

Special Report: CTA & Macro Strategies 2016

Stockholm (HedgeNordic) – Over the years, CTAs have been declared dead numerous times. Funny enough, the grave diggers tend to be most vocal around the same points in time as CTAs suddenly rebound. If one was to develop a timing indicator for CTA returns, by academics probably considered an unnecessary exercise, the number of google hits on "ctas are dead" would be my suggestion for a leading indicator.

2014 was another one of those years when CTAs suddenly re-emerged from an extended period of non-performance, silencing a critical voice or two. The strength carried into early 2015, just when we published the last CTA report the sky seemed to be the limit. But then the strategy was beaten to the ground in a volatile second half of the year, finishing the year unchanged – at best.

In early 2016, CTAs are again the best performing hedge fund strategy, with the SG Prime Services CTA Index up 4.2% and the SG Prime Services Short Term Traders Index up 6%, at the time of writing in early March. The CTA sub-index of the Nordic Hedge Index (NHX) even being up a whopping 9.6%.

Macro strategies, also known for their potential to deliver lumpy returns, have disappointed return-hungry investors in recent years. With central bank interventions creating an environment with few opportunities and suppressed volatility levels, many macro strategies have failed to deliver on their promises. But is Macro today another dead cat bounce in the making? Asking allocators and managers alike, there seems to be a common belief that the tide is about to turn to these managers' favor.

Often thrown in the same investment category bucket, Macro and CTA funds are typically viewed as having similar characteristics. Although there are similar traits, the strategies also differ in important aspects. An overview of the last 15 years performance shows that there is an apparent correlation of returns, however individual periods show significant performance dispersion. In this report we did combine the two strategies, each in itself of course anything but a homogenous group of traders.

As always in our Industry Reports we attempted to have a balanced mix of articles written by our own editorial team and others submitted by industry experts. In the heavy academic, research driven CTA and Macro space thirsting for ever more data and insight a particularly grateful industry for such an approach.

To read the special report, please click here: [CTA & Macro Strategies 2016](#)

Picture: (c) Zastolskiy-Victor—shutterstock.com