Quant Daily Digest

■ Daily Overview

Macro & Sentiment: Risk sentiment deteriorated amid heightened uncertainty over the Federal Reserve chairmanship, triggered by former President Trump's controversial nominee. This leadership ambiguity has amplified risk aversion, compounding the impact of a sharp sell-off in precious metals. The partial U.S. government shutdown, stemming from DHS funding disputes, adds to the cautious tone, though a House vote may resolve the impasse early next week. Equities / Rates: Berkshire Hathaway's portfolio dynamics are notable, with American Express narrowing the gap on Apple as the top holding, reflecting strong earnings momentum in financials. Meanwhile, major food sector players like Kraft Heinz and Kellogg continue strategic divestitures, responding to shifting consumer preferences away from packaged snacks. Rates markets remain sensitive to Fed leadership uncertainty, likely muting yield curve steepening bets until clarity emerges. FX & Commodities: Metals markets are under pressure following a January rally, with gold and silver ETFs experiencing significant profit-taking. Silver's sharp decline has spilled over into crypto, exacerbating Bitcoin's drop below $78,000—the lowest in two months—alongside Ethereum's declines. The metals meltdown and crypto sell-off underscore a broader risk-off environment. Commodity-linked currencies may face headwinds amid this backdrop. What to Watch: • Fed chair nomination developments and potential market reaction to Trump's pick. • Resolution of the U.S. government shutdown and implications for fiscal policy confidence. • Metals price stabilization signals and crypto market technical support levels.

■ Hot List

Metals meltdown: Here's the post-crash roadmap for gold and silver

Gold and silver ETFs saw a notable sell-off as investors took profits following a sharp retreat from recent record highs. This correction comes after a strong rally in January, which had driven prices to elevated levels. The pullback has introduced volatility, prompting discussions on whether the dip presents a buying opportunity or marks the start of a longer-term downtrend. Market participants are closely watching price action and ETF flows to gauge future direction. Positioning appears to be adjusting as traders reassess risk amid shifting sentiment in precious metals.
Read more: https://economictimes.indiatimes.com/news/economy/finance/metals-meltdown-heres-the-post-crash-roadmap-for-gold-and-silver/articleshow/127795032.cms
The Times of India

Bitcoin sinks to $82,000, its lowest in two months, as Fed chairmanship uncertainty spooks crypto markets

Bitcoin dropped to $82,000, marking its lowest level in two months, driven by uncertainty over the Federal Reserve chairmanship. This leadership ambiguity heightened risk aversion, leading to a broad sell-off across the crypto market. Ethereum and other major altcoins also experienced sharp declines amid increased liquidation events. The downturn coincided with weak technology sector earnings and broader macroeconomic concerns, further pressuring crypto prices. Market participants appeared to reduce exposure to risk assets, reflecting cautious positioning ahead of potential policy shifts. Overall, the crypto market showed heightened sensitivity to Fed-related developments and macroeconomic signals.

Read more: https://economictimes.indiatimes.com/markets/cryptocurrency/bitcoin-sinks-to-82000-its-lowest-in-two-months-as-fed-chairmanship-uncertainty-spooks-crypto-markets/articleshow/127792686.cms
The Times of India

Bitcoin dips below $78,000 as market digests silver sell-off, Trump's Fed chair pick

Bitcoin fell below $78,000 amid heightened volatility triggered by a sharp sell-off in silver and uncertainty surrounding former President Trump's Federal Reserve chair nominee. Ethereum also experienced significant declines, reflecting broader risk-off sentiment in crypto markets. The silver market's sudden drop sparked concerns over commodity-linked assets, influencing crypto positioning and flows. Traders appeared to reduce exposure to high-beta assets, leading to increased selling pressure in digital currencies. Market participants are closely monitoring policy implications from the Fed chair pick, which could impact interest rates and risk appetite. Overall, the episode underscores growing sensitivity of crypto markets to macro and commodity shocks.
Read more: https://www.cnbc.com/2026/01/31/bitcoin-dips-below-78000-after-silver-selloff.html
US Top News and Analysis

American Express challenges Apple for No. 1 slot in Berkshire's portfolio

American Express is closing in on Apple as the largest holding in Berkshire Hathaway's portfolio, driven by strong sales and gains. The market value of Amex shares has surged, narrowing the gap to Apple by a few billion dollars. This shift highlights changing investor sentiment within Berkshire's holdings and may influence portfolio rebalancing strategies. The move underscores American Express's robust performance relative to tech giant Apple, potentially impacting sector allocations and flow dynamics in Berkshire's equity positions. Quantitative models tracking Berkshire's portfolio weights should monitor this evolving landscape for signals on market positioning and sector rotation.
Read more: https://www.cnbc.com/2026/01/31/american-express-challenges-apple-for-no-1-slot-in-berkshires-portfolio.html
US Top News and Analysis

Big Food gets leaner with divestitures and breakups as consumers turn away from packaged snacks

Major food companies like Kraft Heinz and Kellogg are divesting underperforming brands and breaking up operations amid declining demand for packaged snacks. This strategic shift reflects changing consumer preferences toward healthier options, pressuring traditional packaged food segments. The moves have led to notable asset sales and restructuring, impacting sector valuations and investor positioning. Market participants are adjusting exposure to Big Food stocks, anticipating continued volatility and potential re-rating as companies streamline portfolios. These developments highlight evolving industry dynamics with implications for equity flows and sector-specific quant models.
Read more:
https://www.cnbc.com/2026/01/31/kraft-heinz-kellogg-breakups-show-big-food-is-getting-smaller.html
US Top News and Analysis

Dow Jones Futures: Risk-Off Market Shift, What To Do Now; Google, AMD, Amazon, Palantir Due

U.S. stock markets showed a risk-off sentiment as key indices tested critical support levels heading into the weekend. Precious metals like gold and silver experienced notable declines, reflecting reduced safe-haven demand. Market participants are closely watching upcoming earnings reports from major tech and healthcare companies including Google, AMD, Amazon, Eli Lilly, and Palantir, which could drive volatility and influence positioning. The shift suggests cautious investor behavior amid macro uncertainties, with potential implications for equity flows and sector rotation. Quant strategies may need to adjust for increased dispersion and event-driven volatility in the coming week.
Read more: https://finance.yahoo.com/m/3963c6fb-920c-30c6-9b2b-676e9585bc6e/dow-jones-futures%3A-risk-off.html?.tsrc=rss
Yahoo! Finance: ^GSPC ^IXIC ^DJI News

Can MP Materials Stock Beat the Market in 2026?

MP Materials (MP) has experienced a nearly 200% rally since last year, significantly outperforming major indices like the S&P; 500. This surge reflects strong investor interest in rare earth materials, driven by increasing demand for electric vehicles and renewable energy technologies. Despite this impressive price action, questions remain about MP's ability to sustain growth and outperform the broader market through 2026. Analysts highlight the importance of monitoring supply chain developments, government policies on critical minerals, and MP's production capacity expansion. Positioning data suggests continued bullish sentiment, but valuation metrics warrant caution amid potential market volatility.
Read more: https://www.fool.com/investing/2026/01/31/can-mp-stock-beat-the-market/?.tsrc=rss
Yahoo! Finance: ^GSPC ^IXIC ^DJI News

VICI Properties Inc (VICI) is Trading Close to its 52-Week Lows

VICI Properties Inc. (NYSE: VICI) is currently trading near its 52-week lows, signaling potential undervaluation or market caution. Despite this price weakness, Wall Street sentiment remains largely positive, with 80% of 25 analysts maintaining Buy ratings on the stock. The consensus 12-month price target suggests significant upside potential from current levels. This divergence between price action and analyst optimism may indicate attractive entry points for investors, especially in the real estate investment trust (REIT) sector. Monitoring flows and positioning could reveal whether institutional investors are accumulating shares ahead of a potential rebound.
Read more: https://finance.yahoo.com/news/vici-properties-inc-vici-trading-205137978.html?.tsrc=rss
Yahoo! Finance: ^GSPC ^IXIC ^DJI News

The memory market melt-up is only getting wilder

The memory chip market is experiencing a dramatic surge, with prices for DRAM and NAND flash memory climbing sharply due to robust demand and constrained supply. Key manufacturers report strong order books, pushing inventory levels down and driving spot prices higher. This price momentum is fueling a rally in semiconductor stocks, particularly those focused on memory production. Market participants are closely watching supply chain dynamics and end-market demand, as any shifts could rapidly alter the current bullish trend. The volatility and rapid price appreciation highlight the sector's sensitivity to inventory and production adjustments.
Read more: https://www.ft.com/content/fe9c74eb-7207-4206-8963-be1f06a06cb5

Wall Street analysts weigh Warsh

Wall Street analysts are closely evaluating Kevin Warsh's potential impact on monetary policy amid ongoing market volatility. His views on inflation and interest rates are being scrutinized for clues on the Federal Reserve's future moves, influencing bond yields and equity valuations. Market participants are adjusting positioning based on expectations of tighter policy or a more dovish stance, affecting flows in fixed income and risk assets. Warsh's commentary is driving increased volatility in Treasury futures and options markets, reflecting uncertainty over the Fed's next steps. Quant strategies are likely recalibrating models to incorporate these evolving policy signals.
Read more: https://www.ft.com/content/7ef2241a-310b-4141-a49b-d2a7c8e5946e
FT Alphaville

Arise, shadow Fed chair Stan Druckenmiller

Stan Druckenmiller, a prominent investor, is gaining attention for his macroeconomic insights, dubbed "Druckenomics." He emphasizes the risks of aggressive Federal Reserve tightening and its potential to trigger a recession. Druckenmiller's positioning reflects caution, favoring assets that can withstand economic downturns, such as gold and cash, while reducing exposure to equities and bonds vulnerable to rate hikes. His views highlight concerns over inflation persistence and the Fed's policy path, influencing market sentiment and flows. Investors are closely watching his moves as a barometer for navigating current macro uncertainties.
Read more: https://www.ft.com/content/c215ea2a-5087-4e17-b16b-c1b3efce2991
FT Alphaville

■ Articles

Trump Has an AI Plan. Businesses Should Make Theirs

The article highlights the strategic importance of AI development for economic and geopolitical dominance, referencing former President Trump's AI plan as a framework for national advantage. It underscores the urgency for businesses to formulate their own AI strategies to remain competitive amid rapid technological advancements. The piece suggests that AI deployment will be a critical driver of future market leadership and economic growth. While it does not provide specific market data or price movements, the emphasis on AI policy and innovation signals potential shifts in investment flows towards AI-focused sectors and companies. This could influence quant models incorporating technology adoption and policy risk factors.
Read more: https://www.realclearpolicy.com/articles/2026/01/30/trump_has_an_ai_plan_businesses_should_make_theirs_1161971.html
Realclearpolicy.com

Pathogenic bacterial species and the microbiome of cat fleas (Ctenocephalides felis) inhabiting flea-infested homes

The article discusses the microbiome of cat fleas (Ctenocephalides felis), common parasites on pets, focusing on pathogenic bacteria such as Bartonella and Rickettsia species. These bacteria, along with the endosymbiont Wolbachia, are significant due to their role in disease transmission. While the study

provides insights into flea-borne pathogens, it does not contain market-relevant data such as price movements, policy changes, or financial flows. Therefore, it holds no direct implications for market or quantitative trading strategies.
Read more: https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0341824
Plos.org

Tortilla Market Size to Worth USD 80.03 Billion by 2035, Driven by Growing Demand for Convenient and Flavorful Meal Solutions

The global tortilla market is projected to grow from USD 50.28 billion in 2026 to USD 80.03 billion by 2035, representing a CAGR of 5.3%. This expansion is driven by rising consumer demand for convenient and flavorful meal options. The steady growth trajectory suggests increasing market penetration and potential investment opportunities in food and beverage sectors focused on ready-to-eat and ethnic food products. Market participants may consider this data for positioning in related equities or commodities linked to grain and food processing industries. No immediate policy or flow changes are indicated.
Read more: https://www.globenewswire.com/news-release/2026/01/30/3229360/0/en/Tortilla-Market-Size-to-Worth-USD-80-03-Billion-by-2035-Driven-by-Growing-Demand-for-Convenient-and-Flavorful-Meal-Solutions.html
GlobeNewswire

speterlin-stocks 1.3.0

The speterlin-stocks 1.3.0 Python package offers a comprehensive toolkit for quantitative trading in stocks, integrating multiple data sources and brokerage APIs. It supports margin trading at 2x leverage on NYSE and NASDAQ via Alpaca brokerage, enabling USD asset management. The package aggregates financial data from Financial Modeling Prep, Google Trends, Yahoo Finance, and Google Finance, facilitating data-driven strategies. This integration allows quants to access real-time market data, sentiment indicators, and execute trades programmatically, enhancing systematic trading capabilities. The tool is relevant for quant traders seeking automated, multi-source data analysis and execution in U.S. equity markets.
Read more: https://pypi.org/project/speterlin-stocks/1.3.0/
Pypi.org

convert-to-quant 1.0.7

The release of convert-to-quant 1.0.7 on Pypi.org introduces a tool for converting safetensors weights into quantized formats such as FP8 and INT8. This version incorporates learned rounding optimization, potentially enhancing the efficiency and accuracy of quantized models. While primarily relevant to machine learning and AI model deployment, improved quantization techniques can impact computational costs and performance in financial modeling and algorithmic trading systems. The tool's availability may influence quant-driven firms seeking to optimize model inference speed and resource usage. No direct market data or price action is involved.
Read more: https://pypi.org/project/convert-to-quant/1.0.7/
Pypi.org

Lattice surgery realized on two distance-three repetition codes with superconducting qubits

Researchers have demonstrated a lattice surgery scheme for fault-tolerant gates using two distance-three repetition codes on superconducting qubits, marking a significant advancement in quantum error correction. This development enables more reliable quantum computations by protecting quantum information while allowing logical gate operations. The implementation on superconducting qubits suggests potential improvements in quantum processor stability and scalability. Such progress could accelerate the practical deployment of quantum algorithms, impacting quantum computing markets and related technology sectors. Enhanced fault tolerance may influence investment flows into quantum hardware and software development.
Read more: https://www.nature.com/articles/s41567-025-03090-6
Nature.com

convert-to-quant 1.0.6

The release of convert-to-quant 1.0.6 on Pypi.org introduces a tool for converting safetensors weights into quantized formats such as FP8 and INT8. This version incorporates learned rounding optimization, potentially enhancing model efficiency and performance in quantized neural networks. While primarily a technical update for machine learning practitioners, improved quantization methods can impact computational resource allocation and cost structures in AI-driven trading strategies. No direct market data, price action, or policy changes are involved. The update may influence quant-focused algorithmic models by enabling faster inference with reduced precision formats.
Read more: https://pypi.org/project/convert-to-quant/1.0.6/
Pypi.org

convert-to-quant 1.0.5

The release of convert-to-quant 1.0.5 on Pypi.org introduces a tool for converting safetensors weights into quantized formats such as FP8 and INT8. This version incorporates learned rounding optimization, which can enhance the precision and efficiency of quantized models. For quant-focused market participants, this development may improve the performance and speed of machine learning models used in algorithmic trading and risk management. The availability of such tools can facilitate more efficient model deployment and potentially reduce computational costs. This update reflects ongoing advancements in quantization techniques relevant to quantitative finance.
Read more: https://pypi.org/project/convert-to-quant/1.0.5/
Pypi.org

U.S. government partially shuts down; House vote could reopen it by Monday

The U.S. government has partially shut down due to a funding impasse, primarily over Department of Homeland Security (DHS) enforcement actions in Minnesota. Democrats raised concerns about DHS funding, leading to the shutdown. A House vote is expected soon, potentially reopening the government by Monday. Market participants are closely watching the situation as prolonged shutdowns can impact economic data releases and market sentiment. The resolution of this funding dispute will be critical for stabilizing short-term government operations and reducing uncertainty in financial markets.
Read more: https://www.cnbc.com/2026/01/30/government-shutdown-senate-vote-dhs.html
US Top News and Analysis

Federal judge denies bid to end ICE Operation Metro Surge in Minnesota

A federal judge has denied a request to halt ICE's Operation Metro Surge in Minnesota, allowing the immigration enforcement crackdown to continue. Judge Menendez acknowledged the operation's significant and potentially heartbreaking consequences but ruled against ending it. The decision may influence market sentiment around regional labor supply and regulatory risk, particularly in sectors reliant on immigrant labor. Investors and quant models should monitor potential shifts in workforce dynamics and any policy-driven disruptions stemming from ongoing immigration enforcement actions. No immediate price action was noted, but the ruling underscores continued regulatory uncertainty in the region.
Read more: https://www.cnbc.com/2026/01/31/federal-judge-denies-bid-to-end-ice-operation-metro-surge-in-minnesota.html
US Top News and Analysis

IYW vs. FTEC: Which Diversified Technology ETF Is the Better Buy for Investors?

The article compares two diversified technology ETFs, IYW and FTEC, focusing on key metrics such as expense ratios, yield, and diversification. IYW offers a slightly higher yield but comes with a marginally higher expense ratio compared to FTEC. Both ETFs provide broad exposure to the tech sector, but their underlying holdings and sector weightings differ, potentially impacting portfolio risk and return profiles. Investors should consider these structural differences alongside cost and income when selecting between the two. The analysis highlights how subtle variations in ETF composition can influence investment outcomes in the tech space.
Read more: https://www.fool.com/coverage/etfs/2026/01/31/iyw-vs-ftec-which-diversified-technology-etf-is-the-better-buy-for-investors/?.tsrc=rss
Yahoo! Finance: ^GSPC ^IXIC ^DJI News

BMO Capital Maintained a Hold Rating on Brown & Brown, Inc. (BRO)

BMO Capital analyst Michael Zaremski maintained a Hold rating on Brown & Brown, Inc. (NYSE:BRO) while lowering the price target from $88 to $81, signaling a more cautious outlook despite the stock being identified as a strong 52-week low investment. Similarly, Mizuho Securities' Yaron Kinar also maintained a Hold rating, indicating consensus on a neutral stance. The price target reduction suggests expectations of limited near-term upside or potential headwinds. No significant changes in flows or positioning were noted, but the downgrade in target may influence market sentiment and trading strategies around BRO.
Read more:
https://finance.yahoo.com/news/bmo-capital-maintained-hold-rating-205136347.html?.tsrc=rss
Yahoo! Finance: ^GSPC ^IXIC ^DJI News

FTAV's Friday chart quiz

The FT Alphaville Friday chart quiz presents a visual analysis focused on recent market trends and data points, highlighting key price movements and potential inflection points. The chart underscores shifts in asset positioning and volume flows, suggesting evolving investor sentiment. It emphasizes the importance of technical indicators in anticipating market behavior amid current economic conditions. The quiz format encourages readers to interpret quantitative signals and assess their implications for trading strategies. This approach aids quants and market participants in refining models based on observed price action and policy impacts.
Read more: https://www.ft.com/content/a9b12f94-cad2-47bd-9ac9-fef164cae604
FT Alphaville

FTAV's further reading

The FT Alphaville article touches on various market-relevant themes including inflation trends in Ireland and their broader implications. It highlights consumer behavior shifts, such as increased spending on everyday items like cookies, which may signal underlying inflationary pressures. The piece also references London's financial landscape and the impact of social media platforms like TikTok on market sentiment and retail investor activity. Additionally, it briefly mentions geopolitical tensions reflected in demand for gas masks, indicating potential risk-off flows. These factors collectively offer insights into current market positioning and potential volatility drivers.
Read more: https://www.ft.com/content/993ca0e2-bd62-4a4f-b152-787333a1c015
FT Alphaville

■ AI & Finance

This Week in Cybersecurity: 40 PS5s Stolen, 149 Million Passwords Leaked, and $68M Worth of 'Oops, We Were Listening'

This week in cybersecurity highlights significant data breaches and financial impacts. Notably, 149 million passwords were leaked, raising concerns about credential stuffing and potential market vulnerabilities in tech sectors. Additionally, hackers stole 40 PS5 consoles, reflecting ongoing risks in supply chain and retail security. Google agreed to a $68 million settlement over unauthorized audio recordings, underscoring regulatory and reputational risks for major tech firms. These events may influence cybersecurity stocks and prompt increased investment in security infrastructure. Market participants should monitor related tech and cybersecurity equities for volatility driven by evolving threat landscapes.
Read more: https://me.pcmag.com/en/security/35005/this-week-in-cybersecurity-40-ps5s-stolen-149-million-passwords-leaked-and-68m-worth-of-oops-we-were
PCMag.com

Immunoprotein Diagnostic Testing Market Research Report 2026 - Global Size, Trends, Competitive Analysis, Opportunities, and Forecasts, 2021-2025 & 2026-2031

The Global Immunoprotein Diagnostic Testing Market is projected to grow significantly through 2026-2031, driven by increasing demand for early detection of chronic and infectious diseases. Key growth factors include advancements in AI-driven diagnostic technologies that improve test accuracy and efficiency. Market expansion is also supported by rising healthcare awareness and direct-to-consumer testing trends. These developments suggest potential investment opportunities in

biotech and diagnostic firms focusing on immunoprotein testing and AI integration. The report highlights competitive dynamics and forecasts that could influence healthcare sector equities and related quant strategies.
Read more: https://www.globenewswire.com/news-release/2026/01/30/3229310/28124/en/Immunoprotein-Diagnostic-Testing-Market-Research-Report-2026-Global-Size-Trends-Competitive-Analysis-Opportunities-and-Forecasts-2021-2025-2026-2031.html
GlobeNewswire

Web 3.0 Market Size to Exceed USD 118.67 Billion by 2033 | Research by SNS Insider

The global Web 3.0 market is projected to surpass USD 118.67 billion by 2033, according to SNS Insider research. The report highlights significant growth driven by advancements in blockchain, AI, and decentralized applications across various sectors. Key segments include technology, application, and end-use industries, with notable regional expansion expected. This growth trajectory suggests increasing capital flows into Web 3.0-related assets and infrastructure, potentially impacting tech sector valuations and investment strategies. Market participants should monitor evolving regulatory policies and adoption rates that could influence positioning and price action in related equities and digital assets.
Read more: https://www.globenewswire.com/news-release/2026/01/30/3229232/0/en/Web-3-0-Market-Size-to-Exceed-USD-118-67-Billion-by-2033-Research-by-SNS-Insider.html
GlobeNewswire

Why Trump's War on Iran Would Shatter U.S. Military Readiness and Trigger Global Collapse

The article discusses the potential economic and geopolitical fallout from a possible U.S. military conflict with Iran under President Trump's administration in early 2026. It highlights risks to U.S. military readiness, which could disrupt global security frameworks and energy markets, particularly oil supply chains through the Strait of Hormuz. Such tensions could trigger volatility in oil prices and increase risk premiums in global markets. Investors may anticipate increased safe-haven flows into assets like gold and U.S. Treasuries amid heightened geopolitical uncertainty. Market positioning could shift rapidly as traders price in the risk of broader Middle East instability and potential disruptions to global trade.
Read more:
https://www.naturalnews.com/2026-01-30-trumps-war-on-iran-would-shatter-us-military.html
Naturalnews.com

■ Quant Keywords & Mini-Glossary

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

ETF Flows — [Net buying or selling activity in exchange-traded funds reflecting investor sentiment.]

Risk-Off Sentiment — [Market behavior where investors reduce exposure to risky assets.]

Positioning — [Aggregate market participants' holdings or exposure to assets or sectors.]

Liquidation Events — [Forced selling of assets, often due to margin calls or risk management.]

High-Beta Assets — [Securities with price movements more volatile than the overall market.]

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

Portfolio Rebalancing — [Adjusting asset weights to maintain desired risk and return profiles.]

Dispersion — [Variation in returns across securities within a market or sector.]

Event-Driven Volatility — [Price swings caused by specific news or scheduled events like earnings.]

Valuation Metrics — [Quantitative measures used to assess asset price relative to fundamentals.]

Supply Chain Dynamics — [Changes in production and distribution affecting asset prices and volatility.]

Yield — [Income return on an investment, often expressed as a percentage.]

Expense Ratio — [Annual fee expressed as a percentage of assets under management in funds.]

Risk Premium — [Additional return expected for holding riskier assets over risk-free ones.]

Safe-Haven Demand — [Investor preference for low-risk assets during market stress.]

Macro Uncertainties — [Economic and policy factors causing unpredictable market conditions.]

Interest Rate Policy — [Central bank actions influencing borrowing costs and asset valuations.]

Realized vs Implied Volatility — [Comparison of historical price fluctuations to market-expected future volatility.]

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

Quantitative Models — [Mathematical frameworks used to analyze and predict market behavior.]

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

Convexity — [Measure of the curvature in the relationship between bond prices and yields.]

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

Risk Aversion — [Investor tendency to prefer lower-risk assets during uncertain times.]