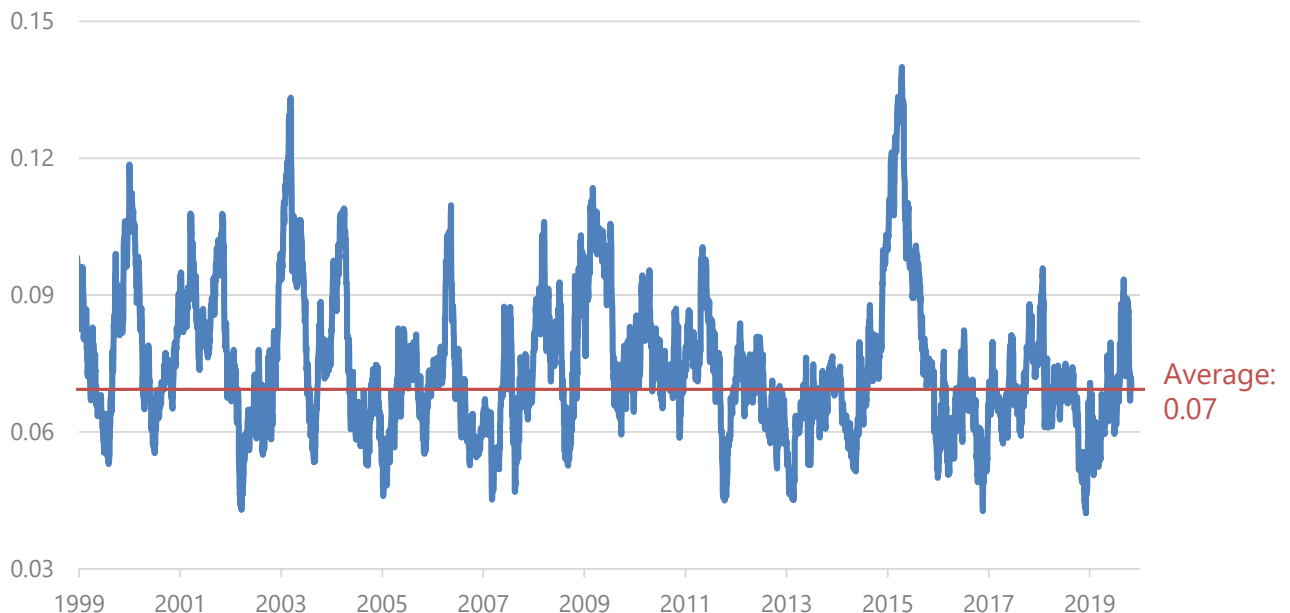


Quantifying Market Directionality

Market environments with a significant number of trends across a given investment universe often present the best opportunity for directional macro strategies. These opportunities may exist both in times of market duress, such as the 2008 financial crisis and during relatively “normal” market environments. Graham developed the “Directional Indicator” as a means of measuring the strength of market directionality. This metric quantifies the change in the price of an asset over a time period with the degree of daily price variability for a given market universe. The below graph shows the Directional Indicator over time.

Market Directionality over the Last 20 Years

For the period ended December 31, 2019




The Directional Indicator for each market is calculated by quantifying the change in price of an asset over a time period with the degree of daily price variability and taking an average of all markets. Historical values are based on 55 of the most liquid markets traded in a directional manner by Graham's quantitative strategies, using a lookback period of 1 year.

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[The Trendiness of Markets](#)

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IMPORTANT DISCLOSURE

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A Source of data: Graham Capital Management ("Graham"), unless otherwise stated

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