Quant insight

MacroVantage

1. GS HF VIP vs. VIP Short: Crowding Stress

Crowded longs have taken another hit. The pair is drifting cheap, but a rebound needs real-yield relief.

2. Heavy AI Issuance Creates a Contrarian Credit Opportunity

Markets are pricing AI-driven bond supply. Macro still points to value in investment grade credit.

3. ChiNext: the tape and the model have parted ways

A sentiment-led rout has cheapened the index sharply, even as macro reasserts control.

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![MacroVantage]

1. GS HF VIP vs. VIP Short: Crowding Stress

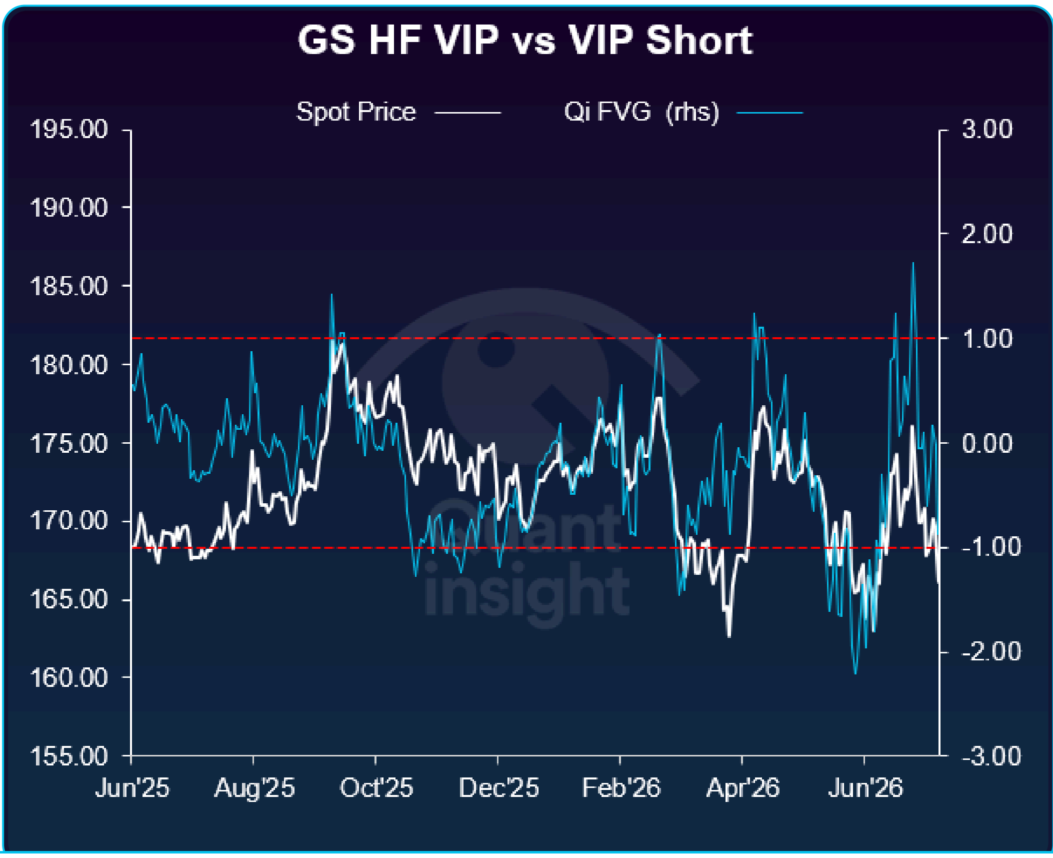
Goldman's HF VIP vs. VIP Short basket is a crude crowding barometer: the most popular hedge-fund longs versus the most popular shorts.

Sharp underperformance into July has pushed the pair to 0.9σ (1.8%) below Qi model value, near the lower end of its recent range. The close relationship between spot performance and the valuation gap suggests the FVG has had useful signal power. It is not yet as stretched as mid-June, but it is moving back in that direction.

The key macro driver is US real yields. VIP longs tend to be higher-multiple, longer-duration stocks, making them more sensitive to rising discount rates. Elevated real yields therefore pressure valuations and can accelerate crowded-long unwinds as hedge funds cut risk.

A benign fall in real yields - driven by softer inflation and Fed relief rather than a growth shock - would be the clearest catalyst for a rebound.

Bottom line: crowded longs have taken another hit. The pair is becoming tactically interesting, but a sustained recovery likely needs real-yield relief.



2. Heavy AI Issuance Creates a Contrarian Credit Opportunity

Heavy bond issuance from hyperscalers funding AI capex has become the dominant narrative in US investment grade credit, pushing spreads wider and weighing on LQD.

Qi agrees supply matters. But macro tells a different story - higher rate volatility has been offset by fewer expected Fed hikes and a steeper yield curve, leaving macro fair value anchored around 108 for the past three months.

LQD, iShares ETF tracking US IG credit, has fallen over 2% hit by deteriorating credit (wider spreads) & duration (higher UST yields).

The divergence leaves LQD trading 1.4σ (1%) cheap to macro fair value. With model confidence at 75%, Qi suggests the supply-driven sell-off has overshot macro conditions.

3. ChiNext: the tape and the model have parted ways

Over the past month spot fell close to 12% as the global AI derating and softer Chinese data dragged the index down. Qi's model value did the opposite, rising almost 3%. That leaves a Fair Value Gap of -1.44σ (-11.21%), with model confidence at 67%: macro is firmly back in charge.

The divergence is the story. The drawdown was sentiment-led, yet the drivers Qi's model weighs moved the other way. Rising risk aversion and softer inflation did weigh on fair value, but firmer credit conditions and a supportive real-rate and metals backdrop more than offset them, lifting the model even as the tape fell.

The result is a rare dislocation: an index the model reads as materially cheap, driven there by a shock its macro anchors have not registered. Risk-reward tilts to the long side.

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