YTD Index Objective Rankings By Performance %

objective	YTD
BRAZIL	46.66
ENERGY	31.69
CHILE	19.36
D0A3YNAMIC ALLOCATION	12.51
ENHANCED MMKT (NON-US)	12.51
MACRO (FOHF)	12.51
SHORT BIASED	12.51
ENERGY SECTOR	8.80
MIDDLE EAST REGION	8.66
TURKEY	7.41
MACRO DISCRETIONARY THEMATIC	6.62
GCC	5.87
AGGREGATE BOND USD FOCUSED	5.52
INDONESIA	4.53
EQUITY HEDGE (FOHF)	3.60
AGGREGATE BOND ULTRA SHORT	0.44
PRECIOUS METALS	-0.69
ASSET-BACKED SECURITIES	-1.70
AGRICULTURE	-1.96
NATURAL RESOURCES SECTOR	-2.00

Source: Midlincoln

ML Index Strategy - Index Related Trades

- The key technology for financial professionals is in benchmarking
- This is partially revealed in MSCI annual revenues which increased to 2.1bn$ as of Q2 22
- The company with 34bn$ in market cap is one of the leading benchmark providers to fund managers.
- Any investment idea relies on the benchmark that has been already created or will be rapidly created as a new investment idea gathers speed.
- Look at another benchmark provider Solactive for example which put out a number of metaverse benchmarks as the idea spreads in popularity.
- MSCI for example has over 16.4trln US$ in AUM tracking their benchmarks.
- It also collects a fraction of AUM as index fee from asset managers while in a market rout these fees declined with declining asset prices.
- Mathematics for benchmarks is not straight forward.
- Index is a sum of asset prices with some weights factors and adjustments factors. It is a mathematical construct.
- Branches of mathematics which use similar structures as indexes are a few
- Calculus studies finite sums
- Linear algebra and modules study linear combinations of basis over some ring or a module.
- Knapsack problems yield to combinatorial optimization methods and it is also connected to index construction or portfolio optimization.
- Group theory studies permutations of elements in sets and if you track rankings of your performers in the index daily or monthly you can construct a subset of symmetrical group of permutations of elements in your index.
- Statistics and probability theory has methods to study time series for various distributions, their true values and other properties.
- Mechanics studies state functions it has means of determining dynamics of a center of mass of a system with some similarities to index tracking.
- Yet index makers and analysts very rarely apply any of advanced mathematics to study indexes
- Their only concern is which measure grows in a given time interval.
- So that the most popular index objective surfaces as an obvious trade

objective	YTD
EASTERN EUROPEAN REGION	-41.55
RUSSIA	-41.04
POLAND	-35.43
ARGENTINA	-28.86
FRANCE	-28.41
IRELAND	-24.56
ITALY	-24.51
NORDIC REGION	-23.11
FINLAND	-22.83
TECHNOLOGY	-22.40
NETHERLANDS	-22.39
EUROPEAN REG. EX UK	-21.61
TAIWAN	-21.61
EMERGING MARKET STOCK	-21.21
GREATER CHINA	-20.96
TECHNOLOGY SECTOR	-20.68
KOREA	-20.68
SINGLE REGION	-19.61
PRECIOUS METAL SECTOR	-19.49
BELGIUM	-19.35

Source MSCI, Bloomberg, Midlincoln

idea.

➢ When this objective is spotted early and checked against common sense, there might be some time to enjoy the gains before the rest of the crowd piles in to the trade.

➢ For example this year the commodities linked indexes tracking oil or gas price or a basket of stocks in oil and gas sector was the most profitable trade to chase and it was spotted quite early. Even in the middle of 2020 it was hinted that these benchmarks will yield a profitable trade backed by a variety of factors and the key among them was that lots of paper money have been printed to ignite inflation.

➢ Index rebalancing trade is another point of interest to analysts.

➢ However it is best to anticipate index actions early 2 or 3 years ahead of the inclusion or exclusion.

➢ Picking up good assets that will eventually make their way into a widely tracked benchmark is a good trading practice.

➢ On the contrary betting on those inclusions right before the rebalancing can be less profitable as usually index inclusion event is about time for profit taking.

Best Indexes YTD

Ticker	name	6months	1yr	Rank
BCOMNG Index Bloomberg	BBG Natural Gas	78.52	90.73	54.42
BCOMNG3T Index Bloomberg	BBG Nat Gas 3 M Fwd TR	79.38	145.87	67.35
CTNGTR Index MerQube	CMCI Nat Gas USD Tot Ret	73.14	123.82	58.36
RIEHNGTR Index CQG	RICI Enh Natural Gas TR	62.23	125.56	53.47
XTNGCT Index MerQube	CMCI NGas NYM Hdg CHF TR	63.5	105.89	50.75

XTNGGT Index MerQube	CMCI Natgas Hdg GBP TR	53.39	92.58	45.49
XTNGET Index MerQube	CMCI NGas NYM Hdg EUR TR	51.73	88.86	43.13
BCOMHO Index Bloomberg	BBG Heat Oil	42.03	100.05	31.73
BCOMEN3T Index Bloomberg	BBG Energy 3 M Fwd TR	40.46	91.79	34.76
BCOMHO3T Index Bloomberg	BBG Heat Oil 3 M Fwd TR	41.39	87.14	29.00
NTCS11LV Index Tokyo Commodity Exchange	Nikkei-JPX LV Cr Oil	27.56	112.39	28.72
CMENTR Index MerQube	CMCI Energy USD Tot Ret	27.08	70.15	22.90
BCOMPE Index Bloomberg	BBG Petroleum	20.96	69.27	18.45
BCOMCO Index Bloomberg	BBG Brent Crude	22.42	70.48	20.15
BCOMPE3T Index Bloomberg	BBG Petro 3 M Fwd TR	22.09	65.23	19.07
BCOMRB Index Bloomberg	BBG Unleaded Gasoline	17.05	59.14	13.18
BCOMCL3T Index Bloomberg	BBG WTI Crd Oil 3M F TR	18.08	62.15	17.56

XMECTR Index MerQube	CMCI Energy TR Hdg CHF	19.82	56.66	17.09
CTWCER3M Index MerQube	CMCI WTI $ Ex Ret 3M	15.75	60.28	15.76
CTCOTR Index MerQube	CMCI Brent USD Tot Ret	16.6	54.62	16.43

Worst Indexes YTD

Ticker	name	6months	1yr	Rank
CSEALL Index Colombo Stock Exchange	SRI LANKA COLOMBO ALL SH	-64.18	-45.06	-22.65
NTCS11IV Index Tokyo Commodity Exchange	Nikkei-JPX IV Cr Oil	-44.07	-63.26	-24.26
LEVDAX3 Index Deutsche Boerse	LevDAX x3 AR (TR) EUR	-39.97	-50.06	-15.26
KOSPI2LG Index KOSPI Stock Market	KOSPI200 Leverage IDX	-29.56	-53.49	-17.12
D1AJ Index Deutsche Boerse	LevDAX Index	-29.15	-37.23	-11.93
LEVDAX Index Deutsche Boerse	LevDAX Index	-29.15	-37.23	-11.93
SXRR Index STOXX	STXE 600 Rtl (EUR)	-27.1	-40.27	-13.50

	NRt			
RTSI$ Index RTS Exchange	RTS Index	-23.04	-32.62	-17.51
SX86R Index STOXX	STXE 600 ReEs (EUR) NRt	-24.46	-32.7	-10.77
EUETMP Index STOXX	STX EUEnlrg TM (EUR) Pr	-29.76	-30.65	-14.55
NCL9000X Index NASDAQ OMX	NASDAQ OMX CHN Tech TR	-24.35	-40.65	-19.66
SMILEP Index Six Swiss Exchange	SMI Daily Leverage Price	-19.17	-21.67	-8.55
SX8R Index STOXX	STXE 600 Tech (EUR) NRt	-16.42	-28.56	-5.24
CACLV Index Bloomberg	CAC 40 Leverage Index	-24.35	-23.2	-6.32
XTLPET Index MerQube	CMCI Hdg Copr EUR ER	-29.23	-29.55	-15.98
TWSEELEC Index Taiwan Stock Exchange	TAIWAN TAIEX ELECTRON IX	-25.81	-24.3	-11.02
XTLPGT Index MerQube	CMCI Copper Hdg GBP TR	-28.17	-27.93	-14.58
E0EU Index FTSE	FTSE EPRA EUROZONE CAP	-24.46	-35.16	-11.86
DWAEMNTR Index NASDAQ Global Market	DWA Intl EM TechLdrs NTR	-21.54	-28.16	-12.76