



September 2021

# EQUITY KINETICS MONTHLY

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

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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 September 2021:

Ticker	Actual Return	EK Signal	EK VWAP - 9/8	EK VWAP - 9/30	^EKDC Return
AOS	13.91%	Short	71.69	61.72	13.91%
BIIB	11.50%	Short	321.77	284.78	11.50%
CF	24.99%	Long	44.94	56.17	24.99%
COP	-22.53%	Short	55.67	68.21	-10.00%
DVN	24.71%	Long	28.50	35.54	24.71%
ENPH	-9.74%	Long	166.34	150.13	-9.74%
EOG	-19.76%	Short	67.41	80.73	-10.00%
FANG	-26.81%	Short	75.32	95.51	-10.00%
FDX	-15.32%	Long	260.55	220.63	-10.00%
GPS	-5.04%	Long	24.30	23.08	-5.04%
HES	12.61%	Long	69.37	78.12	12.61%
LVS	17.16%	Short	44.22	36.63	17.16%
MOS	14.98%	Long	31.29	35.98	14.98%
MRO	-20.53%	Short	11.36	13.70	-10.00%
NUE	-11.48%	Long	112.44	99.53	-10.00%
OXY	17.60%	Long	25.23	29.67	17.60%
PHM	7.11%	Short	49.93	46.38	7.11%
RJF	-32.56%	Long	137.46	92.70	-10.00%
SIVB	11.57%	Long	586.36	654.21	11.57%
WYNN	19.53%	Short	104.71	84.26	19.53%

EK Return Average	4.54%
EK Long Return Avg	5.61%
EK Short Return Average	3.25%
S&P500^^	-4.80%

^determined with Equity Kinetics Buy VWAPs on the dates noted

^^ Yahoo! Finance



## 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 9/8** – The equity Kinetics VWAP on the 5<sup>th</sup> trading day of the month

**EK VWAP 9/30** – The equity Kinetics VWAP on the last trading day of the month

**EK 9/8-9/30** – 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)

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