SIGNAL RESEARCH NOTE

Option-Implied Correlation Risk Premium

Option-implied correlation evidence over the available historical sample.

Option Implied Correlation | Secondary research | 21d preferred horizon

Executive Summary

This note summarizes historical rank evidence for Option-Implied Correlation Risk Premium. 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	**2.15%**
Rank IC	**0.293**
Long-leg return	**n/a**
Average turnover	**n/a**

1. The preferred diagnostic horizon is 21d, where the recorded rank spread is 2.15%.
2. Rank IC is positive in the reported research run at 0.293.
3. The signal is best read as a research-library ranking component, not as a standalone product.

Data and Research Setup

UNIVERSE

Market-level option observations available in the historical option-chain sample.

INPUTS

Dated option-implied volatility fields and corresponding market-return observations.

CADENCE

Monthly diagnostic 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 relative volatility pricing or volatility-conditioned behavior in the available panel.
2. **Cross-sectional ranking.** Ranks observations by the cross-sectional signal score produced by the source run.
3. **Horizon evaluation.** Evaluates whether the ranking is stable across the reported horizon set.

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

Results and Horizon Context

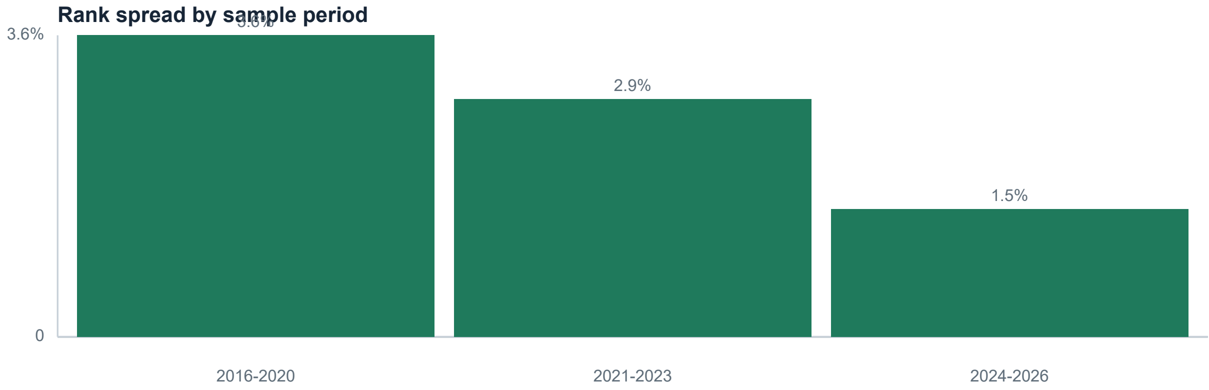

Figure 1. Top-minus-bottom rank spread across chronological sample periods. The bars are historical ranking diagnostics, not a standalone portfolio NAV.

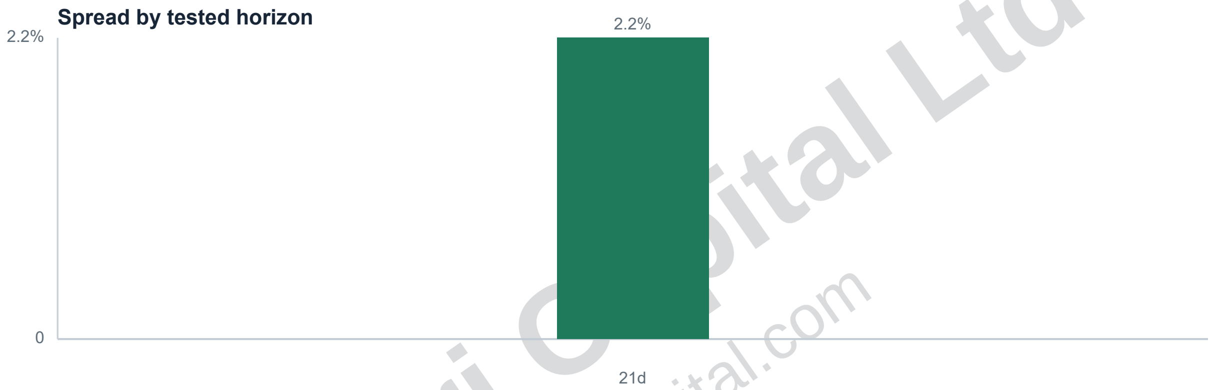

Figure 2. Spread profile across the tested horizons available in the source validation summary.

Horizon	Rank spread	Rank IC	Long-leg return	Turnover
21d	2.15%	0.293	n/a	n/a

Stability and Robustness

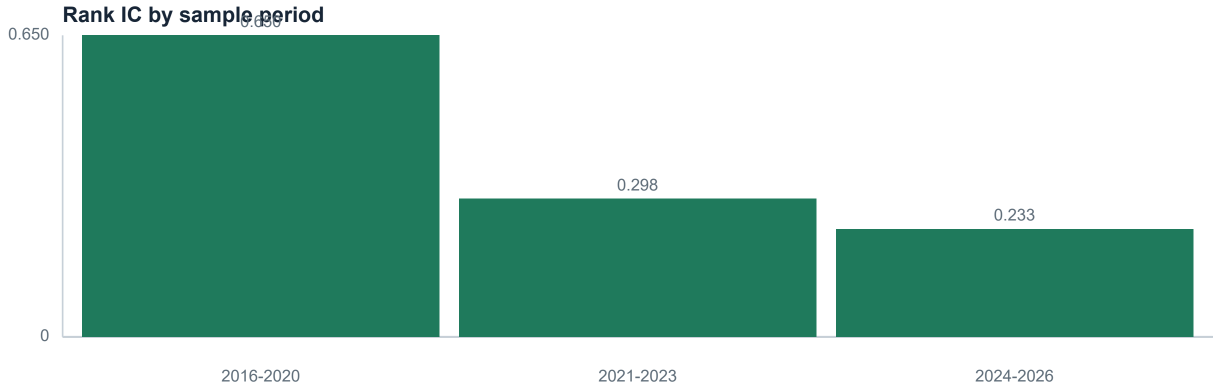

Figure 3. Rank-IC evidence across chronological sample periods from the source OOS audit.

Chronological sample splits provide the appropriate stability view for this diagnostic.

Positive-year fraction	n/a
Universe size	1
Validation dates	160

Research Interpretation

ROLE IN RESEARCH LIBRARY

Options-derived secondary research component.

WHAT IT CAPTURES

Relative volatility pricing information under the available option-history sample.

KNOWN LIMITATIONS

The option-history sample is shorter than the longest equity-history tests, so conclusions are diagnostic.

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