

## Elston Market Indicator: January 2021 update

- We differentiate between moderate and high turnover strategies
- Moderate turnover strategies: markets continue to look overbought
- This drives preference for lower relative position in risk-assets

### Moderate turnover strategies: Monthly Elson Market Indicator

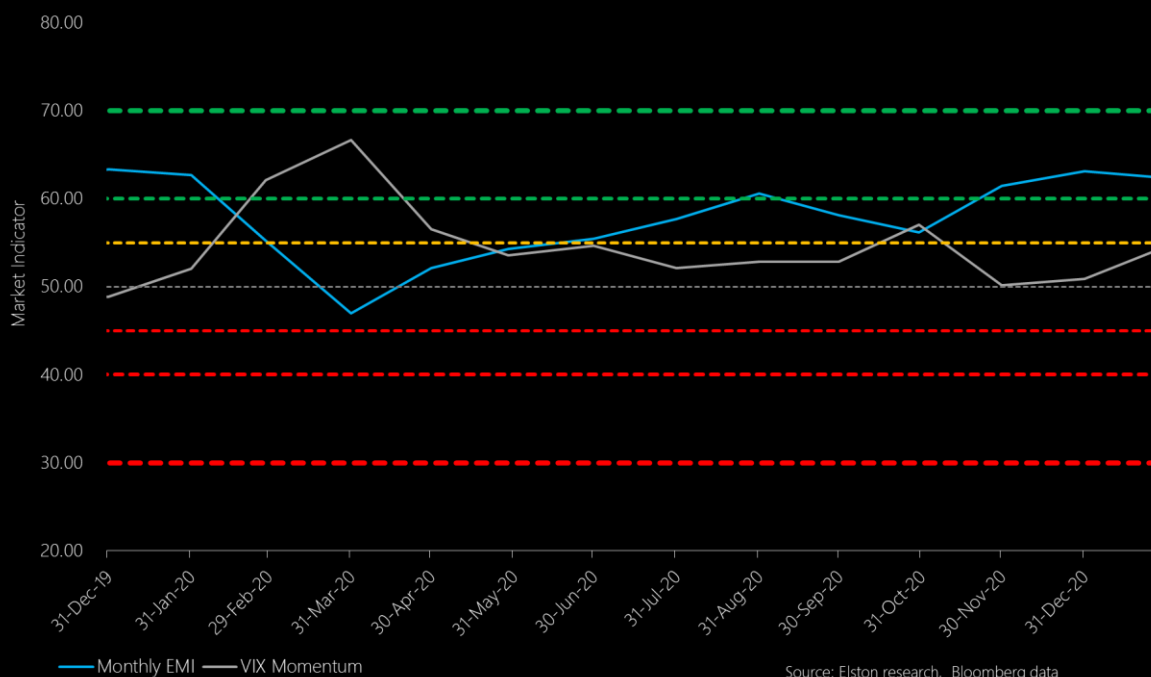
The Monthly EMI ended January 2021 at 62.37 vs 63.12 at end December 2020.

For moderate turnover strategies, equity markets continue to look **overbought**.

This drives a preference for **lower** relative position in risk assets.

The Monthly EMI remains **above** the threshold (60) for a move to a Neutral position in risk assets.

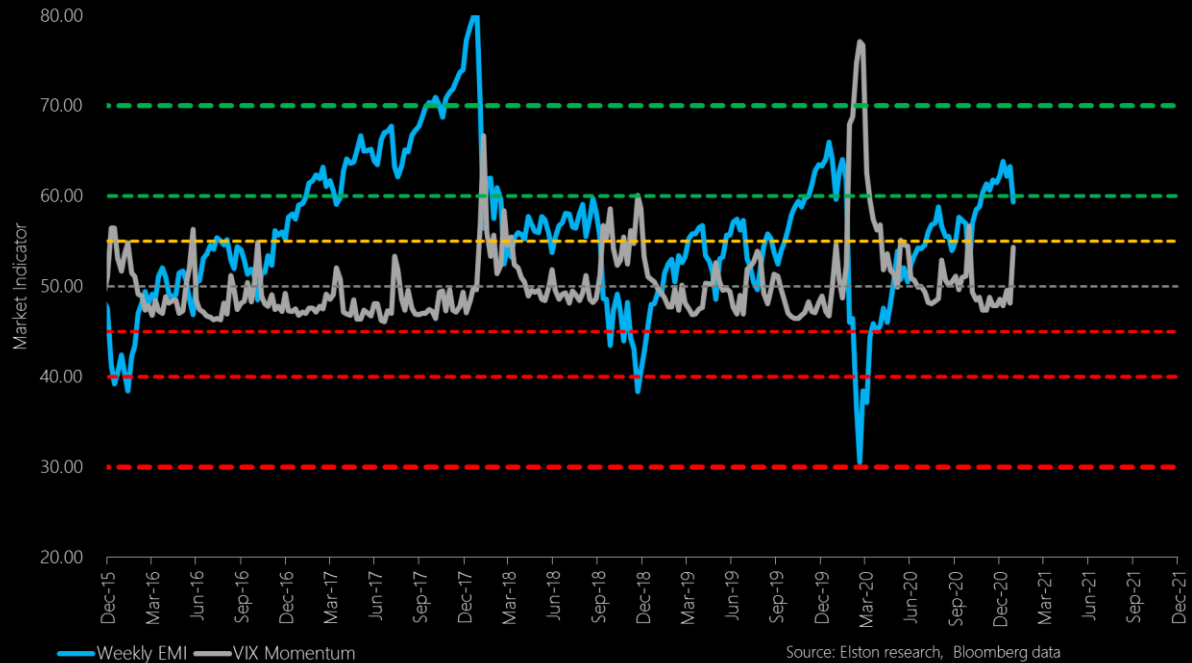
Momentum in the VIX Index increased from 50.9 to 54.4, whilst in absolute terms, the VIX Index closed the month at 33.1, compared to 22.8 at previous month end.



## High turnover strategies: Weekly Elston Market Indicator

Over the last 4 weeks, the Weekly EMI declined from 63.87 to 59.35, as at last Friday close, falling below the 60 threshold.

Momentum in the VIX Index increased from 48.56 to 54.35 over the last 4 weeks.



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We research, design and build investment solutions with and for asset owners, managers and advisers.

Our Research & CPD focuses on multi-asset strategies, index funds and ETFs.

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