

Can Qi Signals Predict Price?

Qi Data Analytics Team

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- **Qi's Fair Value Gaps identify profitable trading opportunities which, when employed with a discretionary overlay, have the ability to help generate significant alpha.**
- **Qi data, including the Fair Value Gaps, are now available through cloud-based Rest API.**

Historical back-tests on the efficacy of Qi's Fair Value Gap as a trading signal have now been run on the S&P 500, Euro Stoxx 600, 200+ FX crosses and Qi Trade Watch which is a global, cross-asset daily snapshot.

The first 3 White Papers cover a period between January 2015 and September 2018 and the main results are:

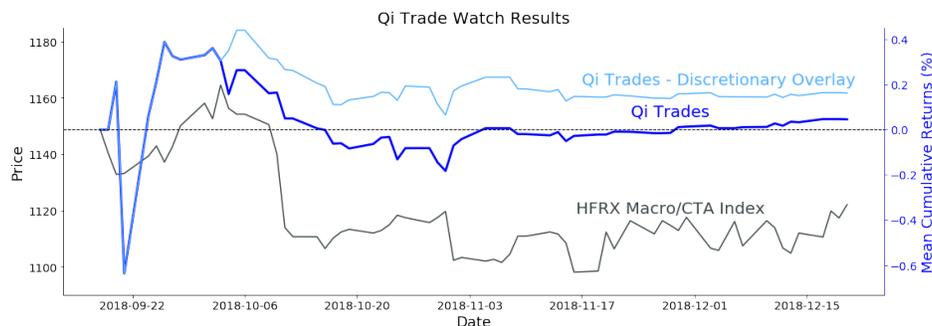
- For S&P 500 stocks, using a Long only strategy, trades from Qi's signals generated mean returns per trade twice that of the index over the same holding period.
- For the Euro Stoxx 600, while the index has flat-lined, Qi's trades made on average 1.54% (long only), over an average holding period of 6 weeks.
- Across all FX pairs, Qi's signals managed to find trades with an average return of 0.43%, over an average holding period of 2 weeks.

	Hit Rate*	Average Return/trade	Average Trade Duration (days)
S&P 500 Stocks	69%	2.3%	28
Euro Stoxx 600	66%	1.5%	28
FX	63%	0.4%	10

* Number of profitable trades / all trades

Consistently high hit rates demonstrate Qi FVGs can identify profitable trade opportunities. Mean returns are positive but modest due to a small number of large losses. Critically, these White Papers employ no risk management; buy and hold, no stop/losses, trades are closed when Valuation Gaps returns to within 0.25 sigma of model value.

Qi's core belief is that a scientific approach to analysing financial markets can be combined with human judgement to enhance performance and better understand risk. A discretionary overlay can help avoid the small number of large losses.



This is best demonstrated by the Trade Watch White Paper. During the turbulent Q4 2018, Qi's Trade Watch signals generated a 59% hit rate across global equity indices, rates and FX markets. That already presents a significant outperformance versus the HFR Macro/CTA index but the White Paper details examples when a discretionary overlay would, in the face of clear event risk, have overruled a systematic trading signal.

All individual White Papers are available on request. Please email info@quant-insight.com



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