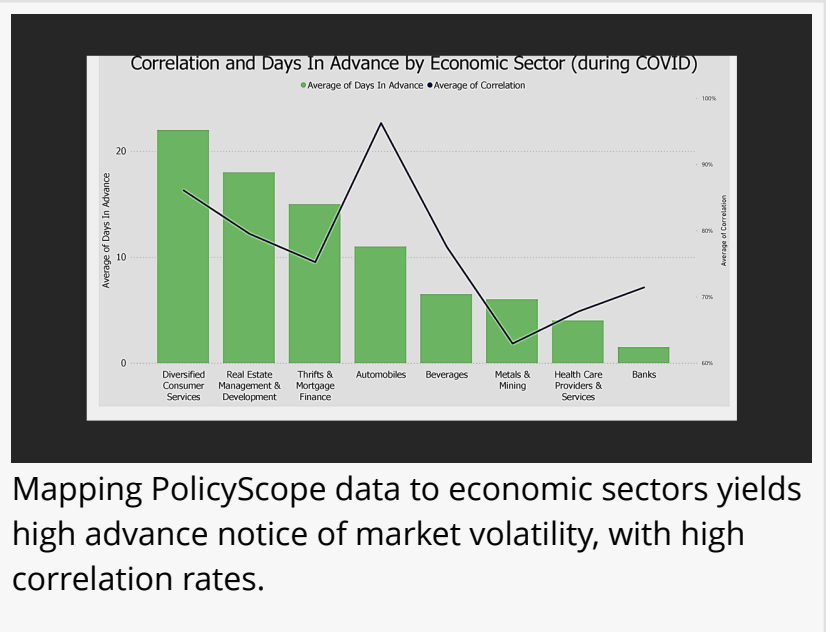


# BCMstrategy, Inc. Publishes Backtest Results: PolicyScope Data Anticipates Market Volatility

*PolicyScope Data Tested Against the S&P, the VIX, and BitCoin Prices, Reveals Advance Notice of Market Volatility by as much as 22 Days*

ALEXANDRIA, VA, UNITED STATES, September 27, 2021 / EINPresswire.com/ -- [BCMstrategy, Inc.](#), the innovation leader in public policy predictive analytics and data, announced today the results of the first backtest of PolicyScope™ public policy data. The backtests show a high degree of advance correlation between a representative sample of PolicyScope™ data in relation to the S&P, certain S&P Sectoral Indices, the VIX, and BitCoin prices during 2019 and 2020.



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The backtests make clear that capital markets now have a strong, reliable leading indicator of market volatility. Public policy risk is no longer an exogenous variable in the asset pricing process.”

*Barbara C. Matthews,  
Founder & CEO, BCMstrategy,  
Inc.*

The backtests were conducted against four lexicon terms: “trade war,” “cryptocurrency,” “CBDC,” and “LIBOR.” The stress tests compared spikes in public policy activity measured by the patented process that generates PolicyScope™ data against realized volatility in U.S. equity markets (using the S&P Total Market index) and the VIX. The cryptocurrency term was also tested against BitCoin price data. Because BCMstrategy, Inc. has mapped its lexicon terms to economic sectors, aggregate PolicyScope™ scores for economic sectors related to the lexicon terms were also tested against relevant S&P sectoral baskets. Correlation analysis was also conducted between activity types and the market data. A third party performed the calculations.

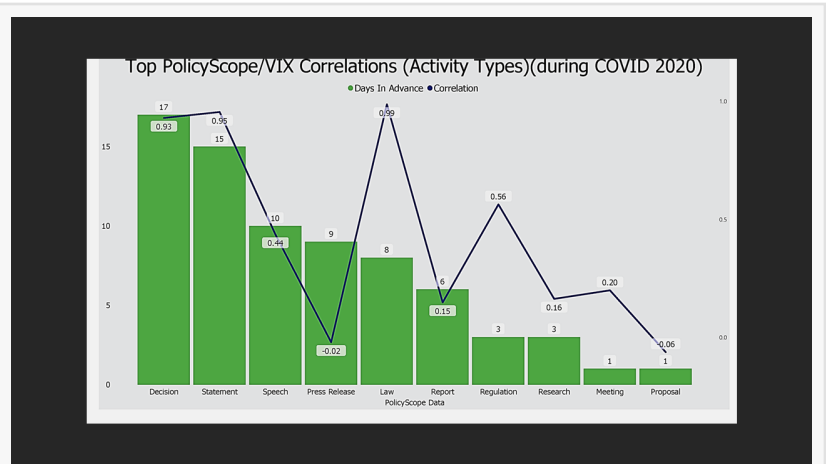
Significant, high advance correlations with market volatility were revealed with average lead

times between 10 days and 20 days. The backtest results as a consequence quantify how long it takes for the market to become efficient by pricing in public policy developments, in some instances by as much as 22 days.

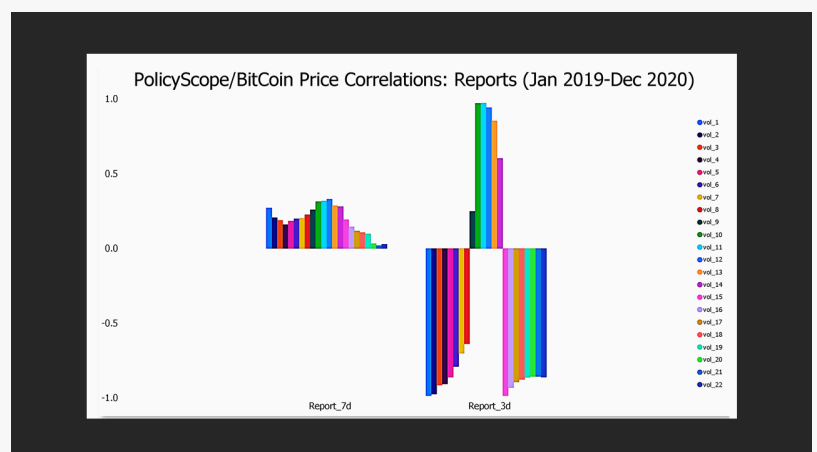
In parallel with this announcement, BCMstrategy, Inc. published a [White Paper](#) providing a detailed analysis of the backtest results. The White Paper indicates that the PolicyScope™ quantification process helps eliminate some of the temporal inefficiencies that delay pricing by accelerating the visibility to capital markets of official sector activity.

“The backtests make clear that capital markets now have a strong, reliable leading indicator of market volatility. Public policy risk is no longer an exogenous variable in the asset pricing process,” said Barbara C. Matthews, Founder and CEO of BCMstrategy, Inc. “It is well established that the public policy process generates headlines which move markets and contribute to systematic risk. The backtests prove that quantifying the full public policy process using our patented process provides a powerful tool for investors to anticipate market volatility, access previously unattainable alpha, and minimize exposure to systematic risk.” Also in September, BCMstrategy, Inc. added 100+ monetary policy terms to its proprietary lexicon and is building an app for the Bloomberg Terminal which is expected to be released later in 2021.

About BCMstrategy, Inc. and [PolicyScope](#) Data: BCMstrategy, Inc. quantifies public policy risks objectively using 9+ layers of patented analytical automation using core political science concepts, not sentiment analysis. The company’s PolicyScope data helps capital markets acquire advanced insights regarding global public policy reaction functions by delivering machine-readable, objective structured data, numeric values, and a multivariate historical time series



High PolicyScope correlations with the VIX for final decisions are not surprising. Medium correlations for other important policy activities suggest informational asymmetries and important alpha capture opportunities exist for those using PolicyScope data



The 7-day rolling average correlation with BitCoin prices for the cryptocurrency lexicon term shows how long it takes for capital market participants to react to official sector reports. This time lag presents alpha capture opportunities for investors wi

covering over 1,000 key public policy issues. The data has been mapped to 300+ economic sectors and 9 asset class types. PolicyScope dashboards and signals can be accessed through API and FTP feeds.

Barbara C. Matthews

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