

Quant Daily Digest

■ Daily Overview

U.S. equities extended gains Monday, supported by robust corporate earnings that offset concerns from a partial government shutdown disrupting logistics. The S&P; 500's positive momentum in January (+1.4%) underpinned strong hedge fund performance, with Citadel and Schonfeld notably benefiting from the bullish backdrop. Indian markets mirrored this optimism, with the Sensex and Nifty climbing over 1%, led by infrastructure sector strength. Rates markets remain cautious amid the shutdown, but the risk-off premium appears contained given the earnings-driven equity resilience. Oil prices reversed recent geopolitical risk premia, falling sharply as tensions with Iran eased, removing a key supply disruption concern and triggering broad commodity selloffs. This relief in oil contrasts with ongoing crypto market outflows, where exchanges face significant withdrawals amid mounting losses in equities, signaling a behavioral shift toward risk aversion in digital assets. Quant-focused developments include the release of "quantresearch-thd," a Python package for detecting outliers in grouped time-series data, and updates to the Hikyuu Quant Framework (v2.7.6), enhancing system trading analysis and backtesting capabilities—tools that may aid in refining anomaly detection and strategy robustness in volatile environments. What to Watch: • U.S. government shutdown developments and potential impact on supply chains and market liquidity • Oil price trajectory amid evolving Middle East geopolitics and global demand signals • AMD's earnings outlook and Nvidia-OpenAI deal status as AI sector dynamics influence tech valuations

■ Hot List

U.S. stocks close higher amid strong earnings growth

U.S. stocks closed higher on Monday, driven by robust corporate earnings growth that outweighed concerns over logistical disruptions caused by a partial government shutdown. The positive earnings reports boosted investor sentiment, supporting gains across major indices. Market participants appeared to focus on strong fundamentals despite the ongoing political uncertainty. This suggests continued appetite for equities amid mixed macro factors, with earnings data playing a key role in positioning. Flow dynamics favored equities, reflecting confidence in corporate profitability despite external headwinds.

Read more: <https://www.thestar.com.my/news/world/2026/02/03/us-stocks-close-higher-amid-strong-earnings-growth>

The Star Online

Oil Closes Sharply Lower as Iran Risk Fades

Oil prices closed sharply lower following a reduction in geopolitical risk premiums as tensions with Iran eased. This de-escalation removed a key supply disruption concern, leading to a broad selloff across commodities. The decline in oil reflects a shift in market sentiment, with traders adjusting positions away from risk-hedging in energy assets. The price action suggests a rebalancing of risk premia and potential short-term volatility as geopolitical factors recede. Market flows indicate profit-taking and reduced speculative demand in oil futures amid improved supply outlooks. This development may influence energy sector positioning and related commodity markets moving forward.

Read more: https://www.rigzone.com/news/wire/oil_closes_sharply_lower_as_iran_risk_fades-02-feb-2026-182908-article/

Here's how hedge funds like Citadel and Schonfeld performed in January

In January, the S&P; 500 rose 1.4%, reaching new highs, setting a positive backdrop for hedge funds. Citadel and Schonfeld, two prominent hedge funds, reported strong performance during the month, benefiting from the bullish equity market. Their gains were driven by strategic positioning in growth stocks and effective risk management amid continued market volatility. The funds capitalized on sector rotations and macroeconomic data, aligning with favorable policy signals. Overall, hedge fund flows and positioning reflected confidence in sustained market momentum into early 2026.

Read more:

<https://www.businessinsider.com/january-hedge-fund-performance-citadel-schonfeld-2026-2>

Business Insider

Crypto Exchanges Buckle As Stock Losses Mount Amid Exodus

Crypto exchanges are experiencing significant outflows as traders disengage rather than panic-sell, marking a behavioral shift in market dynamics. This exodus coincides with mounting losses in the broader stock market, suggesting risk-off sentiment is spreading across asset classes. The lack of active trading and reduced participation could lead to lower liquidity and increased volatility in crypto markets. Market participants appear cautious, awaiting clearer signals before re-entering, which may prolong subdued price action. This trend highlights the interconnectedness of traditional equities and crypto assets in current market conditions.

Read more: <https://www.ndtvprofit.com/markets/crypto-exchanges-buckle-as-stock-losses-mount-amid-exodus-10933718>

Ndtvprofit.com

Share Market Highlights Feb 2: Benchmarks surge over 1%; Sensex ends at 81,666, Nifty above 25,000

On February 2, 2026, Indian equity benchmarks rebounded strongly following a budget-day decline. The Sensex surged 1.17% to close at 81,666.46, while the Nifty 50 rose 1.06% to 25,088.4. Gains were primarily driven by infrastructure stocks and Reliance Industries, indicating sector-specific strength. The recovery suggests positive market sentiment post-budget, with increased buying interest and improved positioning among investors. This price action reflects a robust response to policy announcements, potentially signaling sustained inflows into key sectors.

Read more: <https://www.thehindubusinessline.com/markets/stock-market-highlights-february-2-2026/article70580156.ece>

BusinessLine

AMD shares drop as forecast comes up short of some expectations

AMD shares declined after the company's Q1 forecast missed some analyst expectations despite the ongoing AI spending surge. The guidance suggested slower growth than anticipated in key segments, raising concerns about demand sustainability. This led to a pullback in AMD's stock price, reflecting cautious investor sentiment. Market participants are closely watching AMD's positioning in the AI chip market and its ability to capitalize on the sector's expansion. The earnings report and outlook highlight

potential volatility in semiconductor stocks amid shifting demand dynamics.

Read more: <https://www.cnbc.com/2026/02/03/amd-earnings-report-q4-2025.html>

US Top News and Analysis

Nvidia, OpenAI appear stalled on their mega deal. But the AI giants still need each other

Nvidia and OpenAI's \$100 billion deal, announced five months ago, remains unsigned with no funds exchanged, indicating a stall in negotiations. Despite the delay, both companies continue to rely heavily on each other for AI advancements, underscoring their strategic interdependence. The uncertainty around the deal has introduced caution among investors, impacting Nvidia's stock volatility and market positioning. Quantitative models tracking tech sector flows may note subdued momentum in Nvidia shares amid the stalled agreement. Market participants are closely watching for any policy or regulatory developments that could influence the finalization of this landmark AI partnership.

Read more: <https://www.cnbc.com/2026/02/03/nvidia-openai-stalled-on-their-mega-deal-ai-giants-need-each-other.html>

US Top News and Analysis

U.S. military says it shot down Iranian drone that 'aggressively approached' aircraft carrier

The U.S. military reported shooting down an Iranian drone that aggressively approached the USS Abraham Lincoln aircraft carrier in the Arabian Sea. The drone's intent was described as "unclear," raising tensions in a geopolitically sensitive region. This incident could impact oil prices and defense sector stocks due to heightened Middle East risks. Market participants may monitor shifts in safe-haven assets and energy futures amid potential supply disruptions. Geopolitical risk premiums could influence currency and bond markets, particularly USD and Treasuries, as investors reassess regional stability.

Read more: <https://www.cnbc.com/2026/02/03/us-military-shoots-down-iranian-drone-that-aggressively-approached-aircraft-carrier.html>

US Top News and Analysis

Chipotle stock sinks as restaurant chain reports falling traffic, weak guidance

Chipotle's stock has declined roughly 33% over the past year, reducing its market capitalization to approximately \$51 billion. The restaurant chain reported falling customer traffic and issued weak guidance, signaling potential challenges ahead. This negative outlook likely influenced investor sentiment, contributing to the stock's downward pressure. The decline in foot traffic and cautious forward-looking statements may impact short-term earnings expectations and positioning among quant funds focused on consumer discretionary sectors. Market participants should monitor Chipotle's performance for potential volatility and shifts in retail investor flows.

Read more: <https://www.cnbc.com/2026/02/03/chipotle-cmg-q4-2025-earnings.html>

US Top News and Analysis

Dow Jones Futures: Nasdaq Tumbles But These Sectors Lead; AMD, Lumentum Are Earnings Movers Late

Nasdaq experienced a notable decline Tuesday, weighed down by weakness in technology and semiconductor sectors. In contrast, consumer staples, regional banks, precious metals, and industrial stocks showed relative strength, indicating sector rotation. AMD and Lumentum stood out as key earnings movers, influencing late-session price action. This divergence highlights shifting investor preferences amid earnings reports and broader market dynamics. The mixed sector performance suggests cautious positioning ahead of upcoming economic data and policy signals.

Read more: <https://finance.yahoo.com/m/23eeff1-131b-398b-8891-040ddd32b1/dow-jones-futures-%3A-nasdaq.html?tsrc=rss>

Yahoo! Finance: ^GSPC ^IXIC ^DJI News

Stock Market Today, Feb. 3: Palantir Technologies Surges After Record Revenue Growth and Strong AI Demand

Palantir Technologies saw a significant surge in its stock price following the release of record revenue figures driven by accelerating demand for its AI-related data analytics services. The company's strong top-line growth exceeded market expectations, prompting multiple bullish analyst upgrades. This positive momentum highlights increased investor interest in AI-focused tech firms, contributing to broader market enthusiasm in the sector. The stock's price action reflects a shift in positioning towards companies benefiting from AI adoption trends, potentially influencing quant models sensitive to earnings surprises and sector rotations. Overall, Palantir's performance underscores the growing impact of AI demand on market flows and valuations.

Read more: <https://www.fool.com/coverage/stock-market-today/2026/02/03/stock-market-today-feb-3-palantir-technologies-surges-after-record-revenue-growth-and-strong-ai-demand/?tsrc=rss>

Yahoo! Finance: ^GSPC ^IXIC ^DJI News

Stock Market Today, Feb. 3: Nasdaq Tumbles 1.4% as AI Fears Grow

On February 3, 2026, major U.S. stock indexes declined amid rising bond yields and growing concerns over AI sector risks. The Nasdaq Composite fell sharply by 1.4%, reflecting tech sector weakness and investor caution around AI-related stocks. The S&P; 500 and Dow Jones also experienced downward pressure, though less pronounced. Walmart's market capitalization hitting the \$1 trillion mark was a notable positive amid the broader market selloff. Elevated bond yields contributed to a risk-off sentiment, impacting growth-oriented and tech-heavy equities. Market positioning appears cautious with increased volatility in AI-focused names and tech stocks.

Read more: <https://www.fool.com/coverage/stock-market-today/2026/02/03/stock-market-today-feb-3-nasdaq-tumbles-1-4-as-ai-fears-grow/?tsrc=rss>

Yahoo! Finance: ^GSPC ^IXIC ^DJI News

Why Was the Market Down Today?

The market declined primarily due to disappointing earnings from Microsoft last week, which negatively impacted several software companies like Atlassian, Datadog, and Intuit, all falling at least 7%. Other major tech stocks, including Nvidia, Broadcom, and Oracle, also faced downward pressure. Despite the broad tech selloff, some tech stocks managed to avoid losses, indicating selective weakness rather than a sector-wide collapse. This earnings-driven weakness in tech weighed on overall market sentiment, contributing to the day's decline. The price action highlights the sensitivity of tech sector stocks to earnings results and investor positioning ahead of upcoming reports.

Read more: <https://finance.yahoo.com/m/5bea00d4-2fcc-3992-91a1-e7463831fc87/why-was-the-market-down-today%3F.html?tsrc=rss>

Yahoo! Finance: ^GSPC ^IXIC ^DJI News

AIGH Capital Dumps 2.6 Million Lumen Technologies Shares In \$15.6 Million Exit

AIGH Capital has sold 2.6 million shares of Lumen Technologies, exiting its position with proceeds of approximately \$15.6 million. This sizable liquidation reflects a notable reduction in exposure to the telecom sector, specifically in fiber, cloud, and security services. The sale may impact Lumen's stock liquidity and price action given the volume involved. Market participants should monitor subsequent price movements and any shifts in institutional positioning. The transaction highlights potential reallocation trends within telecom-related equities amid evolving market conditions.

Read more: <https://www.fool.com/coverage/filings/2026/02/03/aigh-capital-dumps-26m-lumn-shares-in-156-million-exit/?.tsrc=rss>

Yahoo! Finance: ^GSPC ^IXIC ^DJI News

Taking a trip down memory lane

SanDisk recently delivered earnings that significantly exceeded consensus estimates, driving a notable surge in its stock price. The company's strong performance highlights robust demand for its flash memory products, reflecting favorable market dynamics in data storage. This earnings beat has led to upward revisions in analyst forecasts and increased investor confidence, contributing to positive price momentum. The report underscores the importance of monitoring semiconductor and memory sector trends for quant strategies focused on earnings surprises and sector rotation. SanDisk's performance may influence positioning in related tech and hardware ETFs, as well as impact flow into memory chip suppliers.

Read more: <https://www.ft.com/content/c6f16fbb-1091-4f26-a1ea-4aa9414208dc>

FT Alphaville

The real European financial threat to America

The FT Alphaville article highlights a subtle but significant risk to US financial markets stemming from European investors' gradual withdrawal from US assets. Unlike a sudden sell-off, this decentralized and uncoordinated buyers' strike involves European institutions slowly reducing their purchases of US Treasuries and equities. This trend could lead to diminished demand and increased volatility in US markets over time, potentially pressuring yields higher and impacting funding costs. The lack of coordination makes it harder to predict or counteract, posing a stealthy threat to market stability and US financial dominance. Monitoring European flows and positioning in US assets is critical for quant strategies.

Read more: <https://www.ft.com/content/d2677229-9eda-4666-a5b2-45eed91dda13>

FT Alphaville

■ Articles

quantresearch-thd added to PyPI

The new Python package "quantresearch-thd" has been added to PyPI, offering an ensemble framework designed to detect outliers in grouped time-series data. This tool is relevant for quantitative researchers and traders focusing on anomaly detection in financial datasets, potentially enhancing

model robustness and signal accuracy. By identifying outliers effectively, it can improve risk management and strategy performance in markets with grouped or segmented time-series data. The package's availability on PyPI facilitates easy integration into existing quant workflows and algorithmic trading systems.

Read more: <https://pypi.org/project/quantresearch-thd/>

Pypi.org

hikyuu 2.7.6

The release of Hikyuu version 2.7.6 on Pypi.org updates the Hikyuu Quant Framework, a tool for system trading analysis and backtesting. This framework is relevant for quantitative traders and analysts focusing on developing and testing trading strategies. The update likely includes enhancements or bug fixes that improve the accuracy or efficiency of backtesting and analysis processes. Such tools are critical for refining models based on historical data and optimizing trading performance. The availability of this updated version supports ongoing quantitative research and systematic trading development.

Read more: <https://pypi.org/project/hikyuu/2.7.6/>

Pypi.org

hikyuu 2.7.5.1

The Hikyuu Quant Framework version 2.7.5.1, available on Pypi.org, is a system trading analysis and backtesting tool designed for quantitative finance applications. It provides functionalities for analyzing market data, testing trading strategies, and optimizing system performance. This release may include updates or improvements enhancing the accuracy and efficiency of backtesting processes, which are critical for quant traders to validate models against historical data. The framework supports systematic trading, enabling users to incorporate various data points and market signals into their strategy development. Its availability on Pypi.org facilitates easy integration into Python-based quant workflows.

Read more: <https://pypi.org/project/hikyuu/2.7.5.1/>

Pypi.org

Trump Amasses \$483 Million War Chest to Bolster Midterm Chances

President Donald Trump has raised \$483 million for his midterm election campaign, marking an unprecedented war chest aimed at maintaining Republican control of Congress. This significant fundraising effort reflects heightened political stakes and could influence market sentiment, particularly in sectors sensitive to policy shifts tied to congressional control. The large cash reserves may enable aggressive campaign spending, potentially impacting political risk premiums and volatility in equities and bonds. Market participants should monitor campaign finance flows as a gauge of political momentum heading into the November elections.

Read more: <https://financialpost.com/pmn/business-pmn/trump-amasses-483-million-war-chest-to-bolster-midterm-chances>

Financial Post

Conductive Polymers Market Volume Worth 481.0 kilo tons by 2035

The global conductive polymers market volume is projected to increase from 319.8 kilo tons in 2026 to 481.0 kilo tons by 2035, reflecting a compound annual growth rate (CAGR) of 8.41%. This growth indicates strong demand trends in sectors utilizing conductive polymers, potentially impacting related

equities and commodity flows. The steady expansion suggests increased industrial adoption and innovation in materials science, which could influence market positioning for companies involved in polymer production and applications. Investors and quants may monitor this sector for growth-driven opportunities and shifts in supply chain dynamics.

Read more: <https://www.globenewswire.com/news-release/2026/02/02/3230400/0/en/Conductive-Polymers-Market-Volume-Worth-481-0-kilo-tonnes-by-2035.html>

GlobeNewswire

Multiple sources of volunteered geographic information strengthen holistic estimates of lake visitation

The article discusses the use of multiple sources of volunteered geographic information (VGI) to improve estimates of lake visitation, which is crucial for quantifying cultural ecosystem services (CES) provided by lakes. Traditional methods for estimating lake visitation often lack accuracy, but integrating diverse VGI datasets enhances the reliability of visitation metrics. This approach can inform better resource management and policy decisions by providing more comprehensive data on human interaction with lake environments. While not directly related to financial markets, improved environmental data can influence sectors like tourism, real estate, and insurance through better risk and asset valuation.

Read more: <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0341808>

Plos.org

Nutritive Sweetener Market Size to Exceed USD 37.97 Billion by 2035 | Towards FnB

The global nutritive sweetener market is projected to grow from USD 25.55 billion in 2026 to USD 37.97 billion by 2035, reflecting a CAGR of 4.5%. This steady expansion indicates increasing demand and potential investment opportunities in the food and beverage sector. Market growth is likely driven by rising consumer preference for natural sweeteners and health-conscious products. The forecast period suggests sustained positive price action and potential inflows into related equities and commodities. Quant strategies may consider exposure to this sector given its consistent growth trajectory and evolving consumer trends.

Read more: <https://www.globenewswire.com/news-release/2026/02/02/3230173/0/en/Nutritive-Sweetener-Market-Size-to-Exceed-USD-37-97-Billion-by-2035-Towards-FnB.html>

GlobeNewswire

Nvidia's Jensen Huang denies OpenAI deal rumors: 'There's no drama'

Nvidia CEO Jensen Huang dismissed rumors of any issues with the company's investment in OpenAI, stating the plan remains "on track." This clarification comes amid market speculation that could have impacted Nvidia's stock volatility and investor sentiment. Nvidia's continued commitment to OpenAI underscores its strategic positioning in AI chip demand, potentially influencing future revenue streams and sector flows. The reaffirmation may stabilize Nvidia's share price and reassure quant models sensitive to tech sector news and AI-related developments. No immediate price action was noted following Huang's comments, but the statement could reduce downside risk from speculative trading.

Read more: <https://www.cnbc.com/2026/02/03/nvidias-jensen-huang-denies-openai-deal-rumors-there-s-no-drama.html>

You can see the computer age everywhere but in the construction industry

The construction industry remains notably resistant to digital transformation despite widespread technological advances elsewhere. Productivity growth in construction has lagged significantly compared to other sectors, with output per worker showing minimal improvement over decades. This stagnation contrasts sharply with the rapid efficiency gains seen in manufacturing and services driven by computerization and automation. The sector's reliance on traditional methods and fragmented workflows limits data-driven optimization and cost control. For market participants, this suggests potential opportunities in construction tech investments and signals persistent inefficiencies that could impact related commodity and labor markets.

Read more: <https://www.ft.com/content/2ae2db14-0fae-4a9a-8cc3-6c611a069782>

FT Alphaville

FTAV's further reading

The FT Alphaville article titled "FTAV's further reading" covers a diverse range of topics including political commentary, particle physics, and insights from Kevin Warsh, former Fed governor. While the piece touches on various intellectual and cultural subjects, it lacks direct financial market data, price movements, policy updates, or flow and positioning information relevant to market or quant analysis. The content is more thematic and opinion-based rather than providing actionable market intelligence or quantitative insights.

Read more: <https://www.ft.com/content/912e7e4d-d0c0-4f5c-8f8c-c84422157908>

FT Alphaville

And the FTAV chart quiz winner is . . .

The FT Alphaville article highlights a chart quiz focusing on the FTAV index, which tracks the performance of major tech and media stocks. Recent data shows mixed price action with some volatility amid ongoing sector rotation and macroeconomic concerns. Market participants are closely watching flows into tech ETFs, which have seen fluctuating volumes reflecting shifting investor sentiment. Positioning appears cautious as traders weigh policy signals from central banks regarding interest rates and inflation. The quiz underscores the importance of understanding technical patterns and market dynamics in navigating current tech sector movements.

Read more: <https://www.ft.com/content/354098b3-dbe4-4919-9376-0ec4af58b7fb>

FT Alphaville

■ AI & Finance

AI Agent Examples Shaping The Business Landscape

The article from Databricks highlights how AI agents are increasingly integrated across various industries, driving operational efficiencies and innovation. It emphasizes the growing demand for production-ready AI tools that enable businesses to deploy autonomous agents for tasks such as customer service, data analysis, and process automation. While the piece does not provide direct market data or price action, the trend suggests potential shifts in technology sector valuations and

investment flows toward AI infrastructure and software providers. This evolving landscape may influence quant strategies focusing on tech adoption rates and AI-related earnings growth.

Read more: <https://www.databricks.com/blog/ai-agent-examples-shaping-business-landscape>
Databricks.com

ViT-Stain: Vision transformer-driven virtual staining for skin histopathology via global contextual learning

The article discusses ViT-Stain, a novel virtual staining method for skin histopathology that leverages Vision Transformers (ViT) to improve upon traditional CNN and GAN-based approaches. Unlike these conventional models, ViT-Stain captures global contextual information and long-range tissue dependencies, addressing limitations in local receptive fields. This advancement could enhance the accuracy and efficiency of digital pathology workflows, potentially impacting healthcare data analytics and imaging-related quant strategies. While not directly financial, the innovation may influence biotech and medtech sectors, affecting market positioning and investment flows in AI-driven medical imaging technologies.

Read more: <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0341311>
Plos.org

Aceex's Dariia Kutsopal on Ad Tech Challenges, Maintaining Stable Performance, and Tougher Privacy Regulations

Dariia Kutsopal of Aceex highlights key challenges in the ad tech sector, including stricter privacy regulations and significant signal loss impacting measurement accuracy. These factors are pressuring ad tech platforms to adapt their data collection and targeting methodologies, affecting campaign performance and ROI predictability. Aceex focuses on maintaining stable performance by leveraging transparent, efficient connections between publishers and advertisers despite these headwinds. The evolving regulatory landscape is driving shifts in data flows and necessitating enhanced privacy-compliant solutions, influencing market positioning and investment strategies within the ad tech ecosystem.

Read more: <https://www.exchangewire.com/blog/2026/02/02/aceexs-dariia-kutsopal-on-ad-tech-challenges-maintaining-stable-performance-and-tougher-privacy-regulations/>
ExchangeWire

■ Quant Keywords & Mini-Glossary

Earnings Growth — [Increase in company profits driving stock price and investor sentiment.]

Geopolitical Risk Premium — [Extra cost or yield investors demand due to geopolitical uncertainties.]

Risk Premia — [Returns expected for bearing various types of financial risk.]

Market Flows — [Movements of capital into and out of asset classes or sectors.]

Sector Rotation — [Shifting investment allocations between industry sectors based on market outlook.]

Volatility — [Measure of price fluctuations or risk in an asset over time.]

Positioning — [The aggregate exposure or stance investors hold in markets or sectors.]

Risk-Off Sentiment — [Investor preference for safer assets amid uncertainty or market stress.]

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

Price Action — [Movement of asset prices reflecting supply and demand dynamics.]

Earnings Surprise — [When reported earnings differ significantly from analyst expectations.]

Bond Yields — [Return on investment for bonds, influencing equity valuations and risk appetite.]

Risk Management — [Techniques to identify, assess, and mitigate financial risks.]

Quantitative Models — [Mathematical frameworks used to analyze markets and guide trading decisions.]

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

Outlier Detection — [Identifying unusual data points that may affect model accuracy.]

Macro Factors — [Broad economic variables influencing market trends and asset prices.]

Safe-Haven Assets — [Investments expected to retain value during market turmoil.]

Speculative Demand — [Buying driven by expectations of price changes rather than fundamentals.]

Market Capitalization — [Total market value of a company's outstanding shares.]

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

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

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

Realized vs Implied Volatility — [Comparison of actual past volatility to market-expected future volatility.]

Value at Risk (VaR) — [Estimate of potential loss in portfolio value over a defined period at a given confidence level.]