

Trading Signals

ALATRA offers a 'black box' portfolio optimisation tool that generates trading signals for equities within a specified asset universe. The tool can be configured to produce results from any available equities-based index and utilises numerous different formulae and inputs to generate its results.

What makes our tool unique?

- Second Order Stochastic Dominance is the mathematical concept that underpins the strategy. Our approach for employing it is based on many years of academic rigour.
 - The concept comes from stochastic decision theory and can be used to rank stochastic alternatives (i.e. to assist selection of the appropriate equities within the specified asset universe).
 - Instead of merely considering specific equity characteristics (usually 'mean' and 'variance') the concept utilises the entire asset return distribution (i.e. all higher order moments).
 - Overall, the tool is designed to reduce downside risk as a primary goal and achieve greater upside potential as a second goal.
 - Market sentiment for equities and its derived current impact value (positive/negative) is computed for each asset, utilising market data and news feeds.
 - Hidden Markov models are applied to detect bullish/bearish periods to specify general strategy parameters (e.g. long/short amounts).
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Results generated

- The tool generates trading signals for the specified equity asset universe.
 - The signal is presented to the customer in the form of optimal portfolio weights which can either be followed in its entirety or, alternatively can be used to complement existing decision-making processes.
 - Every trading day (frequency can vary depending on customer requirements) the customer will receive the signal in the following format:
 - Long X% of your fund in asset A
 - Long Y% of your fund in asset B
 - Short Z% of your fund in asset C, etc.
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Founded in 2015 and backed by more than 10 years of academic research in the fields of behavioural science and data analytics, Advanced Logic Analytics offers financial markets firms unique algorithms and powerful analytical solutions to help them find Alpha in data.

Different algorithms, powered by artificial intelligence, are used to drive multiple products within the OneLogic suite of solutions, including: Trading Strategies, Market Sentiment and B2B Robo-Advisor. These solutions help firms capitalise on market swings, reduce downside investment risk and achieve upside potential for their portfolios.