

Correlation Matrix Analyzer

Examine how different asset classes move together to build better diversified portfolios

Asset Class Correlation Matrix

High Positive (0.7-1.0) Moderate (0.3-0.7) Low (-0.3 to 0.3) Negative (below -0.3)

	US Large	US Small	Int'l Dev	Emerging	Gov Bonds	Corp Bonds	REITs	Gold	Commodities
US Large	1.00	0.88	0.85	0.78	-0.05	0.25	0.72	0.05	0.35
US Small	0.88	1.00	0.80	0.75	-0.08	0.22	0.75	0.08	0.40
Int'l Dev	0.85	0.80	1.00	0.82	0.02	0.28	0.68	0.15	0.42
Emerging	0.78	0.75	0.82	1.00	0.05	0.30	0.65	0.18	0.48
Gov Bonds	-0.05	-0.08	0.02	0.05	1.00	0.75	0.15	0.25	0.08
Corp Bonds	0.25	0.22	0.28	0.30	0.75	1.00	0.35	0.12	0.18
REITs	0.72	0.75	0.68	0.65	0.15	0.35	1.00	0.10	0.25
Gold	0.05	0.08	0.15	0.18	0.25	0.12	0.10	1.00	0.35
Commod.	0.35	0.40	0.42	0.48	0.08	0.18	0.25	0.35	1.00

Analysis Questions:

- 1. Which two assets have the highest positive correlation?
- 2. Which asset pair has the lowest/negative correlation?
- 3. What's the correlation between US stocks and government bonds?

Portfolio Stress Test

Build a Portfolio (must total 100%):

US Large-Cap:	<input type="text" value="0"/>	%
US Small-Cap:	<input type="text" value="0"/>	%
Int'l Developed:	<input type="text" value="0"/>	%
Emerging Markets:	<input type="text" value="0"/>	%
Gov Bonds:	<input type="text" value="0"/>	%
Corp Bonds:	<input type="text" value="0"/>	%
REITs:	<input type="text" value="0"/>	%
Gold:	<input type="text" value="0"/>	%
Commodities:	<input type="text" value="0"/>	%