

Asymmetric Tail-Dependence Monitor

Asymmetric tail co-movement as a medium-horizon equity-risk diagnostic.

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Asymmetric Tail Dependence Regime | Secondary research | 21d preferred horizon

Executive Summary

This note summarizes historical risk-state evidence for Asymmetric Tail-Dependence Monitor. Metrics describe the relationship between the recorded state and subsequent realized volatility; they are diagnostics, not portfolio returns or live recommendations.

Preferred horizon	21d
High-low volatility spread	4.28%
State-volatility IC	0.077
High-state realized volatility	18.73%
Average turnover	n/a

- 1. The preferred diagnostic horizon is 21d, where the recorded high-minus-low forward-volatility spread is 4.28%.
- 2. The state score has a positive Spearman relationship with subsequent realized volatility at 0.077.
- 3. The signal is best read as a research-library ranking component, not as a standalone product.

Data and Research Setup

UNIVERSE

Six liquid US and international equity exposures used as a compact market-risk panel.

INPUTS

Daily closing-price histories used to compare lower- and upper-tail co-movement states.

CADENCE

Daily risk-state observations evaluated against subsequent 21d realized volatility.

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.

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Signal Methodology

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

1. **Risk-state measurement.** Summarizes the imbalance between lower- and upper-tail co-movement across liquid equity exposures.
2. **Historical state ordering.** Orders historical observations by the intensity of the asymmetric dependence state.
3. **Forward-risk evaluation.** Evaluates whether stronger states are associated with greater realized volatility over the next 21 trading days.

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

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Results and Horizon Context

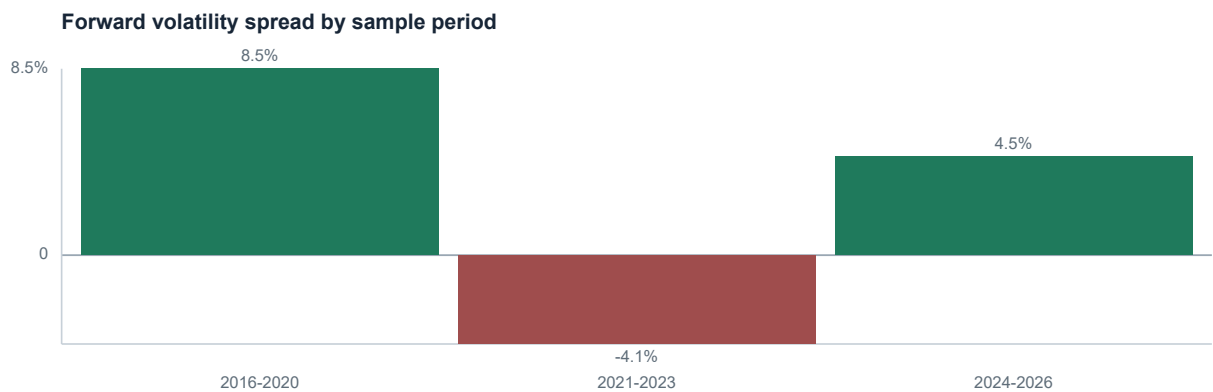


Figure 1. High-minus-low subsequent 21d realized-volatility spread across chronological sample periods. Forward 21d observations overlap, so the bars should be read as a risk-state diagnostic, not as a portfolio return.

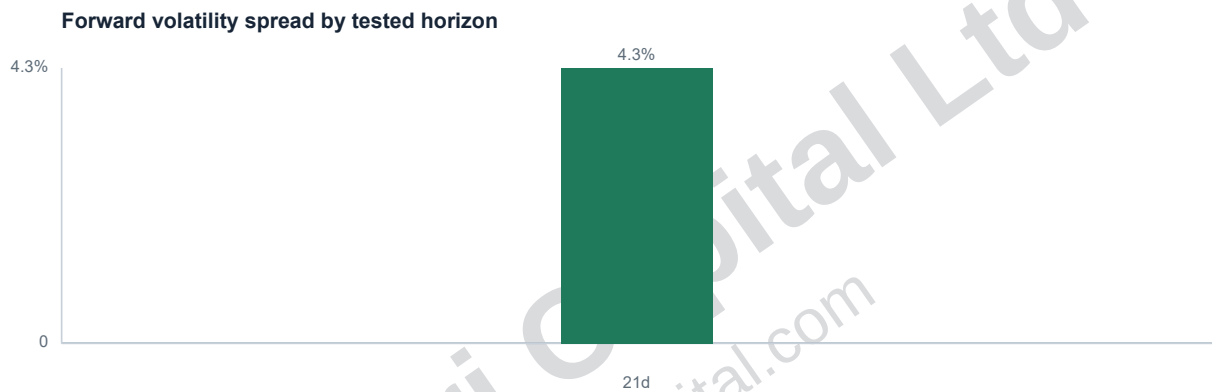


Figure 2. Forward realized-volatility separation across the tested horizons available in the source validation summary.

Horizon	Volatility spread	State IC	High-state realized vol.	Turnover
21d	4.28%	0.077	18.73%	n/a

Stability and Robustness

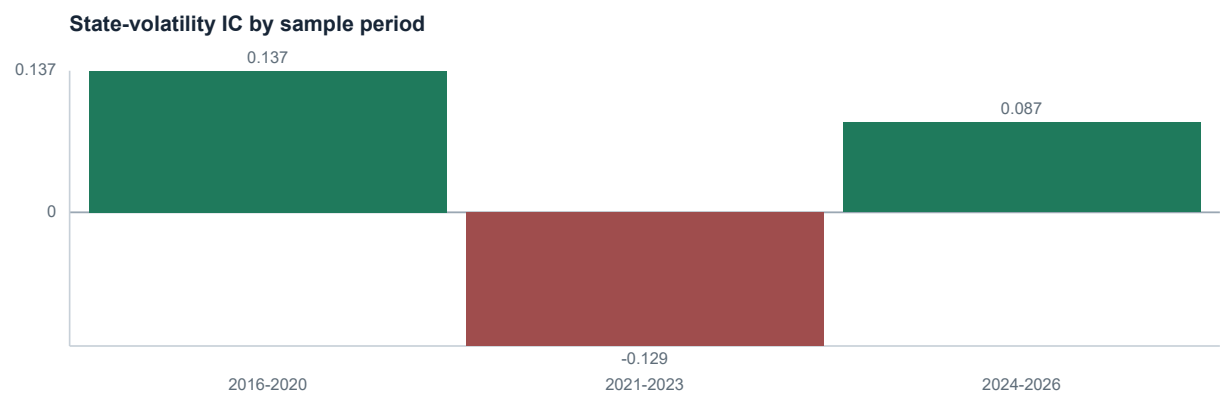


Figure 3. Spearman relationship between the risk-state score and subsequent 21d realized volatility across chronological sample periods.

The recorded spread is positive in 2 of 3 chronological sample periods.

Positive-year fraction	n/a
Universe size	1
Validation dates	2,536

Research Interpretation

ROLE IN RESEARCH LIBRARY

Secondary equity-risk regime monitor inside the research library.

WHAT IT CAPTURES

Asymmetry in tail co-movement across a compact panel of liquid equity exposures.

KNOWN LIMITATIONS

One chronological period is negative, the panel contains six exposures, and end-of-day data do not reproduce an intraday dependence model.

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

Historical research output. Not investment advice. Not a live recommendation.

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