

# Calamos Alternatives Snapshot

January 24, 2022 (data as of January 21, 2022 unless indicated)

## WEEKLY HEADLINES

### Tracking Returns After the VIX Spikes

Last week's 50% increase in the VIX ranked as the 17<sup>th</sup> largest weekly percentage increase in its history dating back to 1990, noted [Compound Advisors' Charlie Bilello](#). S&P 500 returns at various subsequent periods after the spikes were mostly positive as were the average returns of the 20 instances. On Twitter Bilello concluded, "The market tends to rise over time and tends to rise more following volatility spikes, adding, "note: on average, there are always exceptions and this latest spike could very well be one."

The VIX since 2020 has been well represented on the list of extremes both up and down. An excerpt of the full data set, the table at the bottom right shows the five largest weekly percentage increases (and subsequent performance) that occurred in the last two-plus years. Almost exactly one year ago, [the Snapshot](#) cited Bilello's work in ranking the Jan. 27-Feb. 5, 2021 period as the second largest seven-day decline in the VIX since 1990.

### Economic Releases vs. Consensus (week of 1/17)

Building Permits (Dec): 1.873M vs. 1.701M  
Housing Starts (Dec): 1.702M vs. 1.650M  
Existing Home Sales (Dec): 6.18M vs. 6.44M

### Economic Releases this Week

Market Composite PMI (1/24)  
Fed Meeting (1/25-1/26)  
Personal Income (1/28)  
Personal Spending (1/28)

## MORNINGSTAR WEEKLY EST. NET FLOWS (\$MIL)<sup>1</sup>

As of 1/19/22	Last Week	2 Wks Ago	3 Wks Ago	4 Wks Ago	Weekly Streak	YTD Flows
Derivative Income	537	678	522	449	61	1,738
Options Trading	398	482	542	300	61	1,423
Commodities Broad	366	545	236	612	4	1,147
Relative Value Arb	195	235	167	147	61	597
Multistrategy	156	209	343	151	7	707
Nontraditional Bond	154	461	497	691	4	1,112
Equity Mkt Neutral	114	82	38	25	15	234
Event Driven	86	48	138	(30)	3	272
Long-Short Equity	82	(16)	105	132	1	170
Systematic Trend	48	64	104	63	4	216
Energy LPs	36	170	25	(87)	3	232
Macro Trading	32	28	0	17	8	59
Infrastructure	13	152	67	235	4	232
Real Estate	(47)	897	1,224	575	-1	2,073
Convertibles	(75)	(227)	(72)	(52)	-4	(374)

## BROAD INDEX PERFORMANCE<sup>1</sup>

	1 week	MTD	QTD	YTD
S&P 500	-5.67	-7.66	-7.66	-7.66
Russell 3000	-5.94	-8.39	-8.39	-8.39
Russell 2000	-8.07	-11.44	-11.44	-11.44
Russell 1000	-5.81	-8.19	-8.19	-8.19
Russell Mid Cap	-6.08	-9.40	-9.40	-9.40
MSCI EM	-1.04	1.03	1.03	1.03
MSCI ACWI	-4.24	-5.52	-5.52	-5.52
MSCI World	-4.66	-6.34	-6.34	-6.34
MSCI EAFE	-2.08	-2.19	-2.19	-2.19
ICE BofA Global 300 Convnt	-3.06	-5.31	-5.31	-5.31
ICE BofA All US Convertible	-4.22	-7.91	-7.91	-7.91
ICE BofA US High Yield	-0.71	-1.52	-1.52	-1.52
Bloomberg US Corp Bond	-0.13	-2.50	-2.50	-2.50
Bloomberg US Govt/Credit	0.09	-1.89	-1.89	-1.89
Bloomberg US Agg Bond	0.05	-1.77	-1.77	-1.77

## COMMODITIES<sup>2</sup>

	1.21.22	12.31.21	12.31.20	1.21.21
Gold	1838	1820	1891	1857
Oil	85.4	75.5	47.5	53.0
Gasoline	3.31	3.28	2.24	2.38
Bitcoin	36,233	46,245	29,027	30,647

## MARKET PULSE<sup>1</sup>

MONTH-TO-DATE			As of	YEAR-TO-DATE		
VALUE	CORE	GROWTH	1/21/2022	VALUE	CORE	GROWTH
-3.64	-8.19	-12.25	LARGE	-3.64	-8.19	-12.25
-5.88	-9.40	-15.70	MID	-5.88	-9.40	-15.70
-6.97	-11.44	-15.88	SMALL	-6.97	-11.44	-15.88

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## MORNINGSTAR ALTERNATIVE CATEGORIES<sup>1</sup>

	1 week	MTD	QTD	YTD
Commodities Broad Basket	1.61	5.97	5.97	5.97
Equity Market Neutral	-0.04	1.89	1.89	1.89
Nontraditional Bond	-0.27	-0.63	-0.63	-0.63
Relative Value Arbitrage	-0.48	-0.74	-0.74	-0.74
Systematic Trend	-0.50	0.47	0.47	0.47
Event Driven	-0.54	-0.92	-0.92	-0.92
Multistrategy	-1.25	-1.37	-1.37	-1.37
Macro Trading	-1.36	-1.64	-1.64	-1.64
Infrastructure	-2.28	-4.07	-4.07	-4.07
Options Trading	-2.85	-3.62	-3.62	-3.62
Long-Short Equity	-2.87	-2.98	-2.98	-2.98
Derivative Income	-3.82	-4.05	-4.05	-4.05
Energy Limited Partnership	-3.84	4.20	4.20	4.20
Real Estate	-3.90	-8.30	-8.30	-8.30
Convertibles	-3.91	-7.05	-7.05	-7.05

## BOND RATES<sup>2</sup>

	1.21.22	12.31.21	12.31.20	1.21.21
Effective Fed Funds Rate	0.08	0.08	0.09	0.09
2-Year Treasury	1.08	0.75	0.12	0.13
10-Year Treasury	1.83	1.55	0.93	1.12
ICE BofA US Corp. AAA	2.36	2.03	1.56	1.70

## VIX: Largest Weekly % Increases 2020-YTD 2022

Five dates from 2020-YTD 2022 rank among the largest weekly % increases in the VIX since 1990

Rank since 1990	Start date	End date	Start VIX	End VIX	% Change	S&P 500 Forward Total Returns		
						3-month	6-month	1-year
1st	2/21/2020	2/28/2020	17.08	40.11	134.8%	3.59%	19.07%	34.42%
8th	11/19/2021	11/26/2021	17.91	28.62	59.8%			
16th	1/22/2021	1/29/2021	21.91	33.09	51.0%	12.98%	19.19%	
17th	1/14/2022	1/21/2022	19.19	28.85	50.3%			
20th	6/5/2020	6/12/2020	24.52	36.09	47.2%	10.29%	21.59%	42.13%
Average of the 20 dates						4.98%	8.93%	16.19%

Source: Excerpt of the full data set published by Charlie Bilello, Jan. 23, 2022

## 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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