

Enhanced Statistical Map - Summary Report

Pre-Performance Categories Analysis

- Underperformance Prior: 58 total events
- Outperformance Prior: 86 total events
- Neutral Prior: 84 total events

FOMC Flip and Drift Analysis

- FOMC flip analysis: 3 performance categories analyzed
- FOMC drift analysis: 3 surprise directions analyzed
- Extended FOMC data: 97 events with T+5 data

Brief Insights

1. **Pre-Performance Conditioning:** Events preceded by different market conditions show distinct post-event behavior patterns
2. **FOMC Flip Phenomenon:** Some evidence of next-day reversals following FOMC meetings
3. **Multi-Day Drift:** Extended analysis reveals persistence patterns beyond T+2

Output Files:

- underperformance_prior_summary.csv - Events after SPX weakness
- outperformance_prior_summary.csv - Events after SPX strength
- neutral_prior_summary.csv - Events after neutral performance
- fomc_flip_analysis.csv - T+0 vs T+1 relationship analysis
- fomc_drift_analysis.csv - Multi-day post-FOMC patterns
- fomc_extended_data.csv - Raw FOMC data with T+5 extension

Insights from Enhanced Statistical Map

1. Pre-Performance Conditioning Reveals Slight Patterns

Underperformance Prior ($T-1 < -0.3\%$):

- CPI after weakness: Some mean reversion - CPI better gives +0.79% (81% win rate)
- FOMC after weakness: Extreme reactions - FOMC better gives -3.64% on event day but recovers strongly T+2

(+1.08%) -> small sample size of only 5 such instances though

Outperformance Prior ($T-1 > +0.3\%$):

- CPI momentum fades: After good days, even good CPI only gives +0.13% vs +0.79% after bad days

2. FOMC Flip Analysis -

Strong Positive FOMC Days ($>1\%$ gain):

- 56% flip probability - Next day goes negative 56% of the time

- Average $T+1$ return: -0.26% after +1.59% FOMC day

- Sample size: 9 events

3. Multi-Day FOMC Drift Patterns

FOMC Better (Dovish Surprise):

- $T+0$: -1.51% (sell the news)

- $T+1$: -0.72% (continued selling)

- $T+2$: +0.56% (relief rally begins)

- $T+3$ to $T+5$: Sustained recovery (+0.09% to +0.56%)

Bottom Line:

I think your intuition has merit. The enhanced analysis confirms:

1. Pre-event conditions may influence post-event behavior
2. FOMC flip phenomenon is potentially true for strong positive days
3. Multi-day drift extends profitable patterns beyond $T+2$