

IR&M introduces momentum monitor

Oberaegeri (Switzerland) – May 13, 2013: Ineichen Research & Management AG (“IR&M”) announced today the launch of a new service, the IR&M momentum monitor, a weekly momentum screening as part of its risk management research effort.

The momentum monitor was designed to help investors with risk management, asset allocation, and position sizing. Alexander Ineichen, founder of IR&M said: “Tail events do not always happen out of the blue. Gold collapsed a couple of weeks ago. However, momentum has been very decisively negative many weeks prior to the 8 standard deviation event. Negative momentum makes hedging more important and suggests position sizing should be more conservative.”

Equity markets are currently in a liquidity induced and driven bull market. Risk is on and the sovereign debt crisis seems “like being taken care of” with the authorities doing the hedging. At the moment, “Don’t fight the Fed” is clearly the piece of wisdom most applicable. However, Herbert Stein’s Law might apply too: “If something cannot go on forever, it will stop.” The IR&M momentum monitor will indicate early, as it did with gold, when the tide has changed and a more conservative position sizing and/or hedging is in order. Ineichen: “The screening takes both politics as well as emotions out of the investment decision making and risk taking; which at the moment is probably a good thing.”

The momentum monitor also allows assessing correlation. Ineichen: “QE infinity and the current monetary race to the bottom are lifting all boats. The momentum and tenure of the current trend in for example equities, corporate high yield and hedge funds are nearly identical on the way up. It seems as highly likely that correlation will remain high on the way down too.”

The 13 May 2013 issue of the IR&M momentum monitor is attached to this press release, together with a tutorial as well as a description of IR&M’s risk management research. Investors can require a free trial for three months by sending an email to info@ineichen-rm.com requesting a trial.

Press contact:
Alexander Ineichen
IR&M
+41 41 511 2497
ai@ineichen-rm.com
<http://www.ineichen-rm.com>

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About Ineichen Research & Management AG (“IR&M”)

Ineichen Research and Management (“IR&M”) is a research boutique focusing on investment themes related to risk management, absolute returns and thematic investing. IR&M was founded by Alexander Ineichen in October 2009, has an institutional investors’ orientation, and is domiciled in Oberaegeri (Zug), Switzerland. The mission of IR&M is to improve the investment decisions of investors who talk to IR&M relative to those who don't. The investment philosophy of IR&M is based on the idea that it is active risk management that is the key to "absolute returns" (i.e. long-term positive compounding of capital) and is therefore the key discipline in investment management.

About IR&M’s risk management research

IR&M has two product lines: absolute returns research and risk management research. The former relates to absolute returns investing, is thematic, low-frequency and is freely available on www.ineichen-rm.com while the latter is related to risk management, is hands-on, higher frequency and is subscription based. The risk management research was designed to help investors make better strategic as well as tactical investment decisions in times of heightened uncertainty. The research consists of four thematic reports, 25-35 updates, 45-50 momentum monitors per year, as well as the occasional “flash” idea or observation.

About Alexander Ineichen

Alexander started his financial career in derivatives brokerage and origination of risk management products at Swiss Bank Corporation in 1988. From 1991 to 2009 he had various research functions within UBS Investment Bank and UBS Global Asset Management in Zurich and London relating to equity derivatives, indices, capital flows and alternative investments, since 2002 in the role of a Managing Director.

Alexander is the author of the two publications “In Search of Alpha—Investing in Hedge Funds” (October 2000) and “The Search for Alpha Continues—Do Fund of Hedge Funds Add Value?” (September 2001). These two documents were the most often printed research publications in the documented history of UBS. He is also author of “Absolute Returns—The Risk and Opportunities of Hedge Fund Investing” (Wiley Finance, October 2002) and “Asymmetric Returns—The Future of Active Asset Management” (Wiley Finance, November 2006). Alexander has also written several research pieces pertaining to equity derivatives and hedge funds including AIMA’s Roadmap to Hedge Funds (November 2008) which also has been translated into Chinese, at the time was the most often downloaded document from AIMA’s website and was revised in December 2012.

Alexander holds a Bachelor of Science in Business Administration with Major in General Management from the University of Applied Sciences in Business Administration Zürich (HWZ) in Switzerland. Alexander also holds the Chartered Financial Analyst (CFA) and Chartered Alternative Investment Analyst (CAIA) designations and is a certified Financial Risk Manager (FRM). He is on the Board of Directors of the CAIA Association and is a member of the AIMA Research Committee.