PHOENIXALGOS MOMENTUM DISCOVERY SUITE: STABLE LEADERS & NEW STARS

3-Cohort Universe Segmentation, R(12-1) Momentum, Continuous 5-Session EMA & Finviz Sheets

Official Self-Help Documentation • Certified Technical Manual

1. Executive Summary & The Momentum Anomaly

Cross-sectional momentum is one of the most robust, academically vetted market anomalies (Jegadeesh & Titman 1993). Stocks that have outperformed over intermediate horizons tend to persist in outperforming due to analyst anchoring, institutional disposition effect, and index fund rebalancing flows. The PhoenixAlgos Momentum Suite translates this edge into an algorithmic screening and portfolio rotation pipeline.

2. 3-Cohort Universe Segmentation Architecture

To avoid mixing structurally distinct volatility regimes, the engine segments candidates into three cohorts:

- HighVol: High-beta, explosive momentum equities and tech innovators.
- LowVol: Low-volatility, defensive compounding equities with resilient cash flows.
- Merged (HighVol + LowVol): Re-merged from raw source observations and re-ranked across the combined universe with deduplication. The merged set is NEVER created by concatenating finished rank tables.

3. The Mandatory 1-Month Skip Rule R(12-1)

Naive momentum screens that include the most recent trading days frequently suffer severe whipsaws. The PhoenixAlgos engine strictly enforces the 1-Month Skip Rule (R12-1): returns over days t-21 to t are purged from formation rankings. This completely eliminates short-term liquidity reversal noise and bid-ask bounce, ensuring that only persistent multi-month institutional momentum is captured.

4. Stable Momentum Leaders ('mem') vs Emerging New Stars ('stars')

- Stable Momentum Leaders ('mem' / 'mom stable'): Governed by continuous 5-session exponential moving average (EMA, alpha=1/3) smoothing. Entry requires score >= 80 and top-10 persistence on 3 of last 5 days. Prevents intraday churn.
- Emerging New Stars ('stars'): Discovers explosive fresh breakout names with raw unsmoothed score >= 80 and score acceleration >= 5 points. Displays up to 3 New Stars alongside 7 Established Leaders with dynamic Finviz chart sheets.