 24 drop, which could influence token flows and market positioning. This partnership and token distribution aim to increase accessibility and value for both fans and shareholders, potentially impacting trading volumes and price action in related meme coin markets. The announcement may attract quant strategies focused on event-driven token movements and broadcast-related sentiment shifts.

Read more: <https://www.globenewswire.com/news-release/2025/12/22/3209514/0/en/Datavault-AI-and-The-Dream-Bowl-Announce-National-Broadcast-Partnership-for-Dream-Bowl-XIV-and-Confirm-Dream-Bowl-2026-Meme-Coin-Claim-Process-for-Dec-24-Drop.html>

GlobeNewswire

### **All you need to know about Kamath & Biyani's entrepreneurship programme, The Foundry**

The Foundry is a 90-day residential entrepreneurship program based in Alibaug, supported by investor firm WTFund and Think9, founded by Kamath and Biyani respectively. It aims to foster collaboration among prominent Indian entrepreneurs, including founders and CEOs, to nurture startups. While the program's direct market impact is limited, it could influence startup funding flows and innovation trends in the Indian entrepreneurial ecosystem. The initiative may attract venture capital interest and potentially affect early-stage investment positioning in the region. No immediate price action or policy changes are linked to this program.

Read more: <https://economictimes.indiatimes.com/tech/technology/all-you-need-to-know-about-kamath-biyanis-entrepreneurship-programme-the-foundry/articleshow/126124418.cms>

The Times of India

### **Transcript: Samantha McLemore, Patient Capital**

The transcript of Samantha McLemore from Patient Capital on Masters in Business discusses long-term investment strategies emphasizing patient capital. McLemore highlights the importance of disciplined positioning and avoiding short-term market noise, which is relevant for quant strategies focusing on trend persistence and volatility management. She touches on market flows favoring quality and sustainable growth stocks amid macroeconomic uncertainties. The conversation also notes the impact of policy shifts on asset allocation, suggesting a cautious approach to interest rate and inflation risks. These insights provide valuable context for quant models integrating fundamental and macro data.

Read more: <https://ritholtz.com/2025/12/transcript-samantha-mclemore-2/>

Ritholtz.com

## ■ Quant Keywords & Mini-Glossary

**Volatility** — [Measure of price fluctuations indicating market uncertainty and risk.]

**Interest Rates** — [Cost of borrowing influencing bond yields and equity valuations.]

**Bond Yields** — [Return on bonds reflecting interest rate expectations and risk.]

**ETF Inflows** — [Capital moving into ETFs affecting asset prices and liquidity.]

**Market Liquidity** — [Ease of buying/selling assets without impacting price significantly.]

**Hedge Fund Positioning** — [Investment allocations by hedge funds influencing market flows.]

**Retail Participation** — [Involvement of individual investors impacting market dynamics.]

**Price Swings** — [Rapid changes in asset prices reflecting market volatility.]

**Monetary Policy Expectations** — [Market anticipation of central bank actions affecting rates and inflation.]

**Inflation-Linked Securities** — [Bonds adjusted for inflation protecting investors from purchasing power loss.]

**Risk Management** — [Techniques to identify and mitigate financial risks in portfolios.]

**Capital Flows** — [Movement of money into and out of markets or assets.]

**Credit Risk Models** — [Quantitative tools assessing likelihood of borrower default.]

**Default Rate Forecasts** — [Predictions of the frequency of loan defaults in a portfolio.]

**Market Breadth** — [Number of stocks advancing versus declining, indicating market strength.]

**Index Rebalancing** — [Adjusting index components affecting demand and price of included stocks.]

**Order Flow Imbalance** — [Disparity between buy and sell orders impacting short-term price moves.]

**Algorithmic Trading** — [Use of automated systems to execute trades based on predefined rules.]

**Backtesting** — [Simulating trading strategies on historical data to evaluate performance.]

**Quantitative Strategies** — [Investment approaches using mathematical models and data analysis.]

**Volatility Surface** — [Graph showing implied volatility across option strikes and maturities.]

**Supply Constraints** — [Limited availability of an asset affecting its price dynamics.]

**Positioning** — [Current holdings and exposures of investors or funds in markets.]

**Risk-On Sentiment** — [Market preference for higher-risk assets reflecting confidence.]

**Term Premium** — [Extra yield investors require for holding longer-term bonds over short-term ones.]