

Nordic CTAs take it hard on the chin

Stockholm (HedgeNordic) – Nordic CTAs got hit hard in October, early indications showing the NHX CTA sub index down by 3,71%, the largest monthly draw down since June 2012. For the year, the index slipped into negative territory and stands at -3,4% before we go into the last two months of trading for 2015.

NHX CTA is the only one of the Nordic Hedge Index sub indices to be negative in October and year to date. It seems too, Nordic managers struggled much more than their international peers. One of the few global indices to already indicate, HFRX Macro/CTA index, was down a comparatively modest 0,8%.

Global equities rallied strongly with the MSCI World index up 8% while the VIX, the so-called fear index, continued to come off from highs set in August. Hedge funds in aggregate were up 1,5% as measured by the HFRX Global Hedge Fund index while the Nordic Hedge Index NHX appreciated by 1%.

Among the Nordic CTAS who have reported numbers by November 4, Lynx is down 1,65% (-7% YTD), SEB Asset Selection down 3,9% (0,2% YTD), the geared SEB Asset Selection Opportunistic lost 7,6% (-0,6% YTD), RPM Evolving CTA lost 2,2% (-4,4% YTD) and ALFA Commodity Fund had to give up 2,1% of NAV (-3,7% YTD) while Estlander & Partners Alpha Trend Program lost 6% (flat for the year) and the Finnish managers Freedom Program lost 3,2% (-1.8% YTD).

RPMs monthly commentary states: “In commodities, after an initial jump, oil prices dropped due to increasing inventories before reversing again towards month-end. But it was equities that grabbed the headlines as global stock markets put in their best monthly performance in years showing remarkable resilience in the face of the increased possibility of the Fed moving before year-end.”

“Global macro and trend following managers had mixed results in October,” Anthony Lawler, portfolio manager at GAM tells HedgeWeek. “Positions long equities and long the US dollar were helpful, but were offset by choppy moves in commodities and some currencies. Other strategies across equities, credit and relative value saw strong performance as asset values rose and relative value spreads moved favourably.”

Not a single one of the Nordic CTAS has reported positive returns for October so far. The total universe of Nordic CTAs covered by HedgeNordic consists of 19 funds.

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