SIGNAL RESEARCH NOTE

Gain-Loss Passage Asymmetry

Regional asymmetry between gain and loss passage times.

Gain Loss First Passage | Secondary research | 21d preferred horizon

Executive Summary

This note summarizes historical rank evidence for Gain-Loss Passage Asymmetry. Metrics are reported as research diagnostics under the source-run assumptions and should be read as evidence about ranking behavior, not as a live recommendation.

Preferred horizon	**21d**
Top-bottom spread	**0.93%**
Rank IC	**0.211**
Long-leg return	**n/a**
Average turnover	**n/a**

1. The preferred diagnostic horizon is 21d, where the recorded rank spread is 0.93%.
2. Rank IC is positive in the reported research run at 0.211.
3. The result is best read as a research-library risk diagnostic, not as a standalone product.

Data and Research Setup

UNIVERSE

Regional equity baskets spanning seven broad geographic groupings.

INPUTS

Daily regional equity price histories aggregated into monthly research observations.

CADENCE

Monthly regional ranking review at a 21d forward horizon.

COMPARISON BASIS

Comparisons use the same universe and source assumptions inside each run. The note excludes instrument-level lists and live recommendations.

The source files were used for historical research extraction only. This note does not include instrument-level lists or position-level recommendations.

Signal Methodology

Without disclosing the exact functional, the construction proceeds along three conceptual steps.

1. **Signal measurement.** Measures whether comparable gains and losses tend to arrive at different speeds across regional equity baskets.

2. **Cross-sectional ranking.** Ranks regional observations by the direction and size of that timing asymmetry.

3. **Horizon evaluation.** Evaluates whether the ordering is associated with later regional return differences at the reported horizon.

> The description is intentionally conceptual. Formula details, exact construction rules and implementation parameters are not disclosed.

Results and Horizon Context

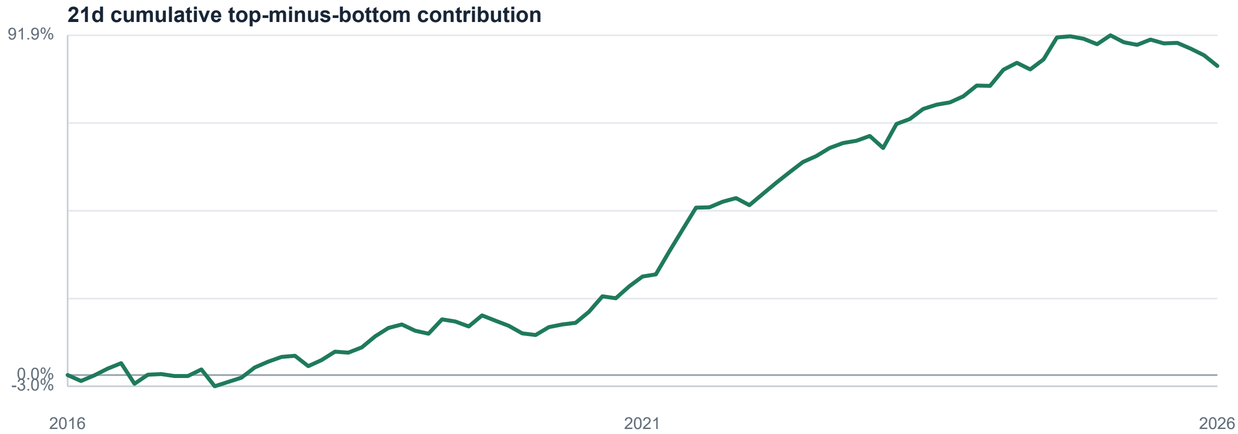

Figure 1. Cumulative 21d top-minus-bottom rank-spread contribution. Long-horizon forward observations can overlap, so the series should be read as a ranking diagnostic, not as a standalone portfolio NAV.

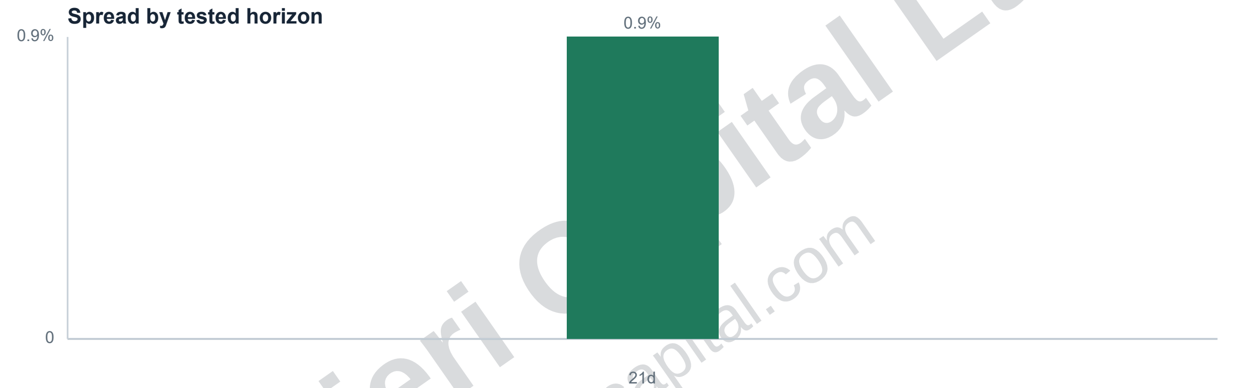

Figure 2. Spread profile across the tested horizons available in the source validation summary.

Horizon	Rank spread	Rank IC	Long-leg return	Turnover
21d	0.93%	0.211	n/a	n/a

Stability and Robustness

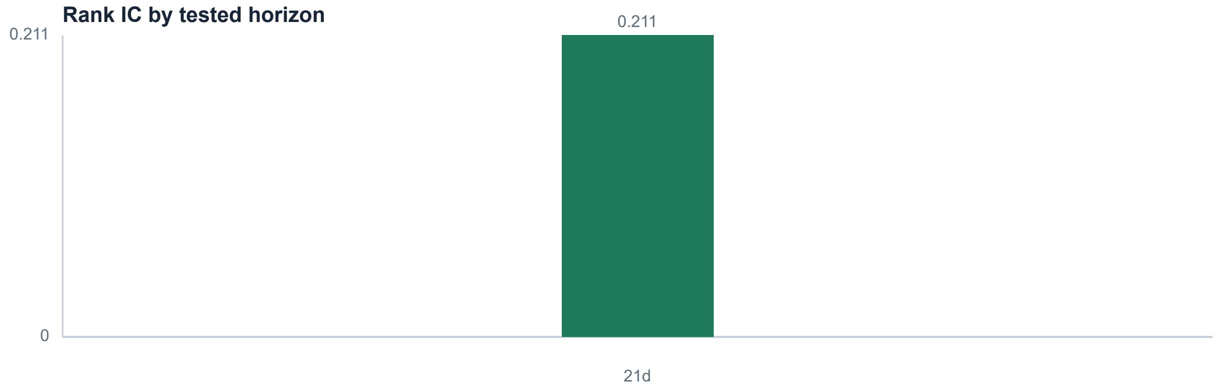

Figure 3. Rank-IC evidence across the available horizon set. Where only one horizon is available, the chart should be read as a compact evidence marker.

The available evidence is summary-level, so interpretation should stay narrow.

Positive-year fraction	**n/a**
Universe size	**7**
Validation dates	**121**

Research Interpretation

ROLE IN RESEARCH LIBRARY

Regional equity risk diagnostic inside the research library.

WHAT IT CAPTURES

Asymmetry in the time required for regional equity baskets to register comparable gains and losses.

KNOWN LIMITATIONS

The cross-section contains seven regional baskets, so the result should be read as a compact diagnostic rather than a broad standalone ranking strategy.

The evidence supports retaining the signal in the research library where it can be compared with related components under the same assumptions.