* Value – Momentum combination mitigates extreme negative returns a value investor faces.
* Value stocks that have been long-term losers but have high 6–12 month returns will go on to outperform by an even wider margin.
* Momentum is mainly driven by investor behavior. Large cap stocks momentum driven by Industry sector.
* Momentum suffers during high volatility periods,

“*volatility is bad for momentum, largely because volatility is associated with mean reversion and not trending”*

**The main results are as follows:**

* Using individual stock momentum has worked over the past 87 years. This is commonly labeled cross-sectional momentum.
* Using a simple trend following rule appears to limit drawdowns over the past 87 years. This is commonly called time-series momentum.
* Combining cross-sectional momentum and time-series momentum has worked better than using either of the stand-alone elements. - Read more at: <http://scl.io/kxOE76Mk#gs.n772gX0>
* **Should we consider size filter?**
* Alternative to 60-40, using Fixed Income ETFs in the momentum portfolio itself.
  + See Optimal Momentum – Antonacci
  + 
* we will use short term and intermediate fixed income securities.
* Increases returns and decreases volatility.
* We could also use other commodities (less correlation with equities and bonds).

**Dual Momentum:**

* Academic research has shown that momentum applied to asset classes, market indexes, and sectors is just as strong as momentum applied to individual stocks.
* Relative momentum doesn’t have good risk charactersitcs.
* Dual momentum is the preferred momentum strategy for large cap U.S. and non-U.S. equity indexes
* [**http://www.quantsportal.com/momentum-on-dual-momentum-portfolios/**](http://www.quantsportal.com/momentum-on-dual-momentum-portfolios/)

Questions: relative across etfs?

Or among individual stocks?

Data: Fixed Income ETFs, Individual securities(maybe)