



2022 A year to Look up™



2021 was a year of growth and accomplishments for Quant insight (Qi) despite COVID disruptions that the world has had to deal with.

We had the opportunity to launch powerful and innovative products like RETINA™, Macro Basket offerings, a new Tactical Asset Allocation service and Asset to Asset mapping. We also established partnerships that allow more users globally to extract Signal from Noise using Qi's macro-based insights, like our partnership with [Symphony](#) the leading markets' infrastructure and technology platform and our partnership with [Omega Point](#), a portfolio intelligence tool for fundamental-style managers.

As we move into 2022, Macro continues to dominate across asset classes. The post COVID era has seen enormous shifts in economic growth, inflation, and policy. These are very likely to continue into 2022 as policy unwinds, inflation remains a driver and debt levels come into focus. We are confident that Qi will be even more essential for identifying regimes shift and uncovering hidden risks and opportunities in the new year.

I wish you clarity in everything you do and remember to Look Up™ in 2022.

Mahmood Noorani, CEO and Co-Founder

Investing needs Macro more than ever

As 2021 comes to an end, markets are once again at an important and profound inflection point driven by macro dynamics.

Back on March 15th of 2020, Quant Insight's (Qi) model for the S&P bottomed out, occurring some eight days before the Spot Market. At that time Qi's machines calculated that the S&P was much more responsive to the new aggressive monetary easing than it was to the strong forces of deflation coming from COVID.

These signals proved accurate and profitable for those who capitalized on the then wide gap between the S&P and its macro warranted fair value.

Through the course of the following weeks and months in 2020 and 2021, Quant Insight has used this data science to steer many fund strategies through the vast and complex landscape of macro and markets.

Qi delivers real time clarity around Macro

Indeed, many of the largest and most sophisticated asset managers have come to realize that today's data driven markets are of a scale and complexity that is too hard to manage even by the sharpest investing minds without the support of well-designed data science tools.

During much of the latter part of 2021, markets have been buoyed by continued QE, administered broadly across the world, while lately bond markets have seen curves flatten in anticipation of a pivot in monetary policy and equity portfolios have shifted their mix. **Qi tools track changes in macro signals and their impact on thousands of securities as they happen in real time.**

2022 promises to be a year of new and material macro shifts, each of which may be timed differently depending on the pace of central bank policy changes driven by the shifting momentum of inflation and growth.

Those who are equipped with new levels of market transparency offered by Qi will be able find a roadmap for optimal performance through these shifts. Qi solves for a massive market blind spot and is now trusted and relied on by all manner of funds worldwide.

RETINA™ version 2022

In 2021, Qi created a new alerts product called **RETINA™**. RETINA™ Alerts notify our clients via Symphony or Slack when significant macro opportunities or risks appear within areas of the market that they tell us are important to them.

When macro matters for those assets, i.e. macro confidence is high, and these become materially dislocated from their macro warranted fair value, RETINA™ sends an alert to ensure our clients stay ahead of the 'macro curve' in a way that absorbs insignificant levels of client bandwidth: thus, relevant signals find you - not the other way round. In January 2022, we will release a new enhanced version of RETINA™ that allows a deeper level of macro intel for specific securities. Clients will be able to track such assets' model confidence changes, shifts in major drivers and price momentum moves. So, whenever such events occur a client will get a Tracking Alert to prompt timely attention and action on that security.

In short, RETINA™ and our machines tirelessly stay on top of macro and your markets in a way that allows you to almost effortlessly adjust in real time

Uncovering hidden risks with Qi's quantitative macro

Over the course of the year, Qi has crafted bespoke joint ventures with several partners. Such partnerships reflect a growing appetite to better understand the macro environment. For years, bottom-up stock pickers have relied almost exclusively on their knowledge of company fundamentals. Smart beta strategies have focused all their efforts on things like growth versus value; while macro factors, like the level of interest rates & the shape of the yield curve, have been instrumental in determining which of those style approaches prevails.

Regimes constantly shift in financial markets. An investment approach that relies solely on idiosyncratic risk, or a style approach or a macro view will see periods when models break down and performance suffers. A holistic approach is required and partnerships with Omega Point & DataTrek reflect the appetite for a broader investment framework.

Currently, while macro is very well covered from a subjective perspective, **quantitative macro is sorely lacking. There is an increasing need to move away from wordy, opinion-based research, to short empirical analysis. A source of signals that provide new trading opportunities, but which also uncover hidden risks in clients existing holdings.**

To learn more, check out our contributions to [EPFR's "Quant's Corner" blog](#).

Using the top-down macro view to dovetail with bottom-up equity metrics, by Qi and [DataTrek](#)

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[A warning sign](#)

20 Sep

Global equity markets are no longer being driven by macro fundamentals. Other variables – such as regulation, sentiment, positioning – have become more important.

[Why are US equities rallying?](#)

20 Oct

Money markets are pricing in additional Fed rate hikes; the bond market fears that could amount to a policy error that derails growth. And yet US equities continue to rally. How can we square this circle?

[R.I.P the 2021 reflation trade](#)

06 Dec

The initial deflationary shock from the first Covid lockdown in March 2020 was a 7 standard deviation event. The Q4 2021 scare saw inflation expectations rise to 3 standard deviations above long term trend.

[Omicron: Leaders and Laggards](#)

29 Nov

Sharp moves in holiday thin markets inevitably leads to anomalies. Where are the opportunities in the aftermath of the Omicron sell off?

[Momentum loves Value](#)

23 Mar

The one year anniversary of the 2020 Covid lows has factor investors on watch for a potentially significant shift in momentum strategies. A shift where the composition of momentum pivots away from technology & towards value stocks.

[Copper: The pause that refreshes](#)

15 Apr

After a huge rally over 2020, Copper has paused for breath over the last few months. Critically though, macro fair value has not deteriorated. Model confidence remains high

[Defying gravity](#)

18 Jun

The more the correction in commodities continues, the more crude oil looks like an outlier. Why is it ignoring the move lower in the rest of the commodity complex; & is it merely lagging & therefore a potential short?

[Peak Growth](#)

25 May

The markets' increased attention on China's credit impulse – the change in new credit as a percentage of GDP growth – speaks to fears China is transitioning from the engine of global growth, to one that has already peaked.

[Japanification](#)

12 Oct

In finance, the phrase Japanification refers to a combination of low growth, low inflation & low interest rates as an economy battles with a deflationary trap.

[The turn](#)

21 May

At the highs one week ago, Value was 6.7% rich to Growth; that now stands at 3.9% rich relative to the prevailing macro environment. Spot is catching down to macro fundamentals.

Offices



Stepping into 2022

Prices of securities are prone to significant macro influences, now more than ever, but the impact of any variable on assets is concealed by masses of noisy data and correlated relationships. Now is the time to incorporate Qi's tools that quantify the impact of macro on assets into your workflows.

Look Up™.

[Book a 15 minute intro call and learn more about Qi solutions](#)

