



February 2022

# EQUITY KINETICS MONTHLY

DTCC is publishing monthly reports to provide insights on how users can better understand equity markets using Equity Kinetics.

[The data comes from our DTCC Equity Kinetics service](#)

[Click here to have these reports delivered to your inbox](#)

[Learn more about DTCC Equity Kinetics](#)

[Contact Us](#)

DTCC Equity Kinetics is a service market participants rely on for a better understanding of the U.S. Equity Markets.

Each month, this publication highlights key metrics derived from the service to illustrate use cases.

These stocks were the 10 Best & Worst Performers in the S&P 500 for February 2022:

Ticker	Actual Return	EK Signal	EK VWAP - 2/7	EK VWAP - 2/28	ΔEKDC Return
APD	-16.80%	Long	255.98	236.03	-7.79%
ENPH	16.86%	Long	142.08	164.95	16.10%
EPAM	-51.50%	Short	451.40	233.13	-10.00%
EXC	-26.28%	Long	43.50	42.46	-2.38%
FB	-33.85%	Long	228.29	209.71	-8.14%
FIS	-21.47%	Long	114.53	95.02	-10.00%
FCX	21.35%	Long	38.86	46.81	20.45%
HWM	14.37%	Long	32.89	35.94	9.28%
LKQ	-15.48%	Short	54.99	46.75	-10.00%
LHX	19.01%	Long	216.59	248.43	14.70%
LUMN	-18.19%	Short	12.57	10.27	-10.00%
MOS	20.21%	Short	44.24	51.42	16.22%
NOC	17.83%	Long	372.71	434.69	16.63%
NUE	23.95%	Long	111.39	131.77	18.29%
OGN	14.20%	Long	33.47	37.38	11.68%
PYPL	-31.46%	Long	124.26	111.29	-10.00%
RL	16.14%	Short	119.38	131.45	10.11%
SEDG	28.30%	Long	242.25	308.30	27.26%
VTRS	-24.25%	Long	15.29	11.39	-10.00%
ZBRA	-18.83%	Short	501.17	411.67	-10.00%

EK Return Average 3.62%

EK Long Return Avg 6.15%

EK Short Return Average -2.28%

S&P500^^ -3.14%





## Background

One of the data elements in DTCC Equity Kinetics that users find valuable is consolidated volumes of activity at a stock and trade-side level, as this gives a perspective on market sentiment.

Each month, we take the ratio of the sell- and short-sell volumes and calculate the 50-day and 200-day moving averages (DMA) of both. Then, the 50DMA is divided by the 200DMA to create a ratio. When this ratio is above 1, the Equity Kinetics signal is viewed as positive. When it's below 1, it's viewed as negative.

At the end of each month, we look at the top 10 and bottom 10 stocks (in terms of return) from the \*\*\*S&P 500 index. We then look back at the signals we saw in Equity Kinetics during the first 5 trading days of the month for these 20 stocks. If the signal was positive, we open a hypothetical long position starting on the 5<sup>th</sup> trading day until the end of the month. If the signal was negative, we open a hypothetical short position for the same time period. If there is no signal, we do nothing.

*Note: Our signals are obtained by examining technical indicators known as the Golden Cross\* and Death Cross\*\*, using data from DTCC Equity Kinetics.*

## Fields

**Ticker** – Exchange symbol for a stock

**Actual Return** – The percentage difference in the Buy VWAP from the first day of the month in question and the last day of the month

**EK Signal (Long/Short/None)** – During the first 5 trading days of the month, did the comparison of the 50/200 DMA averages described above suggest a bullish, bearish or neutral trend? If bullish, it was intended as a long position, if bearish, a short position, or neutral, there would be no position.

**EK VWAP 2/7** – The equity Kinetics VWAP on the 5th trading day of the month

**EK VWAP 2/28** – The equity Kinetics VWAP on the last trading day of the month

**EK 2/7-2/28** – The percentage difference in the EK buy VWAPs on the respective dates. If the position was 'Short' the inverse return is shown.

*We use a 10% stop loss on any position in calculating returns for DTCC Equity Kinetics (EK). All data points derived from DTCC Equity Kinetics, unless noted otherwise.*

\*<https://www.investopedia.com/terms/g/goldencross.asp>

\*\*<https://www.investopedia.com/terms/d/deathcross.asp>

\*\*\*[https://en.wikipedia.org/wiki/List\\_of\\_S%26P\\_500\\_companies](https://en.wikipedia.org/wiki/List_of_S%26P_500_companies)

Copyright 2022 DTCC. All rights reserved. DTCC, DTCC (Stylized), ADVANCING FINANCIAL MARKETS. TOGETHER, and the Interlocker Graphic are registered and unregistered trademarks of The Depository Trust & Clearing Corporation. This document and the content contained herein are for informational purposes only and do not constitute a recommendation, investment or legal advice. Readers should consult their investment, fiduciary, and/or legal advisors for guidance in making investment or business decisions. DTCC disclaims any and all warranties and representations, express or implied, including any warranties of merchantability or fitness for a particular purpose as to the use of the information contained herein. DTCC shall not have any liability, duty, or obligation with respect to the information contained herein, or for any actions taken in reliance thereon by the reader or any third party. To the extent permitted by law, DTCC disclaims liability to any person or entity for any indirect, special, consequential, or incidental losses or damages arising from or in connection with any reader's access to, use of, or inability to use the information contained herein. DTCC has no obligation to update this material in the event that any of its content changes or subsequently becomes inaccurate.