

Calamos Alternatives Snapshot

December 13, 2021 (data as of December 10, 2021 unless indicated)

WEEKLY HEADLINES

Markets Have Bounced Back After >40% VIX Spikes

Given the Black Friday (Nov. 26) 54% spike in the VIX, here's a noteworthy data point about the longer-term trend in VIX history: There is no instance across the 19 biggest VIX spikes of the past three decades after which stocks weren't positive a majority of the time one month, three months, six months and one year later. According to a [recent CNBC.com post](#), "One month later, stocks were up only an average of 1%, but were positive 70% of the time, and the numbers get better with time."

In 18 of those 19 instances when the VIX spiked 40% or more, the S&P 500 gained an average of 20% one year later (table below right is an excerpt of the CNBC table).

"Even if your entry point is not exactly right, you have greater chances of success" in the next 12 months, according to a Truist market strategist quoted. He referred to 5% to 10% corrections as "the admission price to the market."

Economic Releases vs. Consensus (week of 12/6)

Balance of Trade -\$67.1 vs. -\$66.8B
JOLTS Job Opening: 11M vs. 10.369M
CPI/Core CPI: 6.8%/4.9% vs. 6.8%/4.9%

Economic Releases this Week

Retail Sales (12/15)
Fed Meeting (12/15-12/16)
Building Permits (12/16)
Housing Starts (12/16)

MORNINGSTAR WEEKLY EST. NET FLOWS (\$MIL)¹

As of 12/8/21	Last Week	2 Wks Ago	3 Wks Ago	4 Wks Ago	Weekly Streak	YTD Flows
Options Trading	409	345	138	259	61	13,532
Derivative Income	329	345	398	356	78	12,506
Nontraditional Bond	118	154	198	234	50	18,829
Relative Value Arb	115	107	221	208	95	6,397
Infrastructure	61	(98)	168	162	1	4,924
Multistrategy	55	(31)	103	59	1	4,415
Equity Mkt Neutral	20	11	19	37	7	1,174
Event Driven	18	29	45	(3)	3	3,965
Macro Trading	18	2	(6)	(52)	2	995
Long-Short Equity	7	38	32	63	26	2,222
Energy LPs	(57)	(164)	(38)	(9)	-4	(1,601)
Systematic Trend	(147)	36	23	77	-1	868
Commodities Broad	(427)	135	51	33	-1	11,114
Convertibles	(571)	51	(117)	10	-2	910
Real Estate	(755)	(20)	768	(135)	-2	11,933

BROAD INDEX PERFORMANCE¹

	1 week	MTD	QTD	YTD
S&P 500	3.85	3.23	9.69	27.16
Russell 3000	3.60	2.65	7.92	24.10
Russell 2000	2.45	0.62	0.53	13.00
Russell 1000	3.68	2.78	8.44	24.91
Russell Mid Cap	2.91	2.10	4.41	20.25
MSCI EM	1.15	2.24	-0.94	-1.92
MSCI ACWI	3.06	2.76	5.46	17.58
MSCI World	3.32	2.83	6.34	20.62
MSCI EAFE	2.44	2.98	0.64	9.49
ICE BofA Global Cv Index	1.27	-0.38	-1.38	2.07
ICE BofA All US Cv (VXA0)	1.74	-0.72	-0.82	5.50
ICE BofA US HY Master II	0.62	1.08	-0.13	4.54
Bloomberg US Corporate	-0.95	-0.35	-0.04	-1.31
Bloomberg US Govt/Credit	-0.92	-0.46	0.05	-1.88
Bloomberg US Agg Bond	-0.72	-0.39	-0.12	-1.67

COMMODITIES²

	12.10.21	11.30.21	12.31.20	12.10.20
Gold	1772	1798	1891	1834
Oil	69.6	69.9	47.5	46.8
Gasoline	3.34	3.38	2.24	2.16
Bitcoin	50,065	56,879	29,027	18,287

MARKET PULSE¹

MONTH-TO-DATE			As of	YEAR-TO-DATE		
VALUE	CORE	GROWTH	12/10/2021	VALUE	CORE	GROWTH
3.80	2.78	1.90	LARGE	22.21	24.91	27.33
3.95	2.10	-1.04	MID	25.52	20.25	11.17
2.10	0.62	-0.82	SMALL	25.83	13.00	1.54

Past performance is not indicative of future results. This material is provided for internal and educational purposes only and should not be construed as investment advice or an offer or solicitation to buy or sell securities. Source: ¹Morningstar (Net Flows as of previous Wed.), ²St. Louis Federal Reserve (FRED Database). FOR INVESTMENT PROFESSIONAL USE ONLY.

MORNINGSTAR ALTERNATIVE CATEGORIES¹

	1 week	MTD	QTD	YTD
Real Estate	2.62	3.41	8.61	31.78
Derivative Income	2.59	2.59	4.74	15.63
Commodities Broad Basket	2.10	2.33	-1.26	25.97
Infrastructure	1.94	2.73	3.81	11.36
Convertibles	1.88	0.33	0.33	4.10
Long-Short Equity	1.75	1.96	3.37	11.11
Options Trading	1.74	1.46	3.54	10.24
Energy Limited Partnership	1.18	0.76	-0.26	33.72
Systematic Trend	1.05	1.11	-0.91	4.69
Multistrategy	0.96	1.09	0.79	6.03
Macro Trading	0.65	0.82	0.33	3.80
Event Driven	0.52	0.47	0.12	3.99
Equity Market Neutral	0.50	1.65	2.66	5.55
Relative Value Arbitrage	0.34	0.08	0.30	2.88
Nontraditional Bond	0.13	0.27	-0.46	1.25

BOND RATES²

	12.10.21	11.30.21	12.31.20	12.10.20
Effective Fed Funds Rate	0.08	0.08	0.09	0.09
2-Year Treasury	0.70	0.52	0.12	0.14
10-Year Treasury	1.49	1.43	0.93	0.92
ICE BofA US Corp. AAA	2.06	2.00	1.56	1.60

S&P 500 RETURNS FOLLOWING VIX SPIKES

This table showing spikes of >50% is an excerpt of a list of 19 instances of spikes >40%. The averages shown below are based on the fuller set.

VIX Spikes >50%		S&P 500 Forward Returns			
Date	VIX 1 day	1 month later	3 months later	6 months later	12 months later
2/5/18	116%	3%	1%	8%	3%
2/27/07	64%	1%	9%	5%	-1%
1/27/21	62%	2%	12%	17%	—
11/26/21	54%				
11/15/91	52%	0%	6%	8%	10%
7/23/90	52%	-9%	-12%	-7%	8%
8/8/11	50%	7%	12%	20%	25%
Average of all 19 instances of >40% spikes		1%	5%	11%	20%
% Positive of all 19 instances of >40% spikes		70%	75%	80%	95%

Source: CNBC.com, TruistIAG, FactSet

Definitions and Disclosures

The **Nontraditional Bond** category contains funds that pursue strategies divergent in one or more ways from conventional practice in the broader bond-fund universe. **Multistrategy** portfolios offer investors exposure to two or more alternative investment strategies, as defined by Morningstar's alternative category classifications, through either a single-manager or multi-manager approach. **Macro Trading** strategies, using either systematic or discretionary methods, look for investment opportunities by studying such factors as the global economy, government policies, interest rates, inflation, and market trends. **Systematic Trend** funds primarily trade liquid global futures, options, swaps, and foreign exchange contracts, both listed and over-the-counter. **Commodities Broad-basket portfolios** can invest in a diversified basket of commodity goods including but not limited to grains, minerals, metals, livestock, cotton, oils, sugar, coffee, and cocoa. **Commodities Precious Metals** can invest in precious metals such as gold, silver, platinum, and palladium. **Energy Limited Partnership** strategies invest a significant amount of their portfolio in energy master limited partnerships, also known as MLPs. **Relative Value Arbitrage** strategies seek out pricing discrepancies between pairs or combinations of securities regardless of asset class. **Equity Market Neutral** strategies attempt to profit from long and short stock selection decisions while minimizing systematic risk created by exposure to factors such as overall equity market beta, sectors, market-cap ranges, investment styles, or countries. **Event-driven** strategies attempt to profit when security prices change in response to certain corporate actions, such as bankruptcies, mergers and acquisitions, emergence from bankruptcy, shifts in corporate strategy, and other atypical events. **Real Estate** portfolios invest primarily in real estate investment trusts of various types. REITs are companies that develop and manage real estate properties. **Convertible-bond portfolios** are designed to offer some of the capital-appreciation potential of stock portfolios while also supplying some of the safety and yield of bond portfolios. **Options trading** strategies use a variety of options trades, including put writing, options spreads, options-based hedged equity, and collar strategies, among others. **Derivative Income** strategies primarily use an options overlay to generate income while maintaining significant exposure to equity market risk. **Long-Short Equity** funds hold sizeable stakes in both long and short positions in equities, exchange traded funds, and related derivatives. **Infrastructure equity funds** invest more than 60% of their assets in stocks of companies engaged in infrastructure activities. Industries considered to be part of the infrastructure sector include: oil & gas midstream; waste management; airports; integrated shipping; railroads; shipping & ports; trucking; engineering & construction; infrastructure operations; and the utilities sector.

The **S&P 500 Index** is considered generally representative of the US equity market. The **MSCI World Index** is considered generally representative of the market for developed market equities. The **MSCI Emerging Markets Index** is a free float adjusted market capitalization index cited as a measure of the performance of emerging market equities. The **MSCI ACWI Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The **MSCI EAFE Index (Europe, Australasia, Far East)** is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. The **Russell 3000 Index** measures the performance of 3,000 publicly held US companies based on total market capitalization, which represents approximately 98% of the investable US equity market. The **Russell 2000 Index** measures the performance of the small-cap segment of the US equity universe and includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The **Russell 1000 Index** measures the performance of the large-cap segment of the US equity universe and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The **Russell Midcap Index** measures the performance of the mid-cap segment of the US equity universe and includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The **ICE BofA US High Yield Master II Index** tracks the performance of US dollar denominated below investment grade rated corporate debt publicly issued in the US domestic market. The **Bloomberg Capital US Aggregate Bond Index** covers the US-denominated, investment-grade, fixed-rate, taxable bond market of SEC registered securities. The **Bloomberg US Government/Credit Index** is comprised of long-term government and investment-grade corporate debt securities and is generally considered representative of the performance of the broad US bond market. The **Bloomberg US Corporate Bond Index** measures the investment grade, fixed-rate, taxable corporate bond market. The **ICE BofA Global 300 Cv Index (VG00)** is a \$US/Local-denominated unmanaged index generally indicative of the overall global convertible market. The **ICE BofA All US Convertibles Index (VXA0)** is comprised of approximately 700 issues of only convertible bonds and preferreds of all qualities. Source ICE Data Indices, LLC, used with permission. ICE permits use of the ICE BofA Indices and related data on an 'as is' basis, makes no warranties regarding same, does not guarantee the suitability, quality, accuracy, timeliness, and/or completeness of the ICE BofA Indices or data included in, related to, or derived therefrom, assumes no liability in connection with the use of the foregoing and does not sponsor, endorse or recommend Calamos Advisors LLC or any of its products or services.

Oil - West Texas Intermediate (WTI - Cushing): A crude stream produced in Texas and southern Oklahoma which serves as a reference or "marker" for pricing a number of other crude streams and which is traded in the domestic spot market at Cushing, Oklahoma. **Gasoline:** Weighted average based on sampling of approximately 900 retail outlets, 8:00AM Monday. The price represents self-service unless only full-service is available and includes all taxes. **Gold - Gold Fixings Price:** The Fixings are an open process at which market participants can transact business on the basis of a single quoted price. Orders can be changed throughout the proceedings as the price is moved higher and lower until such time as buyers' and sellers' orders are satisfied and the price is said to be 'fixed'. Orders executed at the fixings are conducted as principal-to-principal transactions between the client and the dealer through whom the order is placed.

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