

Quant Daily Digest

■ Daily Overview

Macro & Sentiment Quantitative hedge funds are increasingly allocating resources to prediction markets, leveraging alternative data from political and sporting event outcomes to enhance alpha generation. This shift signals growing appetite for non-traditional data sources amid a complex macro environment. Meanwhile, the recent sharp Bitcoin crash—attributed to a liquidation cascade triggered by Hong Kong hedge funds heavily exposed to Bitcoin call options—has heightened risk aversion in crypto markets. On the geopolitical front, concerns mount over the Trump administration's expanding direct equity stakes in U.S. companies, raising fears of market distortions and potential intervention risks. Equities / Rates U.S. equities show mixed performance as investors digest divergent corporate earnings. American Airlines underperformed significantly, reporting \$111 million net income versus multi-billion-dollar profits from peers Delta and United, spotlighting sectoral dispersion. Meanwhile, Elon Musk's net worth surged past \$800 billion following the SpaceX-xAI merger, with the combined entity valued at \$1.25 trillion, underpinning strong investor confidence in tech innovation. Rates markets remain range-bound, with no major central bank moves expected imminently, but volatility could rise if government equity stakes trigger policy shifts. FX & Commodities Cryptocurrency volatility remains elevated post-Bitcoin crash. Traditional FX markets are steady, with no major directional shifts. Commodity markets show muted reactions, though automakers' pullback from Super Bowl advertising hints at caution amid sector uncertainty. What to Watch • Evolution of prediction markets as a quant alpha source—monitor new data integration and strategy performance. • Potential market impact from increased U.S. government equity ownership and related policy signals. • Crypto market stability post-Bitcoin liquidation cascade and implications for risk premia in digital assets.

■ Hot List

Quant Firms Boost Prediction Markets Trading Teams

Quantitative hedge funds are expanding their trading teams focused on prediction markets, which involve betting on outcomes of sporting and political events. These markets provide alternative data sources and unique trading opportunities that can enhance quant strategies. However, gaining institutional investor trust remains a significant hurdle due to the unconventional nature and regulatory uncertainties of prediction markets. Increased staffing suggests growing confidence in the potential alpha from these markets, reflecting a broader trend of quant firms diversifying beyond traditional asset classes. This shift could influence flow dynamics and positioning in related derivatives and event-driven strategies.

Read more: <https://www.ai-cio.com/news/quant-firms-boost-prediction-markets-trading-teams/>
Ai-cio.com

What caused the massive Bitcoin crash? Clues point to a blow-up at Hong Kong hedge funds

Bitcoin experienced a sharp crash recently, with clues pointing to a blow-up at Hong Kong-based hedge funds as a key trigger. Reports suggest a fund heavily invested in Bitcoin call options faced liquidation, causing a cascade of forced selling. This deleveraging likely intensified price declines, impacting broader market sentiment and liquidity. The event highlights the risks of concentrated option positions and leverage in crypto markets, which can amplify volatility. Market participants should monitor hedge

fund positioning and option market flows closely for signs of stress.

Read more: <https://fortune.com/2026/02/06/what-caused-the-massive-bitcoin-crash-clues-point-to-a-blow-up-at-hong-kong-hedge-funds/>

Fortune

Trump administration equity stakes pose risks to U.S. companies and markets

The Trump administration has amassed a significant portfolio of direct equity stakes in U.S. companies, a move unusual outside of economic crises or wartime. This growing government ownership raises concerns about market distortions, potential conflicts of interest, and increased volatility due to political influence on corporate decisions. Investors may face heightened uncertainty as policy shifts could impact company valuations and sector performance. The stakes could also affect liquidity and flow dynamics in affected equities, prompting quant strategies to adjust for increased tail risks and regime changes. Market participants should monitor government holdings and related policy announcements closely.

Read more: <https://www.cnbc.com/2026/02/07/trump-equity-stakes-pose-these-risks-to-us-companies-and-markets.html>

US Top News and Analysis

Pressure mounts on American Airlines CEO as carrier lags rivals

American Airlines reported a net income of \$111 million last year, significantly trailing competitors Delta Air Lines and United Airlines, which posted \$5 billion and \$3.3 billion in profits, respectively. This stark disparity has increased pressure on American Airlines CEO Robert Isom as the carrier struggles to keep pace with its rivals. The underperformance may impact investor sentiment and positioning in airline stocks, potentially influencing sector flows. Market participants will likely monitor American Airlines' upcoming earnings and strategic moves closely to assess any shifts in competitive dynamics and valuation.

Read more: <https://www.cnbc.com/2026/02/07/american-airlines-ceo-robert-isom.html>

US Top News and Analysis

Elon Musk wants to be a trillionaire — here's how SpaceX may get him there

Elon Musk's net worth surpassed \$800 billion following the merger of SpaceX with xAI, creating a combined entity valued at \$1.25 trillion. This significant valuation boost highlights strong investor confidence in Musk's ventures, potentially propelling him toward becoming the first trillionaire. The deal reflects substantial market interest in space exploration and artificial intelligence sectors, which could drive future capital inflows and price appreciation. Musk's diversified holdings, including Tesla, further support his wealth trajectory amid evolving market dynamics. The merger may also influence positioning strategies for investors focused on high-growth tech and innovation stocks.

Read more: <https://www.cnbc.com/2026/02/07/elon-musk-wants-to-be-a-trillionaire-how-spacex-xai-tela-can-get-him-there.html>

US Top News and Analysis

Madison Asset Management Liquidates Its \$98 Million Trex Position

Madison Asset Management has fully liquidated its \$98 million position in Trex, a company specializing in composite decking and outdoor living products. This significant sell-off may impact Trex's stock price due to the large volume of shares being offloaded. The liquidation reflects a strategic shift or rebalancing within Madison's portfolio, potentially signaling changing views on the residential and commercial outdoor products sector. Market participants should monitor Trex's price action and volume for signs of further institutional activity or shifts in investor sentiment. This move could influence sector-related ETFs and indices.

Read more: <https://www.fool.com/coverage/filings/2026/02/07/madison-asset-management-liquidates-it-s-usd98-million-trex-position/?tsrc=rss>

Yahoo! Finance: ^GSPC ^IXIC ^DJI News

How prediction market traders reinvented the bond

Prediction market traders are reshaping bond markets by integrating real-time event probabilities into US Treasury pricing, effectively blending traditional fixed income with forward-looking data. This approach enhances market efficiency by allowing participants to hedge or speculate on macroeconomic outcomes, such as inflation or Federal Reserve policy shifts, through bond positions. The fusion of prediction markets and bond trading introduces new liquidity dynamics and could influence yield curves by embedding event risk premiums more explicitly. This innovation reflects growing quant interest in alternative data sources and sophisticated modeling to capture policy and economic uncertainty. Market participants should monitor evolving flows and positioning as these hybrid instruments gain traction.

Read more: <https://www.ft.com/content/3382195d-b417-4fc8-9c2e-17f38027a635>

FT Alphaville

So what does Bill Gurley make of Figma's IPO now?

Bill Gurley, a prominent venture capitalist, has reflected on Figma's IPO, highlighting the challenges and market conditions that influenced its pricing and reception. Despite initial enthusiasm, Figma's public debut faced headwinds amid a broader tech sell-off and shifting investor sentiment towards SaaS valuations. Gurley noted that the company's strong fundamentals were overshadowed by macroeconomic factors and market volatility, which impacted demand and pricing. The IPO's performance underscores the importance of timing and market environment in tech listings, with implications for future SaaS IPOs and investor positioning in the sector. This case serves as a cautionary tale for tech IPO valuations amid uncertain market flows.

Read more: <https://www.ft.com/content/2a0ac4dd-6e71-4324-9746-5f74e0e8a6d2>

FT Alphaville

■ Articles

The Indolent Portfolio, 2025

The Indolent Portfolio for 2025, a long-standing investment strategy, continues to emphasize simplicity and diversification across asset classes. The portfolio maintains a balanced allocation among U.S. equities, international stocks, bonds, and real estate investment trusts (REITs), aiming for steady returns with moderate risk. Recent adjustments reflect a slight increase in international exposure, responding to valuation disparities and growth prospects outside the U.S. Fixed income components remain focused on high-quality bonds amid ongoing interest rate volatility. The portfolio's low turnover and passive management approach appeal to investors seeking stable, long-term growth without frequent rebalancing. Market positioning favors broad diversification to mitigate sector-specific risks.

Read more: <https://www.mutualfundobserver.com/2026/02/the-indolent-portfolio-2025/>

Mutualfundobserver.com

Assessing knowledge levels on coronavirus disease (COVID-19) among community members: The influence of community engagement efforts in Seke district, Zimbabwe: A cross-sectional study

The article from Plos.org evaluates the impact of community engagement on COVID-19 knowledge levels in Seke District, Zimbabwe. It highlights that effective pandemic containment depends on informed communities, emphasizing the role of local outreach efforts. While the study is public health-focused, it does not provide direct financial market data, price movements, policy changes, or flow information relevant to market or quantitative analysis. The findings may indirectly influence regional economic recovery or healthcare sector investments but lack immediate quantifiable market implications.

Read more: <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0342318>

Plos.org

Beyond the counter: Pharmacists' preparedness and response strategies in terrorism-related emergencies in Quetta, Pakistan

The article discusses the role of pharmacists in managing terrorism-related disasters (TRDs) in Quetta, Pakistan, highlighting their preparedness and response strategies. It emphasizes the critical pressure TRDs place on healthcare systems in vulnerable regions. Pharmacists are increasingly acknowledged as vital in disaster management, contributing to effective healthcare delivery during emergencies. The study likely examines data on pharmacists' readiness, resource allocation, and coordination with other healthcare services. While the focus is on healthcare resilience, the findings may indirectly impact market sectors related to pharmaceuticals and emergency supplies in conflict-prone areas.

Read more: <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0342241>

Plos.org

Compound Semiconductor Materials Market Size to Worth USD 69.56 Billion by 2035

The global compound semiconductor materials market is projected to expand from USD 40.76 billion in 2026 to USD 69.56 billion by 2035, indicating a robust CAGR over the forecast period. This growth reflects increasing demand in sectors such as telecommunications, automotive, and consumer electronics, driven by advancements in 5G, electric vehicles, and IoT technologies. Market expansion suggests potential inflows into semiconductor-related equities and ETFs, impacting sector positioning and valuations. Investors and quant models may consider this trend for sector rotation and thematic exposure to semiconductor materials. No immediate policy changes noted; focus remains on technological adoption and supply chain dynamics.

Read more: <https://www.globenewswire.com/news-release/2026/02/06/3233795/0/en/Compound-Semiconductor-Materials-Market-Size-to-Worth-USD-69-56-Billion-by-2035.html>

GlobeNewswire

Discovery of Mammoth Ivory Tools Resets Human Timeline in North America

The discovery of 14,000-year-old mammoth ivory and stone tools in Alaska suggests an earlier human presence in North America than previously documented. This finding could impact sectors linked to archaeology and anthropology, potentially influencing funding and investment in related research and technology companies. While not directly affecting financial markets, the news may drive interest in scientific data providers and firms specializing in historical data analysis. No immediate market price action or policy changes are expected, but long-term shifts in research priorities and funding flows could emerge. Positioning in niche scientific sectors might see gradual adjustments.

Read more: <https://www.sciencealert.com/discovery-of-mammoth-ivory-tools-resets-human-timeline-in-north-america>

ScienceAlert

coredesk added to PyPI

CoreDesk, a new Python library focused on quantitative development, has been added to PyPI. It offers tools for pricing, risk management, and model calibration, catering specifically to quant developers. This addition could streamline workflow for quants by integrating essential functions into a single package. The library's availability on PyPI facilitates easy installation and updates, potentially accelerating adoption in quantitative finance environments. Its features may enhance model accuracy and risk assessment capabilities, impacting trading strategies and risk management processes.

Read more: <https://pypi.org/project/coredesk/>

Pypi.org

A senior exec is suing trading firm Vatic, saying it stiffed him on \$1.5 million and blamed 'funding difficulties'

A former senior executive at quant trading firm Vatic, Rosen Kralev, is suing the firm for allegedly withholding \$1.5 million in guaranteed bonuses. Kralev claims Vatic repeatedly delayed payments, citing "funding difficulties" as the reason. This legal dispute highlights potential financial or liquidity issues within Vatic, which could impact market confidence in the firm. The case may also signal broader challenges in the quant trading sector regarding compensation and cash flow management. Market participants should monitor any fallout that could affect Vatic's trading operations or counterparties.

Read more:

<https://www.businessinsider.com/vatic-exec-sues-quant-trading-firm-bonus-funding-difficulties-2026-2>

Business Insider

Organic Peroxide Market Size to Worth USD 3.90 Billion by 2035

The global organic peroxide market is projected to expand from USD 2.75 billion in 2026 to USD 3.90 billion by 2035, reflecting a compound annual growth rate (CAGR) of 3.95%. This steady growth indicates increasing demand and potential investment opportunities in the chemical sector. Market drivers likely include rising applications in polymerization and other industrial processes. The forecasted expansion may influence commodity prices and related equities, offering quant strategies opportunities to capitalize on sector momentum and supply-demand dynamics. Monitoring policy changes and trade flows in chemical manufacturing could provide additional market insights.

Read more: <https://www.globenewswire.com/news-release/2026/02/06/3233658/0/en/Organic-Peroxide-Market-Size-to-Worth-USD-3-90-Billion-by-2035.html>

GlobeNewswire

KSA Ai Data Management Market Research 2025-2030: Vision 2030 Digitalization, AI Funding, and Cybersecurity Demand Accelerate Growth

The Saudi Arabia AI Data Management Market is poised for significant growth from 2025 to 2030, fueled by the country's Vision 2030 digitalization initiatives and increased AI funding. Key sectors such as healthcare and finance are driving demand for advanced AI data solutions, supported by government policies promoting digital transformation. The market expansion is further accelerated by rising cybersecurity needs, prompting partnerships and investments in AI infrastructure. These developments suggest increased capital flows into AI-related technologies and data management platforms within the region, highlighting a strategic shift towards tech-driven economic diversification. Market participants should monitor evolving regulatory frameworks and sector-specific adoption rates for positioning.

Read more: <https://www.globenewswire.com/news-release/2026/02/06/3233628/28124/en/KSA-AI-Data-Management-Market-Research-2025-2030-Vision-2030-Digitalization-AI-Funding-and-Cybersecurity-Demand-Accelerate-Growth.html>

GlobeNewswire

Automakers largely sit out 2026 Super Bowl advertising amid industry uncertainty

Automakers are notably absent from the 2026 Super Bowl advertising lineup, reflecting broader uncertainty in the U.S. automotive sector. Major players like GM, Toyota, and Volkswagen are scaling back or pausing their high-profile ad spends during this key marketing event. This pullback signals cautious positioning amid challenges such as supply chain disruptions, shifting consumer demand, and the ongoing transition to electric vehicles. The reduced ad spend may impact related media and advertising sector flows, while also indicating potential softness in automotive sales forecasts. Market participants should monitor automaker marketing budgets as a barometer for industry confidence and consumer demand trends.

Read more: <https://www.cnbc.com/2026/02/07/super-bowl-ads-gm-toyota-volkswagen.html>

US Top News and Analysis

Hims & Hers pulls copycat weight-loss pill after threats of legal action

Hims & Hers has ceased sales of its weight-loss pill, a copycat version of Wegovy, following legal threats. This move could impact the competitive landscape in the weight-loss pharmaceutical sector, potentially benefiting Novo Nordisk, Wegovy's maker. The withdrawal may influence investor sentiment and stock performance in related biotech and pharmaceutical equities. Market participants should monitor any further legal developments and shifts in market share within the weight-loss drug segment. Pricing and supply dynamics for Wegovy could also be affected if competition diminishes.

Read more: <https://www.cnbc.com/2026/02/07/hims-hers-weight-loss-pill.html>

US Top News and Analysis

Kessler Investment Group Buys \$5 Million More in Luxury Outerwear Stock, Canada Goose

Kessler Investment Group has increased its stake in Canada Goose Holdings by purchasing an additional \$5 million worth of shares. Canada Goose, known for its luxury outerwear, operates through both direct-to-consumer and wholesale channels globally. This move signals confidence in the company's growth prospects amid evolving consumer demand in the luxury apparel sector. The increased investment may influence market positioning and could impact Canada Goose's stock price due to potential shifts in institutional ownership. No significant policy changes or broader market flows were noted in the report.

Read more: <https://www.fool.com/coverage/filings/2026/02/07/kessler-investment-group-buys-usd5-million-more-in-luxury-outerwear-stock-canada-goose/?.tsrc=rss>

Yahoo! Finance: ^GSPC ^IXIC ^DJI News

Better Leveraged ETF Buy: Is Tech-Heavy QLD or S&P; 500-Focused SSO the Right Choice for Investors?

The article compares two leveraged ETFs: QLD, which is tech-heavy, and SSO, focused on the broader S&P; 500. QLD offers higher volatility and sector concentration, primarily in technology, leading to potentially greater returns but increased risk. SSO provides broader market exposure with lower volatility and expense ratios, appealing to investors seeking steadier growth. The piece highlights the importance of understanding sector mix, volatility, and cost structures when choosing leveraged ETFs for long-term investment strategies. Market positioning favors tech-driven growth in QLD, while SSO aligns with diversified market trends. Investors should weigh risk tolerance against potential returns.

Read more: <https://www.fool.com/coverage/etfs/2026/02/07/better-leveraged-etf-buy-is-tech-heavy-qld-or-s-and-p-500-focused-sso-the-right-choice-for-investors/?.tsrc=rss>

Yahoo! Finance: ^GSPC ^IXIC ^DJI News

Better Dividend ETF: Schwab's SCHD vs. Vanguard's VYM

Schwab's SCHD and Vanguard's VYM are two prominent dividend ETFs with distinct sector focuses and portfolio constructions that appeal to different investor profiles. SCHD emphasizes quality and dividend sustainability, often concentrating on sectors like technology and consumer discretionary, while VYM offers broader market exposure with a tilt toward financials and industrials. SCHD typically features a lower expense ratio and a more concentrated portfolio, potentially leading to higher income growth but increased sector risk. VYM provides diversified income with a larger number of holdings, appealing to investors seeking stability and broad market coverage. These differences influence flow patterns and positioning strategies for income and growth-oriented investors.

Read more: <https://www.fool.com/coverage/etfs/2026/02/07/better-dividend-etf-schwab-s-schd-vs-vanguard-s-vym/?.tsrc=rss>

Yahoo! Finance: ^GSPC ^IXIC ^DJI News

MGK vs. SPY: Is Mega-Cap Growth or S&P; 500 Diversification the Better Buy Right Now?

The article compares MGK, a mega-cap growth ETF, with SPY, which tracks the diversified S&P; 500 index, highlighting differences in sector exposure, risk, and income potential. MGK is heavily weighted towards technology and growth stocks, offering higher volatility but potential for greater returns, while

SPY provides broader market diversification with more stable, income-generating assets. Current market conditions favoring growth stocks could benefit MGK, but SPY's diversification may better mitigate risk amid economic uncertainty. Investors should consider their risk tolerance and portfolio goals when choosing between concentrated growth exposure and broad market coverage.

Read more: <https://www.fool.com/coverage/etfs/2026/02/07/mgk-vs-spy-is-mega-cap-growth-or-s-and-p-500-diversification-the-stronger-buy-right-now/?tsrc=rss>

Yahoo! Finance: ^GSPC ^IXIC ^DJI News

FTAV's Friday charts quiz

FT Alphaville's Friday charts quiz highlights key market data and trends through visual analysis, focusing on recent price action and positioning across various asset classes. The quiz emphasizes the importance of understanding underlying data patterns and market flows to anticipate potential policy impacts and shifts in investor sentiment. It serves as a tool for quants and market participants to refine their analytical skills by interpreting complex financial charts. The content underscores the value of charting in assessing market dynamics and informing trading strategies. No specific new policy announcements or flow data are detailed in the quiz itself.

Read more: <https://www.ft.com/content/b8b78820-ea33-4588-84e9-4011d95425a9>

FT Alphaville

Do smart people eat better?

The article from FT Alphaville explores the correlation between intelligence and dietary choices, suggesting that smarter individuals tend to make healthier food decisions. This insight could have implications for consumer behavior models and market segmentation strategies in the food and beverage sector. Understanding these patterns may help investors and analysts anticipate shifts in demand for premium or health-focused products. While not directly impacting financial markets, the data could inform quant models that incorporate behavioral economics and demographic factors. No immediate price action or policy changes are noted.

Read more: <https://www.ft.com/content/c39f7d5c-2a93-4d35-96b3-d6f7e33029ca>

FT Alphaville

FTAV's further reading

The FT Alphaville article titled "FTAV's further reading" curates a selection of resources relevant to quantitative finance and market analysis. It highlights practical PhD research that can inform algorithmic trading strategies, insights from Two Sigma on data-driven investment approaches, and additional data sources like the CIA Factbook for macroeconomic context. The piece also references the Washington Post for market news and trends, and even touches on online dating data as an unconventional example of behavioral analytics. These diverse data points and methodologies underscore the importance of multidisciplinary inputs in refining quant models and understanding market dynamics.

Read more: <https://www.ft.com/content/4e4a0cb4-082a-441c-b1e0-a1432dc9a687>

FT Alphaville

■ AI & Finance

AI Update, February 6, 2026: AI News and Views From the Past Week

The AI update for the week ending January 30, 2026, highlights significant advancements and market developments in artificial intelligence. Key data points include increased AI adoption across sectors, driving demand for AI-related equities and tech hardware. Price action shows a notable uptick in AI-focused ETFs and semiconductor stocks, reflecting investor optimism. Policy updates emphasize regulatory scrutiny on AI ethics and data privacy, influencing market sentiment and positioning. Capital flows indicate growing institutional interest in AI startups and AI-driven automation solutions, signaling a shift in portfolio allocations toward tech innovation. These trends underscore AI's expanding role in shaping market dynamics and investment strategies.

Read more: <https://www.marketingprofs.com/opinions/2026/54257/ai-update-february-6-2026-ai-news-and-views-from-the-past-week>

MarketingProfs.com

Xikipedia, WordPress, CIA World Factbook, More: Friday ResearchBuzz, February 6, 2026

The article highlights new digital tools and resources, including a developer's transformation of Wikipedia into a social media-style feed, aiming to enhance information consumption. While primarily focused on tech and information dissemination, there are no direct financial market data points, price movements, policy changes, or flow insights mentioned. The content does not address market positioning or quantitative trading relevance. Therefore, it holds limited immediate impact for market participants or quant analysts seeking actionable financial information.

Read more: <https://researchbuzz.me/2026/02/06/xikipedia-wordpress-cia-world-factbook-more-friday-researchbuzz-february-6-2026/>

Researchbuzz.me

TechEx Global returns to London with enterprise technology and AI execution

TechEx Global 2026 convened thousands of technology professionals in London, emphasizing practical applications of enterprise technology and AI rather than hype. The event highlighted emerging tech trends with potential market impact, including AI execution strategies and enterprise adoption. While specific financial data or market flows were not detailed, the conference signals growing institutional interest in AI-driven enterprise solutions, potentially influencing tech sector positioning and investment flows. The focus on actionable AI could drive increased capital allocation towards AI-focused enterprises and related technology stocks.

Read more: <https://thenextweb.com/news/techex-global-returns-to-london-with-enterprise-technology-and-ai-execution>

The Next Web

Show HN: Cursor Agent Factory – 5-layer architecture for AI agent systems

The news discusses the launch of Cursor Agent Factory, a 5-layer architecture designed to enhance AI agent systems by explicitly integrating the intention layer, which defines the "why" and values behind AI actions. This meta-system aims to improve AI development setups by making the intention layer explicit rather than implicit, potentially increasing the effectiveness and alignment of AI agents. While not directly financial, advancements in AI architectures like this could impact quant strategies by enabling more sophisticated, intention-aware algorithmic agents. The system's modular design may facilitate

better customization and integration in trading models reliant on AI decision-making.

Read more: <https://github.com/gitwalter/cursor-agent-factory>

Github.com

■ Quant Keywords & Mini-Glossary

alpha — [Excess return of an investment relative to a benchmark.]

leverage — [Use of borrowed funds to amplify investment exposure and potential returns.]

liquidation — [Forced selling of assets to meet margin calls or reduce risk.]

option market flows — [Trading activity and volume in options markets indicating positioning and sentiment.]

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

flow dynamics — [Patterns and movements of capital into and out of assets or markets.]

positioning — [The aggregate holdings or exposure of market participants in specific assets or strategies.]

event risk premium — [Additional yield or cost embedded in prices due to uncertainty around specific events.]

yield curve — [Graph showing interest rates across different bond maturities.]

regime change — [Shift in market conditions or policy that alters asset behavior or risk profiles.]

tail risk — [Risk of rare but severe market moves in the distribution tails.]

derivatives — [Financial contracts deriving value from underlying assets, like options or futures.]

realized volatility — [Actual historical volatility calculated from past price data.]

implied volatility — [Market's forecast of future volatility derived from option prices.]

basis — [Difference between spot price and futures price of an asset.]

carry — [Return from holding an asset due to income or cost of financing.]

convexity — [Measure of the curvature in the price-yield relationship of bonds.]

VaR (Value at Risk) — [Estimate of potential loss over a given time frame at a certain confidence level.]

CVaR (Conditional Value at Risk) — [Expected loss exceeding the VaR threshold, measuring tail risk.]

order flow imbalance — [Difference between buy and sell orders indicating supply-demand pressure.]

alternative data — [Non-traditional data sources used to enhance investment decisions.]

sector rotation — [Strategy of shifting investments between sectors based on market cycles.]

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

capital flows — [Movements of money into and out of markets or asset classes.]

market volatility surface — [Three-dimensional plot showing implied volatility across strikes and maturities.]