

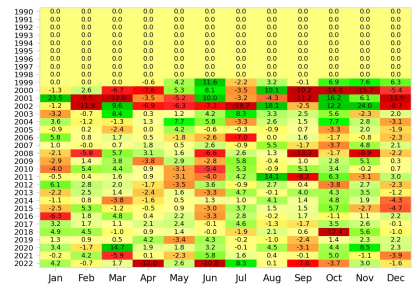
Strategy Description

The Gap Momentum System, developed by Perry Kaufman and featured in the January 2024 edition of Traders' Tips, utilizes opening gap data to forge a momentum strategy. This system draws inspiration from both J. Welles Wilder and Joseph Granville's On-Balance Volume (OBV), focusing on the accumulation of positive and negative gap values to derive a cumulative gap ratio. This innovative approach calculates the gap momentum by comparing the sum of positive gaps to the sum of negative gaps over a specified period, adding this ratio to a cumulative series akin to OBV but specifically for gap openings. This gap momentum is then smoothed with a simple moving average to form the "signal line," establishing a basis for trading signals: enter long positions when the signal line trends upwards and exit when it trends downwards. For those

Key Statistics

Runtime Days	12052	Drawdown	65.9%
Turnover	26%	Probabilistic SR	0%
CAGR	3.4%	Sharpe Ratio	0.1
Markets	Equity	Information Ratio	-0.1
Trades per Day	0.4	Strategy Capacity (USD)	240M

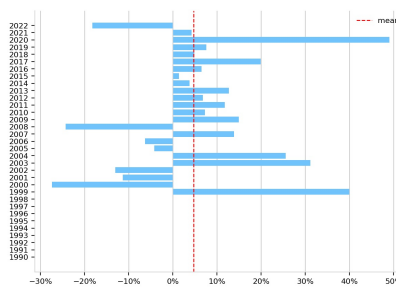
Monthly Returns



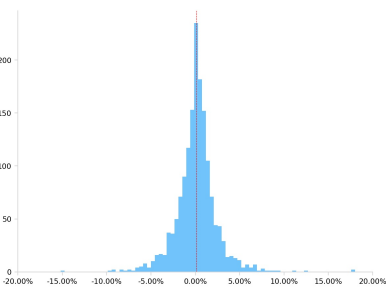
Cumulative Returns



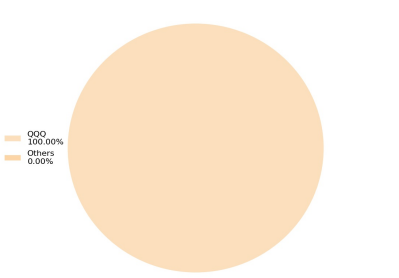
Annual Returns



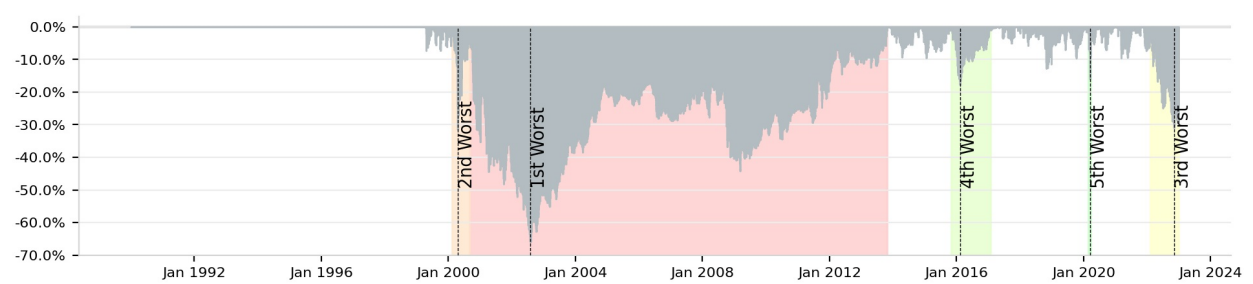
Returns Per Trade



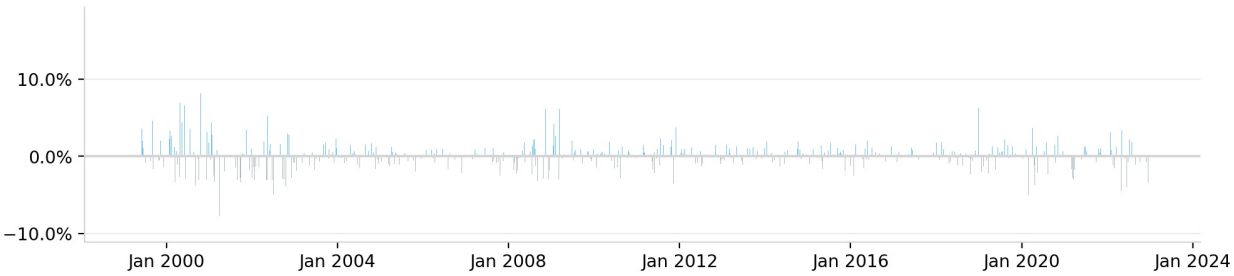
Asset Allocation



Drawdown



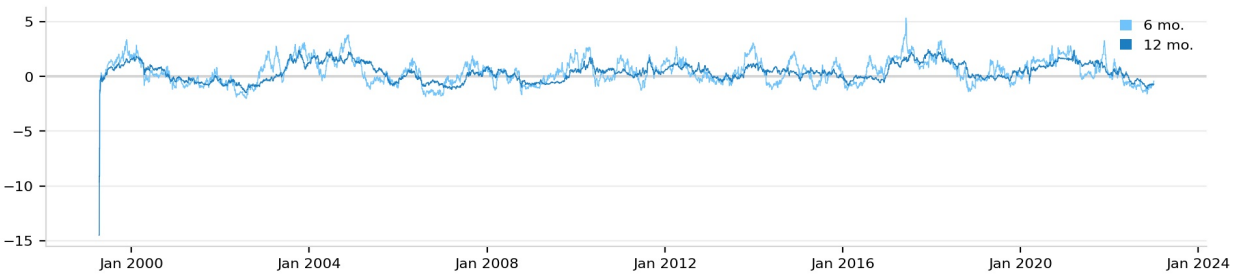
Daily Returns



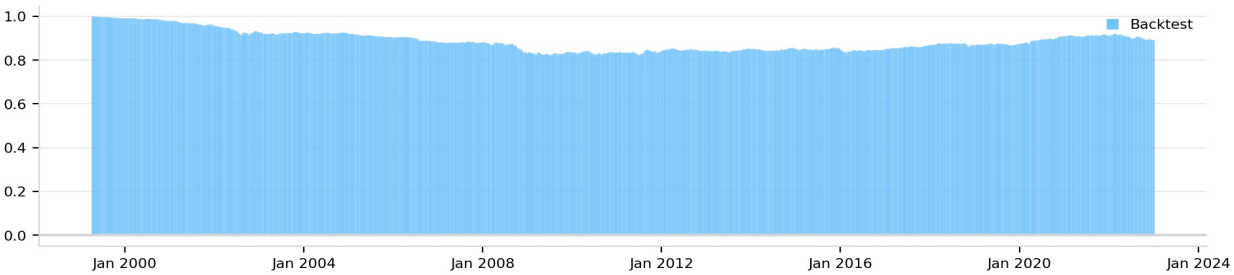
Rolling Portfolio Beta

Insufficient Data

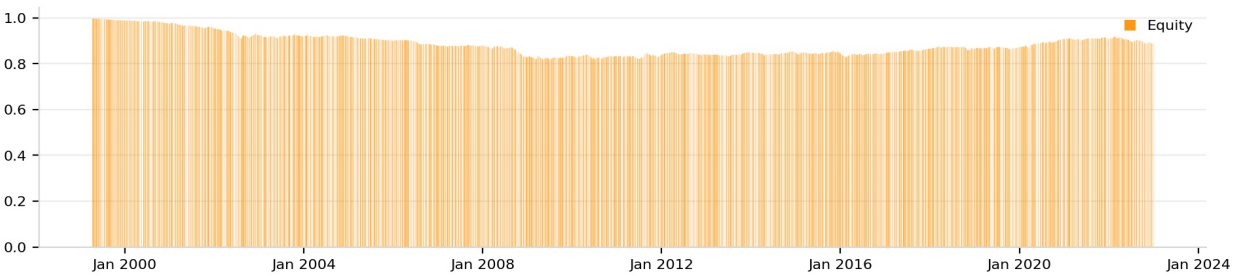
Rolling Sharpe Ratio



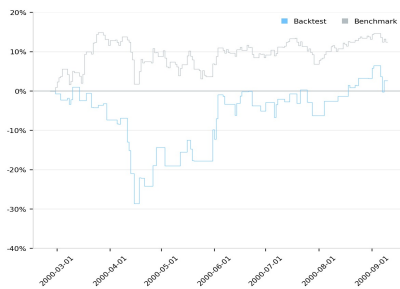
Leverage



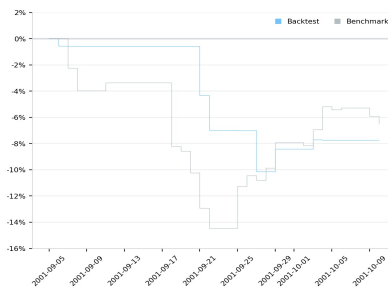
Long-Short Exposure



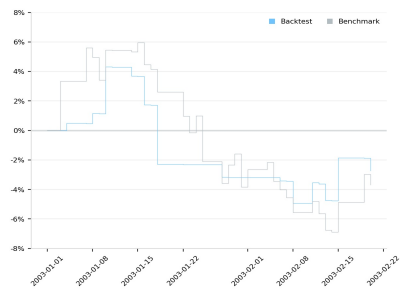
DotCom Bubble 2000



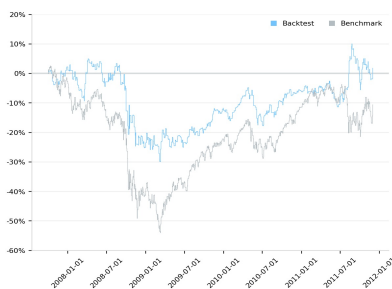
September 11, 2001



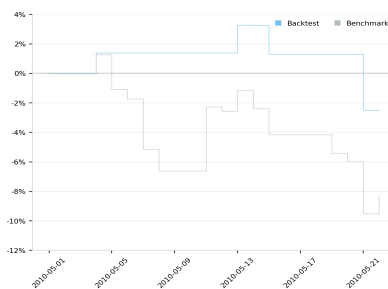
U.S. Housing Bubble 2003



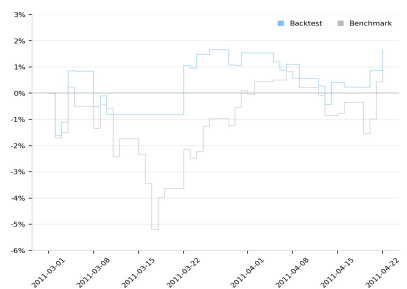
Global Financial Crisis 2007



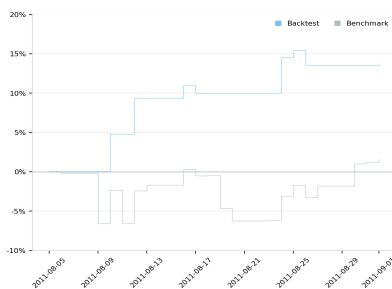
Flash Crash 2010



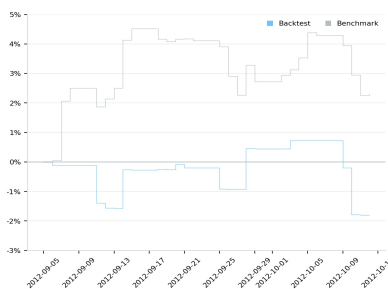
Fukushima Meltdown 2011



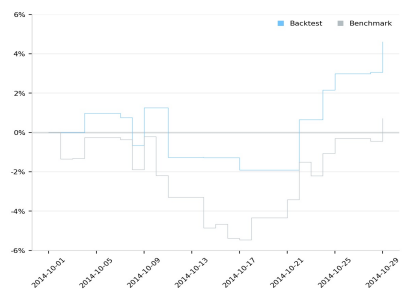
U.S. Credit Downgrade 2011



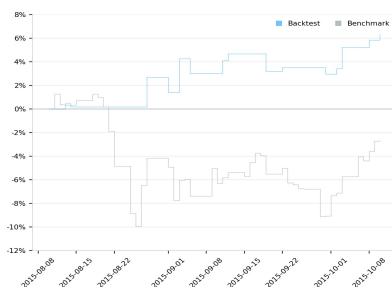
ECB IR Event 2012



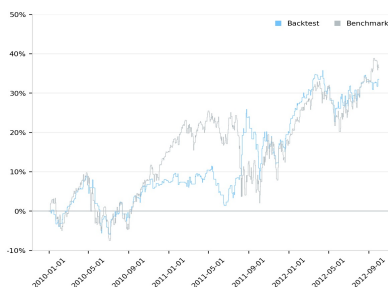
European Debt Crisis 2014



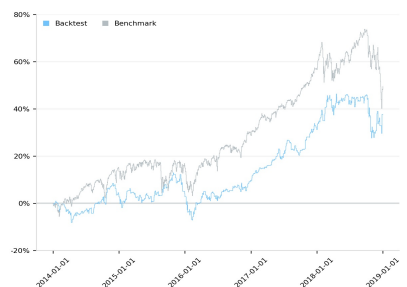
Market Sell-Off 2015



Recovery 2010-2012



New Normal 2014-2019



COVID-19 Pandemic 2020

