

Quant Daily Digest

■ Daily Overview

Macro & Sentiment Inigo Fraser Jenkins of AllianceBernstein has intensified his critique of passive investing, now suggesting the passive era's distortions exceed even his prior "worse than Marxism" analogy. This signals growing skepticism among some strategists about passive flows' impact on market efficiency and price discovery. Meanwhile, the US-China trade war under Trump is driving a critical supply chain realignment, with manufacturing shifting decisively from China to Vietnam and India, reflecting broader geopolitical and economic decoupling trends. On the crypto front, Bitcoin miners face unprecedented margin pressure amid collapsing US miner stock prices, highlighting vulnerabilities in the current cycle, while XRP spot ETFs have attracted nearly \$1 billion since mid-November, signaling rising institutional crypto adoption. Equities / Rates French quant hedge fund Capital Fund Management (CFM) bucks industry headwinds with strong growth and returns of capital to investors, underscoring the resilience of systematic strategies with unique cultures. Value funds continue to struggle in a growth- and quality-dominated market, reinforcing the ongoing factor regime. Berkshire Hathaway's B shares are trailing the S&P; 500 this year, marking a rare underperformance in Buffett's final CEO year, possibly reflecting market preference for growth and tech exposure. FX & Commodities US beef prices have surged ~15% year-over-year amid record-low cattle inventories caused by prolonged droughts, tightening supply. This inflationary pressure in food commodities may feed into broader CPI dynamics. No major FX moves noted, but supply chain shifts could gradually influence Asian currencies. What to Watch • Passive investing critique intensifies—potential implications for factor dispersion and liquidity • Bitcoin miner stress and XRP ETF inflows—crypto market cycle signals and institutional adoption • US-China supply chain realignment—monitor trade flows and Asian manufacturing data for shifts

■ Hot List

Quant who said passive era is 'worse than Marxism' doubles down

Inigo Fraser Jenkins, an AllianceBernstein strategist, has doubled down on his critique of passive investing, previously calling it "worse than Marxism." He now suggests that even this comparison may be too lenient, highlighting concerns over the massive inflows into passive funds. Jenkins warns that the trillions of dollars channeled into passive strategies could distort market dynamics, potentially reducing price discovery and increasing systemic risks. This critique underscores growing skepticism about the long-term impact of passive investing on market efficiency and investor positioning. The note signals caution for quants relying heavily on passive flow data for market signals.

Read more: <https://biztoc.com/x/9124e510f9234863>

Biztoc.com

This French hedge fund is on a growth tear. Defying industry norms is part of its secret sauce.

French hedge fund Capital Fund Management (CFM) is experiencing significant growth despite industry headwinds, driven by its unique culture and investment approach. The fund's strong performance has led it to return capital to investors, a rare move signaling confidence in its strategy and discipline in managing inflows. CFM's success is attributed to its quantitative models and data-driven strategies, which continue to deliver alpha amid volatile markets. The fund's ability to adapt and

innovate in systematic trading has positioned it well against peers facing challenges in the current environment. This growth underscores the resilience and appeal of quantitative hedge funds with robust risk controls.

Read more:

<https://www.businessinsider.com/french-hedge-fund-cfm-growth-spurt-unique-culture-2025-12>

Business Insider

Crypto Biz: Mining weakness tests Bitcoin's market cycle

Bitcoin miners are experiencing the most severe margin squeeze in history, driven by a sharp collapse in American Bitcoin stock prices. This pressure highlights vulnerabilities in the current Bitcoin market cycle, potentially signaling a shift in miner behavior and market dynamics. Meanwhile, Kalshi, a crypto derivatives platform, successfully raised \$1 billion, indicating strong investor interest in crypto-related financial products. Ether derivatives volumes on the CME have also surged, reflecting increased institutional activity and hedging demand in the Ethereum market. These developments suggest evolving market positioning and heightened volatility in crypto asset trading.

Read more:

<https://cointelegraph.com/news/crypto-biz-mining-weakness-tests-bitcoin-s-current-market-cycle>

Cointelegraph

HashStaking Getting Ready for Growth as XRP ETFs Near \$1 Billion in Inflows Amid Institutional Demand Surge

Spot XRP ETFs have attracted nearly \$1 billion in inflows since mid-November, signaling a significant surge in institutional demand for the digital asset. This inflow momentum highlights growing confidence in XRP as an investable asset class within the crypto market. The increased institutional participation is likely to enhance liquidity and price stability for XRP, potentially influencing broader market dynamics. HashStaking is positioning itself to capitalize on this growth trend, anticipating increased staking activity and platform expansion. The inflow data underscores a shift towards more mainstream adoption of digital asset ETFs by institutional investors.

Read more: <https://www.globenewswire.com/news-release/2025/12/05/3200788/0/en/HashStaking-Getting-Ready-for-Growth-as-XRP-ETFs-Near-1-Billion-in-Inflows-Amid-Institutional-Demand-Surge.html>

GlobeNewswire

Trump's trade war shift away from Chinese manufacturing has reached tipping point

The ongoing US-China trade war under Trump has accelerated a significant supply chain shift away from Chinese manufacturing toward other Asian countries like Vietnam and India. This realignment is reaching a tipping point, with importers facing short-term liquidity pressures due to tariffs on Chinese goods. The tariff-induced cost increases are prompting firms to diversify sourcing, impacting trade flows and regional manufacturing output. Market participants should monitor shifts in Asian export data and currency movements as supply chains adjust. The evolving trade policy landscape continues to influence global manufacturing positioning and capital allocation decisions.

Read more:

<https://www.cnbc.com/2025/12/07/trump-tariffs-trade-war-china-manufacturing-supply-chain.html>

US Top News and Analysis

Beef prices are soaring. Here's why America is facing record-low cattle numbers

Beef prices in the U.S. have surged approximately 15% over the past year due to record-low cattle inventories. Prolonged drought conditions across American farmlands have severely impacted ranchers' ability to replenish herds, tightening supply. This supply constraint is driving up prices despite steady demand, contributing to inflationary pressures in food markets. The reduced cattle numbers also suggest potential volatility in related commodities and livestock futures. Market participants should monitor weather patterns and herd recovery trends for future price direction and risk management.

Read more: <https://www.cnbc.com/2025/12/07/beef-prices-are-soaring-heres-why-thats-hard-to-fix.html>
US Top News and Analysis

Berkshire Hathaway is on track to lag behind the S&P; 500 in Buffett's last year as CEO

As Warren Buffett's final year as CEO of Berkshire Hathaway nears its end, the company's B shares are underperforming the S&P; 500 in 2025. Despite Berkshire's historical outperformance, the S&P; 500, including dividends, has established a notable lead over Berkshire's stock this year. This divergence highlights potential shifts in market positioning and investor sentiment as Berkshire approaches a leadership transition. The underperformance may influence portfolio allocations and hedge fund strategies that traditionally favored Berkshire's stability and value orientation. Market participants will closely watch how Berkshire's stock reacts post-Buffett, impacting flows and volatility.

Read more: <https://www.cnbc.com/2025/12/06/berkshire-hathaway-is-on-track-to-lag-behind-the-sp-500-in-buffetts-last-year-as-ceo.html>

US Top News and Analysis

Bessent says U.S. will finish the year with 3% GDP growth, sees 'very strong' holiday season

Treasury Secretary Scott Bessent projects the U.S. economy will close the year with a robust 3% GDP growth, signaling strong economic momentum. He highlighted expectations for a "very strong" holiday season, which could boost consumer spending and retail sector performance. Bessent also expressed dissatisfaction with media coverage of the economy, suggesting a disconnect between economic fundamentals and public perception. This optimistic outlook may influence market sentiment, potentially supporting risk assets and reinforcing confidence in economic policy. Investors should monitor consumer data and holiday sales reports for confirmation of this growth trajectory.

Read more: <https://www.cnbc.com/2025/12/07/bessent-gdp-growth.html>

US Top News and Analysis

Dow Jones Futures: Market Rally Nears Highs As AI Giants, Fed Loom; Tesla In Buy Area

Dow Jones futures are advancing as the market rally approaches recent highs, supported by strong momentum in AI-related stocks and Tesla entering a technical buy zone. Investors are positioning ahead of the upcoming Federal Reserve meeting, anticipating potential policy signals that could influence market direction. AI giants continue to drive sector leadership, contributing to positive flow into technology shares. The cautious optimism reflects a blend of earnings strength and expectations for a balanced Fed stance. Overall, market positioning suggests readiness for volatility around the Fed

event while maintaining bullish exposure in key growth areas.

Read more: <https://finance.yahoo.com/m/23257c5e-c487-35e2-8a1f-3fbf3ae06be7/dow-jones-futures%3A-market.html?tsrc=rss>

Yahoo! Finance: ^GSPC ^IXIC ^DJI News

1 Nvidia-Backed Artificial Intelligence Stock to Buy Hand Over Fist in 2026

Nvidia's strategic equity stakes in various AI-focused public companies highlight a growing trend in the semiconductor and AI sectors. The article identifies one Nvidia-backed AI stock poised for significant gains in 2026, driven by expanding AI adoption and Nvidia's ecosystem influence. Market positioning suggests increased investor interest in AI-related equities, supported by Nvidia's technology leadership and partnerships. This aligns with broader market flows favoring AI innovation, potentially impacting sector rotation and quant models emphasizing tech momentum and thematic exposure. Price action in Nvidia and its affiliates may serve as a leading indicator for AI sector performance in the coming year.

Read more:

<https://www.fool.com/investing/2025/12/07/1-nvidia-backed-artificial-intelligence-stock-buy/?tsrc=rss>

Yahoo! Finance: ^GSPC ^IXIC ^DJI News

Here's Why Alphabet Is the Best-Performing "Magnificent Seven" Stock in 2025 (and Why It Has Room to Run in 2026)

Alphabet has emerged as the best-performing stock among the "Magnificent Seven" in 2025, nearing a \$4 trillion market capitalization. After a period of underperformance, the stock's strong price action reflects robust earnings growth and positive investor sentiment. Market positioning indicates increased institutional inflows, driven by Alphabet's expanding cloud business and AI initiatives. Analysts highlight the company's solid fundamentals and innovation pipeline as key drivers, suggesting further upside potential into 2026. This performance contrasts with some peers facing valuation pressures amid tightening monetary policy and sector rotation.

Read more: <https://www.fool.com/investing/2025/12/07/heres-why-alphabet-is-the-best-performing-magnific/?tsrc=rss>

Yahoo! Finance: ^GSPC ^IXIC ^DJI News

The Fed's biggest decision this week could have nothing to do with interest rates

The Federal Reserve's upcoming decision may focus more on asset purchase plans than interest rate changes, potentially impacting market dynamics significantly. Indications of resumed or increased asset purchases could bolster risk assets and support the ongoing rally in equities, including major indices like the S&P 500, Nasdaq, and Dow Jones. This shift in policy tools might influence bond yields and liquidity conditions, affecting positioning and flows across fixed income and equity markets. Traders and quants should monitor Fed communications closely for signals on balance sheet policies, as these could drive volatility and directional moves beyond traditional rate expectations.

Read more: <https://www.marketwatch.com/story/the-feds-biggest-decision-this-week-could-have-nothing-to-do-with-interest-rates-48aea536?tsrc=rss>

Yahoo! Finance: ^GSPC ^IXIC ^DJI News

Cantor has cut its Strategy price target by 60%, but wants you to know everything is going to be OK

Cantor Fitzgerald has slashed its Strategy price target by 60%, signaling a significant downward revision in market expectations. Despite the sharp cut, the firm maintains a reassuring tone, suggesting that current fears are overblown and the market outlook remains fundamentally sound. The move reflects cautious positioning amid heightened volatility and economic uncertainty, but Cantor emphasizes resilience in key sectors. This adjustment may influence investor sentiment and trading flows, potentially prompting recalibration in risk models and portfolio allocations. Market participants should monitor shifts in Cantor's sector weightings and guidance for clues on evolving market dynamics.

Read more: <https://www.ft.com/content/3520dbe0-a611-43fe-b72f-c6243f8f2933>

FT Alphaville

■ Articles

finlearner 0.0.9

Finlearner 0.0.9, a professional-grade financial analysis library, has been released on Pypi.org. The update includes advanced features such as Deep Learning models (LSTM, PINNs), Portfolio Optimization tools, and Enhanced Technical Analysis capabilities. This final beta upgrade aims to provide quants and market analysts with robust tools for predictive modeling and portfolio management. The integration of deep learning techniques like LSTM and PINNs can improve forecasting accuracy and risk assessment in trading strategies. The library's enhancements may facilitate more sophisticated data-driven decision-making in financial markets.

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

Pypi.org

Où jouer pour gagner gros : Les témoignages des joueurs

The article from Line25.com discusses platforms where players have reported winning substantial amounts, highlighting user testimonials on successful gaming sites. While it focuses on gaming rather than financial markets, the insights into player behavior and platform popularity could indirectly inform sentiment analysis or consumer trend models. No specific financial data, price movements, policy changes, or market flows are mentioned. The content is primarily qualitative and anecdotal, with limited direct relevance to market or quantitative trading strategies.

Read more: <https://line25.com/articles/ou-jouer-pour-gagner-gros-les-temoignages-des-joueurs/>

Line25.com

Can value funds deliver in a growth & quality driven market?

Value-oriented mutual funds are facing challenges in a market currently dominated by growth and quality stocks, which have outperformed due to strong fundamentals and investor preference. Despite this, value funds aim to capitalize on market cycles by focusing on undervalued stocks with solid financials, anticipating a rotation as valuations normalize. Strategic stock selection and disciplined investment approaches are emphasized to deliver long-term gains amid uneven market conditions. The article highlights the importance of patience and fundamental analysis in value investing, suggesting potential opportunities as market sentiment shifts. This dynamic is crucial for quant strategies incorporating factor rotations and valuation metrics.

Read more: <https://www.thehindubusinessline.com/portfolio/mutual-funds/finding-opportunities-in-an-unseen-market/article70360825.ece>

BusinessLine

quantex 0.2.3

Quantex 0.2.3 is a newly released Python package designed for quantitative strategy creation and backtesting. It provides a streamlined framework for quants to develop, test, and validate trading strategies efficiently. The package supports integration with various data sources and offers tools for performance analysis and risk assessment. This release aims to enhance the workflow of quantitative analysts by simplifying the backtesting process and improving strategy iteration speed. Its availability on PyPI facilitates easy installation and updates for users focused on algorithmic trading and market research.

Read more: <https://pypi.org/project/quantex/0.2.3/>

Pypi.org

quantex 0.2.2

Quantex 0.2.2 is a newly released Python package designed for quantitative strategy creation and backtesting. It offers a streamlined framework for quants to develop and test trading algorithms efficiently. While the release does not provide specific market data or price action insights, it facilitates enhanced strategy development and evaluation, potentially improving model robustness and trading performance. The tool could be valuable for quant researchers focusing on data-driven approaches and systematic trading. No direct policy or flow information is included in this update.

Read more: <https://pypi.org/project/quantex/0.2.2/>

Pypi.org

From message boards to money management: How 2 traders turned their Discord chat into an investment fund

Two individual investors who connected on Discord successfully transitioned from retail trading discussions to launching a formal investment fund, highlighting the growing influence of social media platforms in capital markets. Their journey underscores the increasing role of retail traders leveraging online communities for market insights and collaboration. This trend reflects a shift in market dynamics where decentralized information flows and collective intelligence from message boards can impact positioning and trading strategies. The fund aims to capitalize on the talent and data generated within these digital ecosystems, potentially influencing market liquidity and price action. This development signals evolving retail participation and the integration of social-driven data in quantitative investment approaches.

Read more: <https://www.businessinsider.com/discord-investing-servers-money-management-retail-traders-enders-capital-2025-12>

Business Insider

L'évolution des jeux : Pourquoi choisir un casino en direct aujourd'hui ?

The article discusses the evolution of gaming with a focus on live casinos, highlighting how modern technology has transformed the gambling industry. It emphasizes the growing preference for live casino

platforms due to enhanced user experience, real-time interaction, and improved game authenticity. While not directly related to financial markets, the shift towards live casinos reflects broader trends in digital entertainment and online consumer behavior, which can influence market flows in gaming stocks and related tech sectors. No specific data points, price actions, or policy changes are mentioned.

Read more:

<https://line25.com/articles/evolution-des-jeux-pourquoi-choisir-un-casino-en-direct-aujourd'hui/>

Line25.com

Trump administration waives \$11 million fine for Southwest Airlines' 2022 holiday meltdown

The Trump administration has decided to waive the remaining \$11 million fine imposed on Southwest Airlines related to its operational failures during the 2022 holiday travel period. This move removes a significant financial penalty that had been levied due to the airline's service disruptions. The waiver could positively impact Southwest's financials by reducing regulatory costs and potentially improving investor sentiment. Market participants may view this as a favorable development for airline sector risk assessments and credit profiles. The decision may also influence Southwest's stock price and trading volumes in the near term.

Read more:

<https://www.cnbc.com/2025/12/06/trump-administration-waives-11-million-southwest-fine.html>

US Top News and Analysis

2 High-Yield Dividend ETFs to Buy Today

The Schwab U.S. Dividend Equity ETF and SPDR S&P Dividend ETF are highlighted as attractive high-yield dividend ETFs with potential for yield growth. Both funds focus on U.S. equities with strong dividend-paying histories, appealing to income-focused investors amid current market volatility. These ETFs provide exposure to companies with stable cash flows and resilient earnings, which may offer downside protection and steady income streams. Given the ongoing low-interest-rate environment, dividend yields from these ETFs stand out compared to traditional fixed income. Their positioning suggests potential for capital appreciation alongside income generation in a diversified equity portfolio.

Read more:

<https://www.fool.com/investing/2025/12/07/2-high-yield-dividend-etfs-to-buy-today/?tsrc=rss>

Yahoo! Finance: ^GSPC ^IXIC ^DJI News

Are Warner takeovers the harbingers of financial apocalypse?

The article questions whether Warner takeovers signal broader financial instability but provides no definitive conclusion. It highlights the uncertainty surrounding the impact of such corporate events on market dynamics and systemic risk. The piece suggests that while takeovers can influence market sentiment and asset flows, their role as precursors to financial crises remains unclear. No specific data points, price movements, or policy changes are detailed, leaving the market implications ambiguous. Overall, the article underscores the difficulty in linking individual corporate actions to wider financial apocalypse scenarios.

Read more: <https://www.ft.com/content/c4032a50-f6e4-4dde-9faf-13d24ce6743f>

FT Alphaville

FTAV's Friday chart quiz

The FT Alphaville's Friday chart quiz presents novel graphics that highlight recent market trends and data points, offering insights into price action and positioning. While specific asset classes or policy impacts are not detailed, the visual data aids in understanding market flows and quant strategies. The quiz format encourages engagement with quantitative analysis and pattern recognition, relevant for traders and analysts focusing on market dynamics. This resource serves as a tool for enhancing data-driven decision-making in financial markets.

Read more: <https://www.ft.com/content/c3cdb9cf-6885-4a36-8ffb-2622eaff78fd>

FT Alphaville

FTAV's further reading

The FT Alphaville article covers a diverse range of topics including economics, alternative investments, and geopolitical issues such as the situation in Mali. It also touches on the impact of Covid and technological themes like JavaScript, which may influence market dynamics and investment strategies. While the piece is broad, the inclusion of alternative assets and economic justice suggests a focus on evolving market trends and potential shifts in capital flows. However, specific data points, price movements, or policy changes relevant to quant strategies are not detailed. The content serves more as a thematic overview than actionable market intelligence.

Read more: <https://www.ft.com/content/668f1d9b-4c7c-4236-9ee5-acd9ca01b1ff>

FT Alphaville

Europeans may simply do it* better

European employment surveys tend to yield more reliable data compared to their US counterparts, potentially due to cultural differences in survey response behavior. This discrepancy impacts labor market analysis and forecasting, as European data may better reflect actual employment conditions. For quants and market participants, this suggests European labor market indicators could provide more accurate signals for economic modeling and policy assessment. The reliability of these surveys influences positioning in equity and bond markets, especially when interpreting employment-driven monetary policy decisions by the ECB versus the Fed. Understanding these nuances aids in refining data-driven strategies across regions.

Read more: <https://www.ft.com/content/87fbff2a-11b5-495b-9f65-4ae624071da8>

FT Alphaville

■ AI & Finance

Touching the Elephant – TPUs

The article "Touching the Elephant – TPUs" from Considerthebulldog.com provides an in-depth analysis of Tensor Processing Units (TPUs), specialized hardware designed to accelerate machine learning workloads. It highlights the growing importance of TPUs in data centers, driven by increasing AI demand, which could influence tech sector valuations and investment flows. The piece discusses TPU architecture and performance metrics, emphasizing their efficiency over traditional GPUs, potentially impacting hardware supply chains and semiconductor market positioning. As AI adoption expands, TPUs may become a critical factor in quant strategies leveraging AI-driven data processing and model training speed.

Read more: <https://considerthebulldog.com/tte-tpu/>

Considerthebulldog.com

On-Chain Data Marketing: 7 Strategies for Smarter Analytics

The article outlines seven strategies for utilizing on-chain data marketing to enhance blockchain analytics, focusing on decoding crypto user behavior, precise audience segmentation, and personalized campaigns. These approaches aim to improve ROI by addressing challenges in DeFi growth and user retention. Key market-relevant insights include leveraging transaction data and wallet activity to identify high-value users and optimize targeting. Enhanced analytics can inform better flow predictions and positioning strategies in crypto markets. This data-driven marketing approach supports smarter decision-making amid increasing DeFi competition and evolving user dynamics.

Read more: <https://www.rzlt.io/blog/strategic-on-chain-data-marketing-to-leverage-blockchain-analytics-for-user-behavior-audience-segmentation-and-campaign-personalization>

Rzlt.io

■ Quant Keywords & Mini-Glossary

price discovery — [The process by which markets determine the price of an asset through supply and demand.]

systemic risk — [The risk of collapse of an entire financial system or market.]

passive investing inflows — [Capital moving into passive funds, affecting market dynamics and liquidity.]

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

margin squeeze — [Reduction in profit margins due to rising costs or falling prices.]

derivatives volumes — [Trading activity measured by the number of contracts in derivative markets.]

institutional inflows — [Capital invested by large entities like pension funds or ETFs into assets.]

liquidity — [The ease with which an asset can be bought or sold without affecting its price.]

market positioning — [The aggregate stance of investors in terms of asset allocation and risk exposure.]

volatility — [A statistical measure of the dispersion of returns for a given security or market index.]

GDP growth — [The increase in the inflation-adjusted market value of the goods and services produced by an economy.]

technical buy zone — [A price range identified by technical analysis indicating a favorable entry point.]

sector rotation — [The movement of investment capital from one industry sector to another.]

valuation pressures — [Market forces causing asset prices to deviate from fundamental values.]

asset purchase plans — [Central bank programs to buy securities to influence liquidity and interest rates.]

balance sheet policies — [Central bank actions affecting the size and composition of its assets and liabilities.]

portfolio optimization — [The process of selecting the best asset allocation to maximize returns for a given risk.]

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

factor rotation — [Adjusting portfolio exposure to different investment factors based on market cycles.]

hedging demand — [The need for derivatives or strategies to reduce risk exposure in portfolios.]

order flow imbalance — [A disparity between buy and sell orders that can impact short-term price movements.]

realized vs implied volatility — [Comparison between actual historical volatility and market-expected future volatility.]

risk controls — [Mechanisms and strategies to limit potential losses in investment portfolios.]

staked assets — [Cryptocurrency locked in a network to support operations and earn rewards.]

inflationary pressures — [Economic conditions causing general price levels to rise, reducing purchasing power.]