How to Use the Scan Module

The Scan module is the starting point of the StrategyStore workflow — designed to give traders and analysts a structured, macro-level view of capital rotation across 21 industry groups before a single asset is selected.

STRATEGYSTORE WORKFLOW

Industry Group Relative Rotation

This table ranks all 21 industry groups according to their relative market behavior. Each row represents one industry, giving you an at-a-glance view of where momentum is strengthening and where it is fading.

The objective is clear: understand which industries are **attracting institutional capital** and which are losing momentum — before committing to any individual trade. The table is the primary tool for identifying market leadership at the sector level.

1D

Daily Performance

Shows today's price performance across each industry group. Positive values indicate **buying pressure** during the current session. Negative values signal **selling pressure**. This metric reflects short-term sentiment and provides context for intraday flow.

How to Read It

- Positive 1D → buyers in control today
- Negative 1D → sellers dominating the session
- Use alongside 1W and 1M to confirm whether today's move is isolated or part of a larger trend
- Avoid overweighting a single day's reading in isolation

1W

Weekly Performance

Measures each industry group's performance over the trailing week. This timeframe is critical for determining whether today's directional move is **supported by a broader trend** or represents only temporary, noise-driven volatility.

Why It Matters

- A strong 1D reading backed by a positive 1W is more meaningful than 1D alone
- Divergence between 1D and 1W may indicate a short-term reversion move
- Weekly momentum aligns more closely with institutional positioning cycles
- Useful for filtering out daily noise in volatile sessions

1M

Monthly Performance

Measures performance over the trailing month and is **one of the most important parameters** in the entire table. Institutional capital rotation typically unfolds over several weeks rather than a single session — making the monthly reading the most reliable signal of sustained directional bias.

Key Insights

- Monthly strength confirms that institutional flows are genuine and sustained
- Industries with positive 1M + positive 1W represent the most robust setups
- Weak 1M readings suggest capital has not yet committed to a recovery
- Use 1M as your primary filter before drilling into weekly or daily data

Away from 52-Week High

This metric indicates how far each industry group is currently trading from its **52-week high**. It provides a quick read on long-term relative strength without requiring additional calculations.

Near Zero

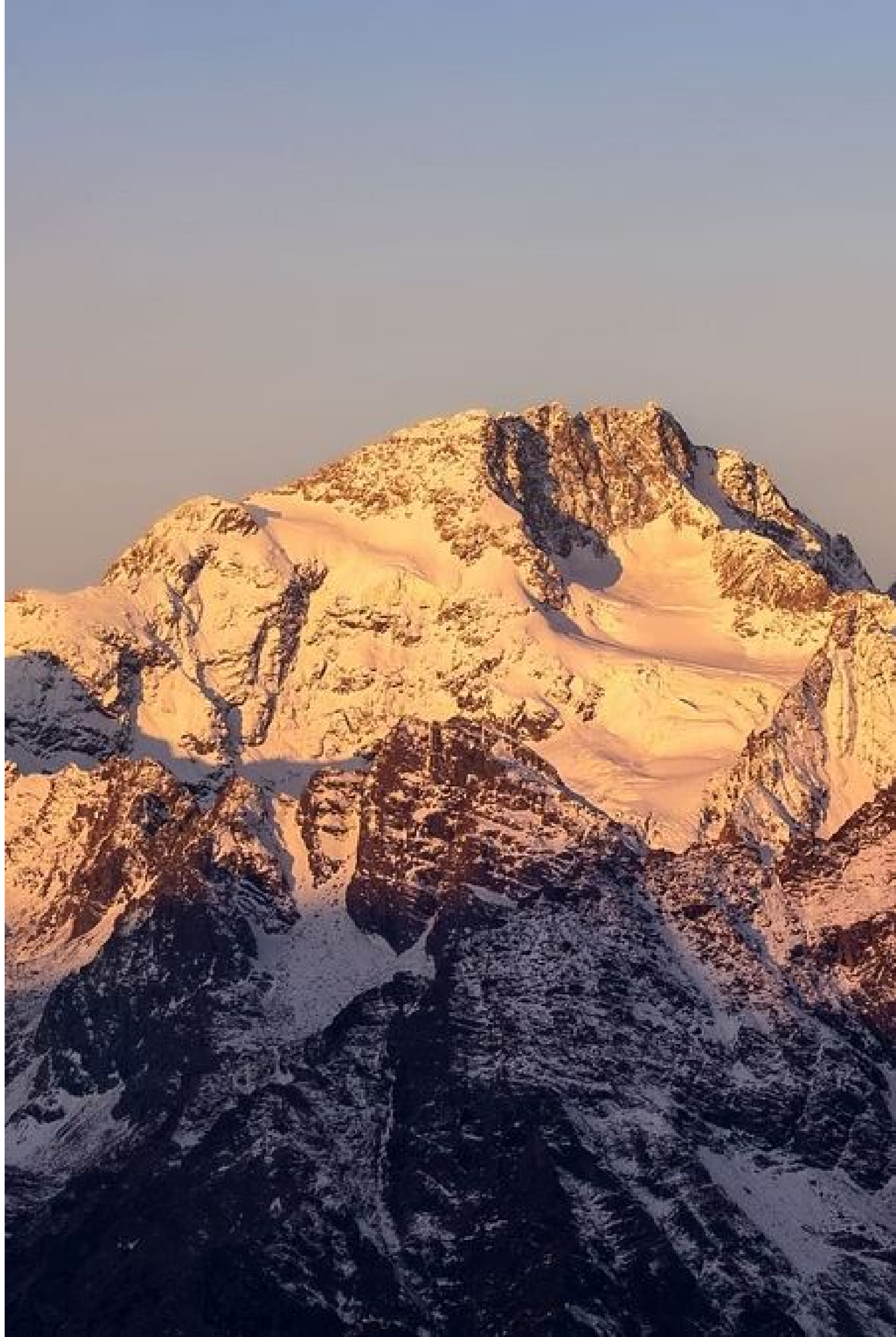
The industry is maintaining long-term strength. Price is close to its annual peak — a sign that capital has remained committed over a sustained period.

Moderate Negative

Some distance from the 52-week high. May still be in a recovery phase or experiencing a consolidation before the next move.

Large Negative

The sector remains well below previous highs, suggesting prolonged underperformance or active capital outflows. Treat with caution unless combined with improving momentum signals.



RRG QUADRANT

Leading Quadrant

Industries classified in the **Leading quadrant** exhibit strong relative strength combined with positive and accelerating momentum. These are the sectors where institutional capital is currently most active and concentrated.

In practical terms, Leading industries represent the best environment for offensive, trend-following strategies. When multiple industry groups cluster in this quadrant simultaneously, it signals broad market participation — a healthy structural backdrop for risk-on positioning.

> Leading industries should be the primary hunting ground for long setups during bullish market conditions.

RRG QUADRANT

Improving Quadrant

Industries in the **Improving quadrant** are characterized by rising relative strength and accelerating positive momentum. While they have not yet reached full leadership status, their trajectory signals that capital is beginning to rotate in their direction.

These industries deserve **close and active attention**. Early identification of improving sectors allows traders to position ahead of the institutional flow, capturing the most favorable entry points before the broader market recognizes the trend shift.

RRG QUADRANT

Weakening Quadrant

Still Relatively Strong

Industries in the Weakening quadrant retain above-average relative strength compared to the broader market. However, the rate of momentum improvement has peaked and begun to reverse — a meaningful early warning signal.

Momentum Is Fading

The deceleration in momentum suggests that capital inflows are slowing. Institutional positioning may be shifting from accumulation to distribution. New long entries in Weakening sectors carry elevated risk of poor timing.

Tactical Implication

Existing positions in Weakening industries should be monitored closely. A continued rotation into the Lagging quadrant would confirm deteriorating conditions and may warrant risk reduction.

RRG QUADRANT

Lagging Quadrant

Industries classified as **Lagging** exhibit both weak relative strength and negative momentum — the most challenging environment for offensive strategies. These sectors are actively underperforming the broader market on a sustained basis.

Lagging industries are generally unsuitable for new long entries. However, for traders with a short-side framework, a cluster of industries in the Lagging quadrant combined with Stage 4 classification can highlight areas of structural weakness worth monitoring for short opportunities.

Weak RS

Below-market relative strength

Negative Momentum

Trend continues to deteriorate

Avoid Long

High risk of continued underperformance

The Score

The Score condenses multiple market variables — relative strength, momentum, stage, and distance from highs — into a single composite ranking for each industry group. It is designed for **relative comparison between industries**, not as a standalone trading signal.

+

Positive Score

Indicates stronger, improving market conditions. Prioritize these industries for further analysis.

0

Neutral Zone

Mixed signals. Neither clearly attracting nor repelling capital at this time.

—

Negative Score

Indicates deteriorating conditions. Deprioritize for long-side strategies.

MARKET STAGE

Stage 1 — Accumulation

Early Stabilization After Decline

Stage 1 marks the transition from a prior downtrend into an early stabilization phase. Price action is basing, and selling pressure has begun to exhaust. Institutional buyers may be quietly accumulating positions, but the broader trend has not yet confirmed a directional shift.

Stage 1 industries are **not yet ready** for aggressive long exposure. They require confirmation of trend transition — typically evidenced by a move into Stage 2 — before they become actionable in most systematic frameworks.

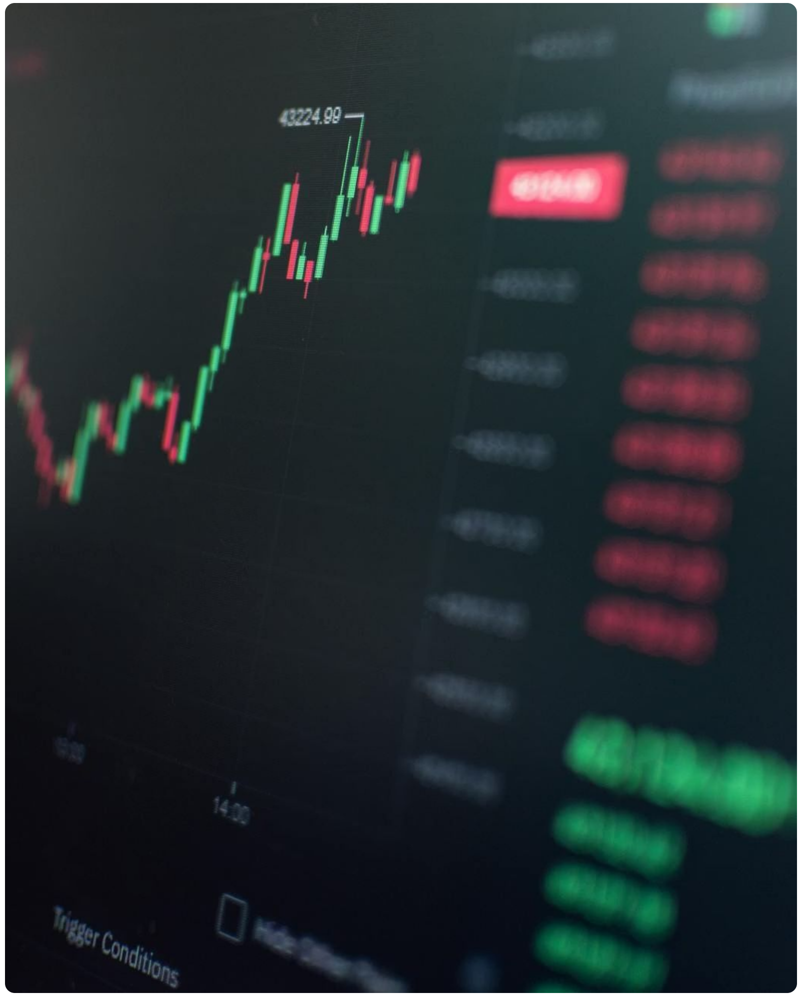
MARKET STAGE

Stage 2 — Advancing Trend

The Healthiest Market Phase

Stage 2 represents the most favorable environment for long-side strategies. Capital inflows dominate, price is making higher highs and higher lows, and institutional participation is confirmed. Industries in Stage 2 are the primary candidates for position building.

A market where the majority of industry groups are in Stage 2 reflects **broad participation and structural health**. This is the environment where trend-following strategies deliver their strongest results and risk-adjusted returns are most favorable.



MARKET STAGE

Stage 3 — Distribution

1

Momentum Slows

The advance that characterized Stage 2 begins to lose conviction. Price may continue higher but with decreasing velocity and widening ranges.

2

Volatility Increases

Institutional selling begins to offset buying pressure. The resulting tug-of-war between buyers and sellers creates choppy, unpredictable price behavior.

3

Risk Rises

Stage 3 is a signal to tighten risk parameters on existing positions and avoid initiating new aggressive long exposure in affected industries.

MARKET STAGE

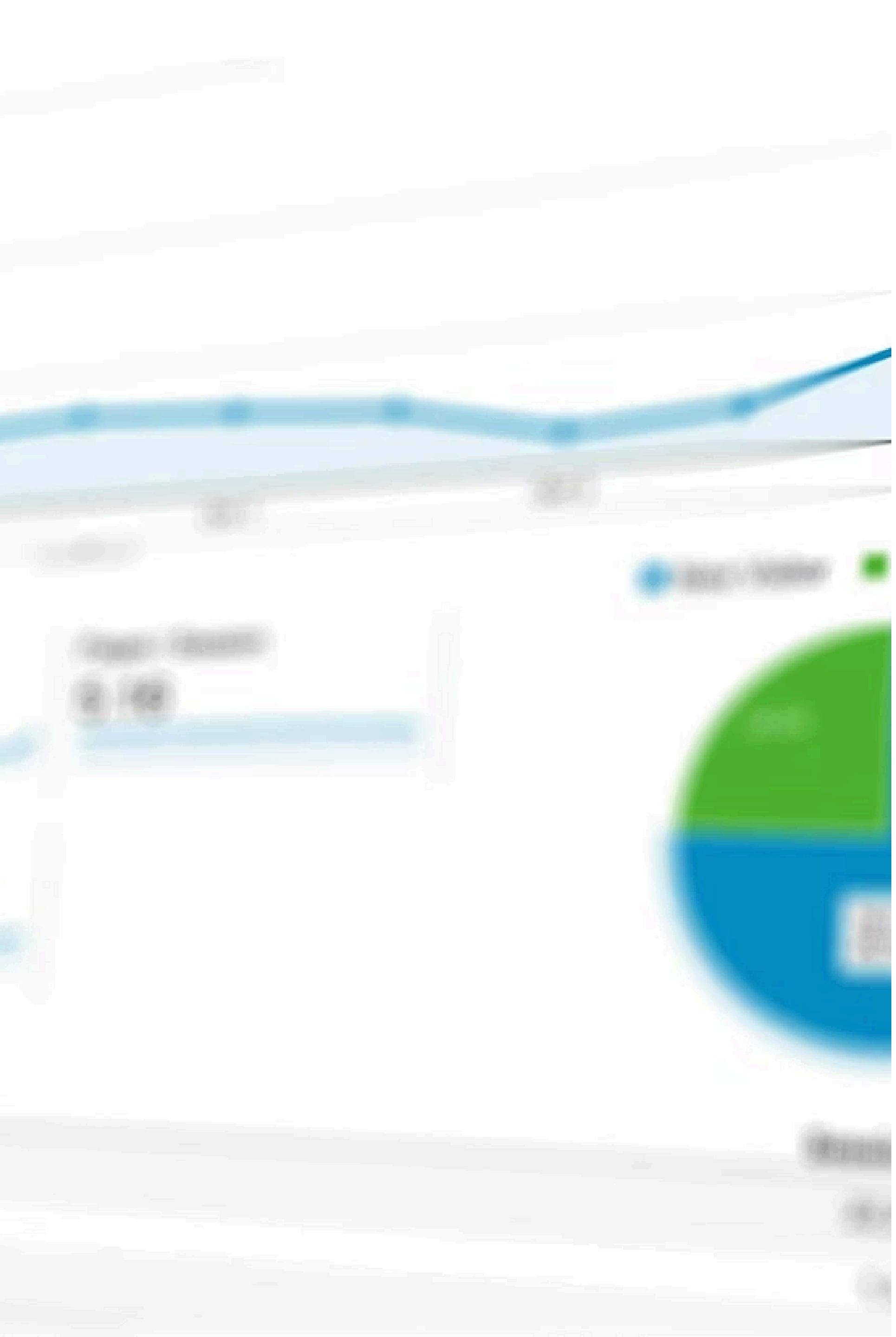
Stage 4 — Declining Trend

Capital Is Leaving the Industry

Stage 4 represents the most unfavorable environment for long-side positioning. Price is making lower highs and lower lows, institutional capital is actively rotating out, and risk is elevated across the board.

Industries in Stage 4 should generally be **excluded from long consideration**. As the number of Stage 4 industry groups increases across the market, the overall risk environment deteriorates — a signal to reduce gross exposure and shift toward more defensive positioning.

⚠ A rising count of Stage 4 industries is one of the most reliable early indicators of broad market weakness.



Stage Distribution Panel

The upper panel of the Scan module summarizes how many of the 21 industry groups currently belong to each market stage. This single view delivers an **immediate picture of the overall market structure** without requiring row-by-row analysis.

Stage 2 Dominance

When most industries are in Stage 2, the market is exhibiting broad participation. This is a healthy backdrop for offensive, trend-following strategies across multiple sectors.

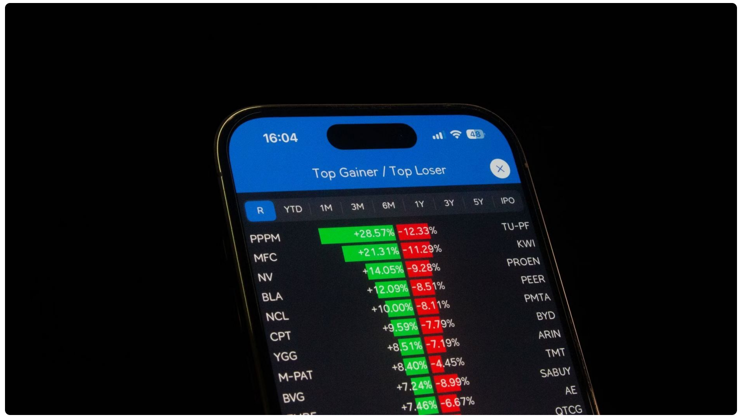
Stage 4 Rising

A growing count of Stage 4 industries signals deteriorating market conditions. As this number climbs, the risk-reward for new long exposure worsens materially.

Mixed Distribution

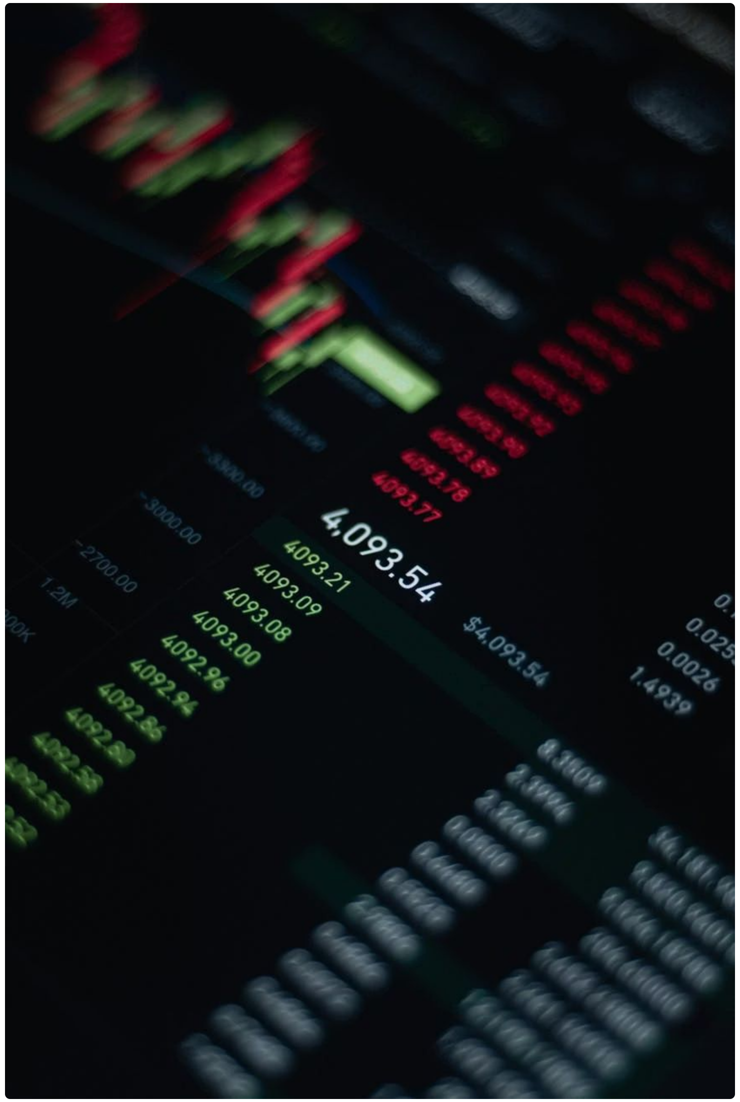
When stages are balanced across all four phases, selectivity becomes critical. Focus only on the highest-scoring, Leading-quadrant industries to maintain edge.

Leaders & Laggards



Leaders

The Leaders panel highlights the industries with the strongest relative performance over the selected time horizon. These sectors are actively attracting institutional capital, confirming that professional money is rotating in their direction. Leaders are the **primary hunting ground** for high-probability long setups and should be cross-referenced against the RRG and Stage classification before position sizing.



Laggards

The Laggards panel identifies sectors experiencing persistent, sustained outflows. These are the industries where institutional interest is lowest and where relative weakness is most pronounced. Laggards help investors **avoid low-probability setups** and, for traders with a short-side framework, may identify areas of structural vulnerability worth monitoring.

RRG Quadrant Map

The Relative Rotation Graph plots all 21 industry groups simultaneously on a single canvas. Each point represents one industry — its position immediately revealing that sector's relative strength on the X-axis and momentum on the Y-axis.

Read the Clusters

The goal is not to analyze a single point in isolation. The distribution of clusters across quadrants tells the macro story — where capital is concentrated and where it is absent.

Leading Cluster

Multiple groups in the Leading quadrant indicate **broad market participation** — a structural tailwind for risk-on, trend-following strategies across the market.

Lagging Cluster

A concentration of groups in the Lagging quadrant often signals **defensive market conditions**, where capital is narrowing into a small number of safe-haven or outperforming sectors.

The Decision Process

The Scan dashboard is designed to be read **top to bottom**, following a structured analytical sequence. Each step narrows the universe of candidates and ensures that asset selection is grounded in macro capital flow — not noise.

01

Evaluate Stage Distribution

Assess how many industries are in Stage 2 vs. Stage 4 to establish the overall risk environment before anything else.

02

Identify Strongest Industries

Use the Relative Rotation table to rank industries by Score, 1M, and 1W performance. Isolate the top tier.

03

Confirm RRG Position

Verify that the strongest-scoring industries sit inside the Leading or Improving quadrants. Avoid industries showing strength in isolation from their RRG classification.

04

Compare Score to Performance

Cross-check the composite Score against recent 1D, 1W, and 1M performance to validate consistency and confirm sustained institutional interest.

05

Proceed to Asset Selection

Only after completing this macro analysis should the focus shift to individual securities within the qualifying industries.