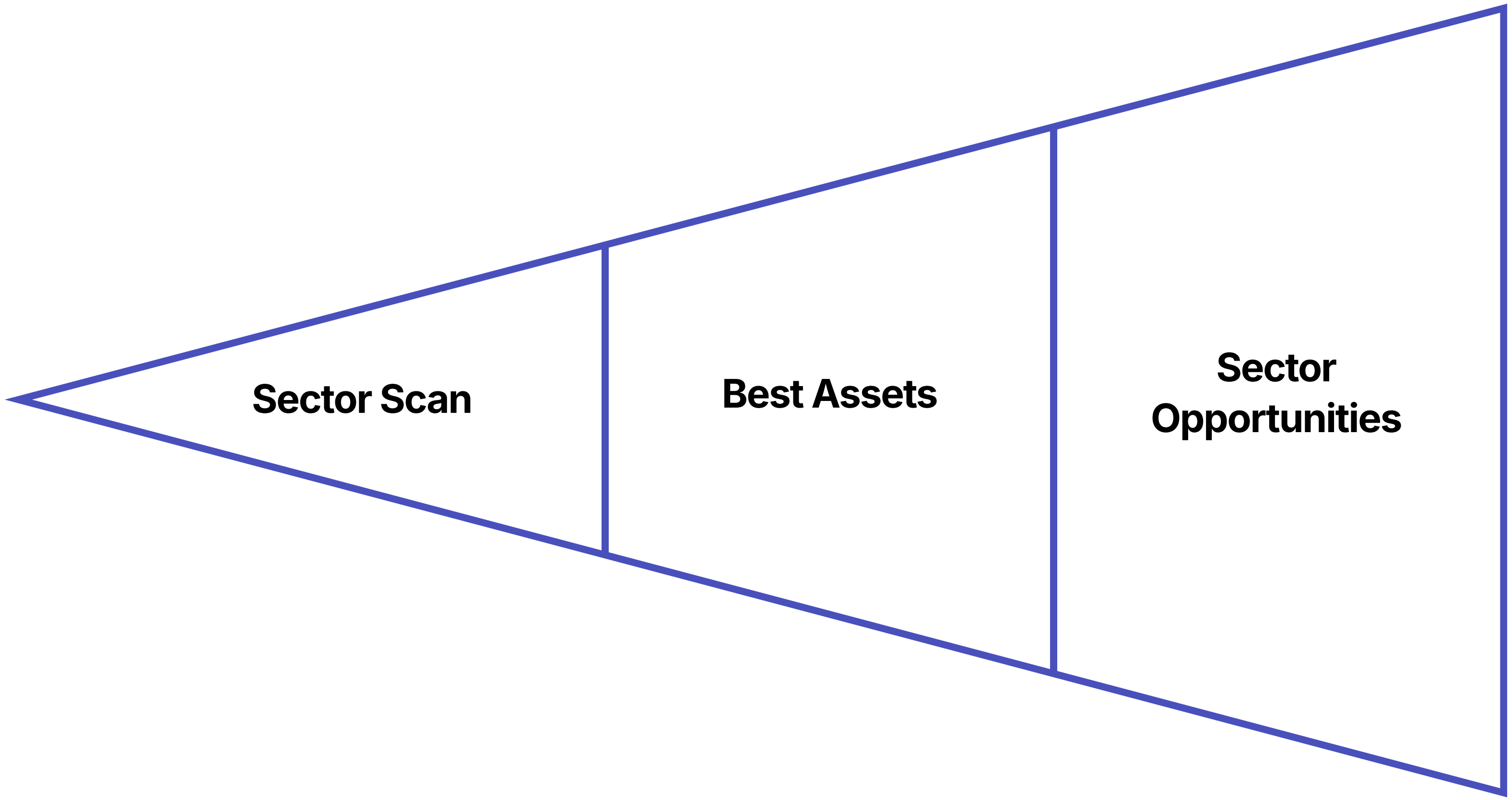
Opportunity Finder

StrategyStore — Step 02

After identifying the strongest sectors through the **Scan module**, Opportunity Finder narrows the analysis to individual assets showing the highest probability of delivering attractive risk-adjusted opportunities. Do not search the entire market — search only where capital is already flowing.

Dashboard Workflow

The dashboard should always be read **top to bottom**. Every section progressively narrows the investment universe until only the highest-ranked opportunities remain.

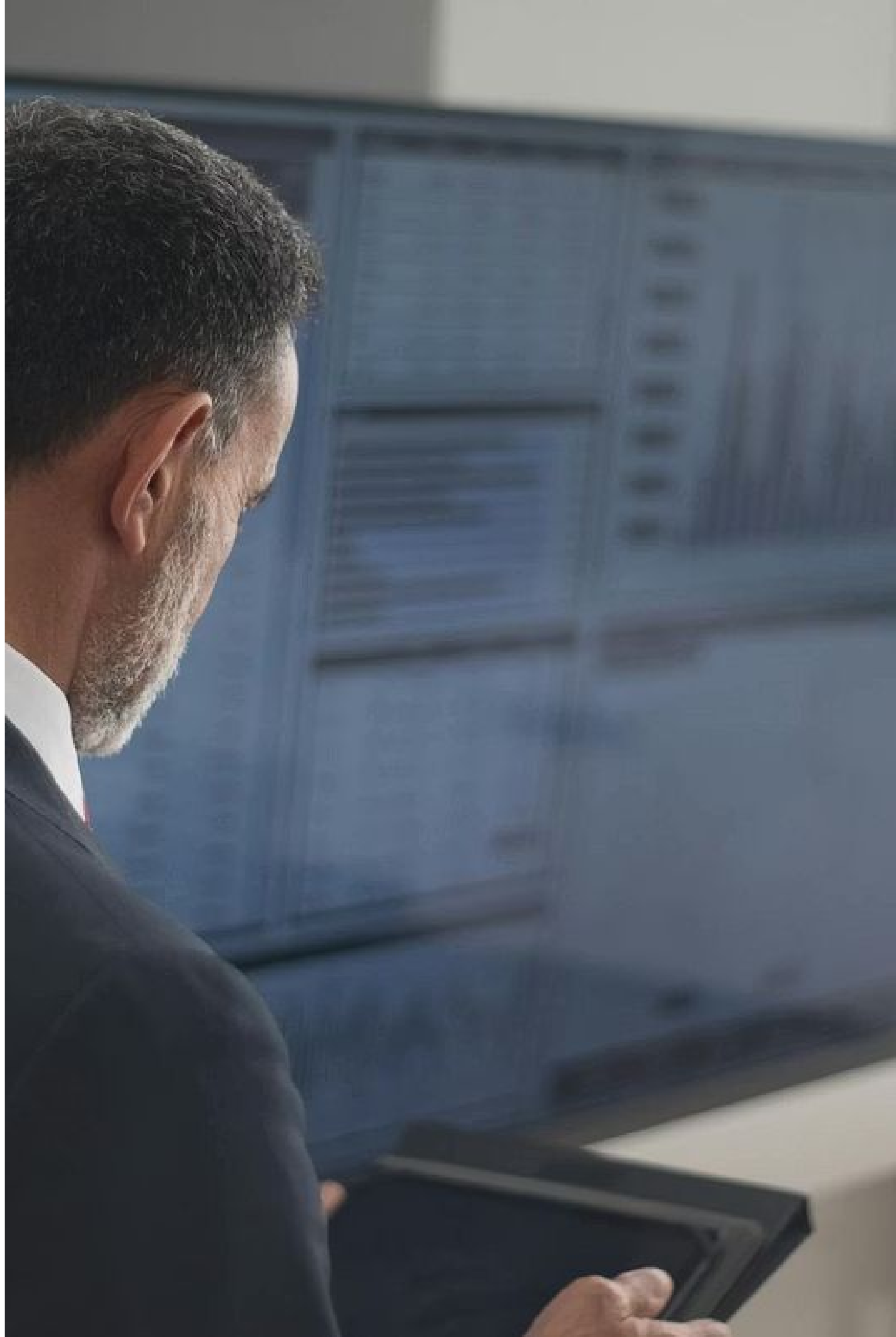


This top-down structure ensures that every decision is grounded in market context before any individual asset is evaluated — reducing noise and focusing capital where probability is highest.

Sector Opportunities

The first panel displays the sectors selected by the **Scan module**. Each card summarizes the current condition of one sector, providing an at-a-glance view of market participation and rotation health.

Only sectors passing the initial market rotation analysis appear in this panel. Sectors that fail the criteria are surfaced separately in the Excluded panel.



Reference ETF

Each sector card displays the reference ETF used to represent the entire industry. This benchmark allows users to monitor broad sector behavior rather than the noise of individual securities — providing a reliable signal of collective capital flow.

Why Use an ETF as Benchmark?

- Reflects aggregate institutional positioning across the sector
- Smooths out single-stock idiosyncratic risk
- Provides a consistent, comparable signal across all sectors
- Aligns individual asset analysis with broader market structure

Candidates

The **Candidates** field displays the number of assets currently qualifying for further analysis within each sector. This metric provides an immediate read on how broadly capital is participating across that industry.

High Candidate Count

Broad internal participation. Multiple assets are moving together, suggesting sector-wide institutional interest rather than isolated pockets of strength.

Low Candidate Count

Narrow participation. Only a handful of names qualify, which may indicate early-stage rotation or selective institutional positioning within the sector.

Sector Status

The **Status** field reflects the current market condition of each sector, derived from its relative rotation trajectory. It determines how aggressively the analyst should engage with opportunities within that sector.

Leading

Capital continues flowing into the sector. Relative strength is improving and momentum is positive. These sectors generally deserve priority in the asset selection process and warrant the highest conviction exposure.

Weakening

The sector remains relatively strong but momentum is slowing. Opportunities may still exist, however asset selection becomes increasingly important. Position sizing should reflect the reduced tailwind environment.

RRG Score

The **Relative Rotation Graph (RRG) Score** is inherited directly from the Scan module. It quantifies the degree of institutional participation relative to the broader market benchmark, reflecting both the direction and strength of capital rotation into the sector.

- **Higher positive values** indicate stronger and accelerating institutional interest
- **Values near zero** suggest neutral or transitioning conditions
- **Negative values** reflect outflows and deteriorating relative strength

The RRG Score is a core input that flows through every stage of the StrategyStore workflow.

+

Positive Score

Institutional capital flowing in. Sector earns selection priority.

0

Neutral Score

Transitioning phase. Monitor closely before committing exposure.

–

Negative Score

Capital outflows detected. Sector excluded from further analysis.

Excluded From Selection

This panel identifies sectors **intentionally removed** from further analysis. These industries currently fail the StrategyStore selection criteria. Understanding what is excluded is as important as understanding what is selected.

Weak Relative Strength

Asset class underperforming the market benchmark on a sustained basis.

Capital Outflows

Persistent institutional selling pressure with no rotation reversal signal.

Stage 4 Structure

Market in late-stage decline. Price action confirms distribution, not accumulation.

Deteriorating Momentum

Trend acceleration reversing, signaling reduced probability of continuation.

Best Assets

Once a sector is selected, the dashboard ranks its strongest candidates according to multiple quantitative factors. Each asset should always be interpreted **as part of its sector context** rather than in isolation — a strong asset inside a weak sector carries far less conviction than the same score inside a Leading sector.

Asset ranking is dynamic. As market conditions evolve, assets move up or down the ranking. Always use the most current dashboard state before making allocation decisions.

Relative Strength

Measures how strongly the asset outperforms its sector peers on a relative basis. This is a comparative metric — it reflects leadership within the group, not absolute price performance. Higher values indicate that institutional money is preferring this name over its alternatives.

How to Interpret

- **High relative strength** → asset is leading its sector peers; receives priority ranking
- **Moderate relative strength** → asset is in line with sector; may warrant monitoring
- **Low relative strength** → asset is lagging; deprioritized regardless of sector score

Relative Strength is one of the most reliable leading indicators of sustained institutional accumulation.

Momentum

The **Momentum** metric measures the acceleration of the current trend. It captures whether the directional move is gaining or losing energy — providing a critical layer of context beyond raw price direction alone.

Positive Momentum

Trend acceleration is increasing. Institutional participation is building. The asset is gaining strength relative to its recent trajectory — a favorable condition for new exposure.

Negative Momentum

Trend is decelerating. Even if price remains elevated, weakening momentum signals that the move may be losing conviction. Caution is warranted; existing exposure should be reviewed.

Risk

The **Risk** metric estimates the current level of market exposure risk associated with the asset. It is a core filter — not an afterthought. **Risk must always be evaluated before opportunity.**

Low

Favorable

Conditions support new or increased exposure. Probability-adjusted returns are more attractive at lower risk environments.

Mid

Moderate

Acceptable conditions with appropriate position sizing. Monitor closely as conditions evolve.

High

Elevated

Greater caution is required. Higher risk environments demand reduced position sizes or abstention from new exposure.

Forecast

The **Forecast** score represents the expected directional strength generated by the StrategyStore quantitative model. It synthesizes multiple market variables — including trend, momentum, relative strength, and volatility regime — into a single forward-looking probability score.

- **Higher positive values** → stronger expected continuation of current trend
- **Values near zero** → uncertain or transitioning environment
- **Negative values** → model signals potential reversal or deterioration

Forecast is **not a prediction**.

It is a **probability score** derived from multiple market variables — designed to indicate which scenarios carry statistically higher continuation probability, not to guarantee any specific outcome.

Asset Status

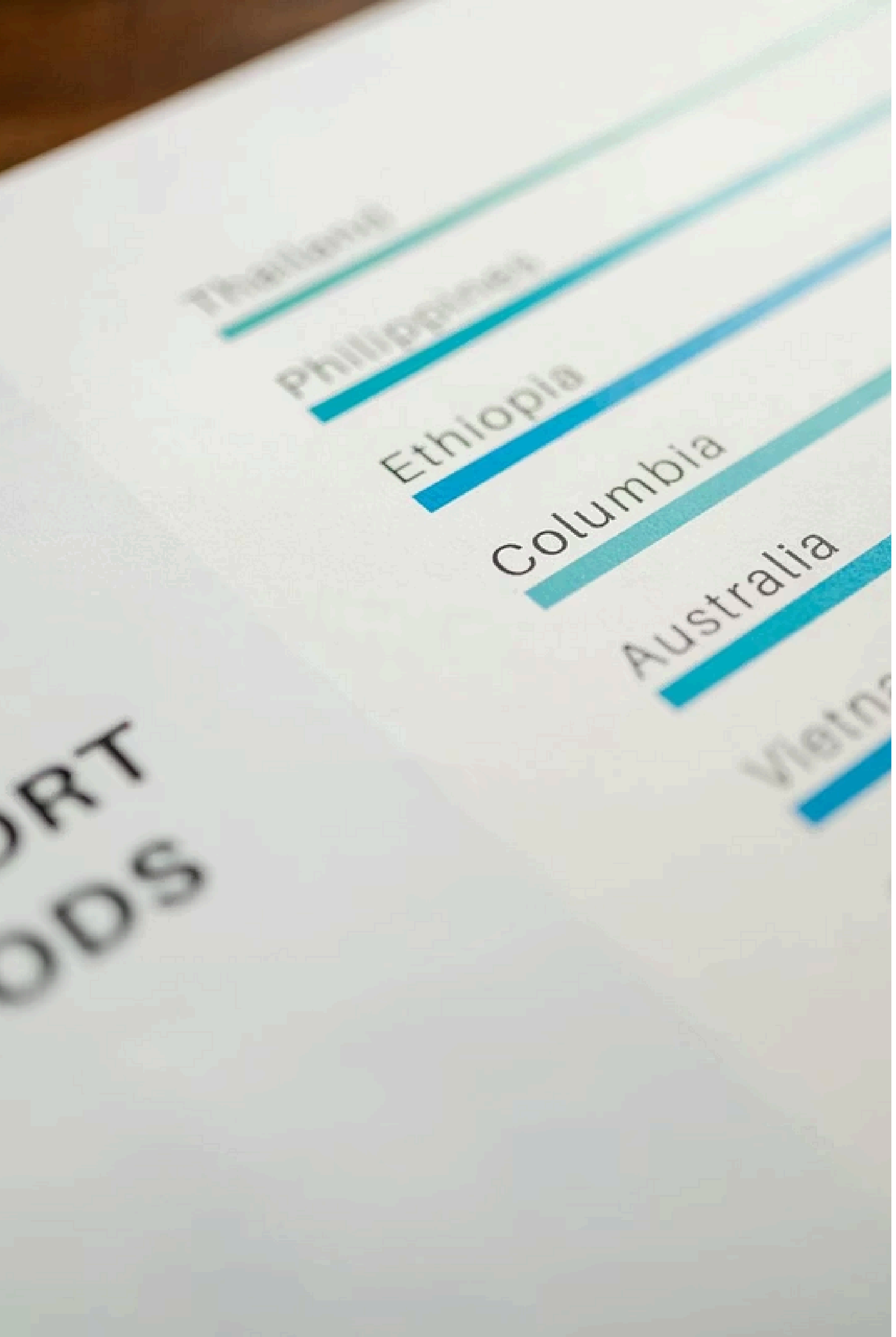
The **Status** field is the final operational classification assigned to each asset after all quantitative filters have been applied. It translates the full scoring model into a clear, actionable signal.

BUY

The asset currently satisfies all StrategyStore selection criteria across relative strength, momentum, risk, and forecast dimensions. This status indicates the asset is an actionable candidate eligible for inclusion in the investment process.

WATCH

The asset remains technically interesting but does not yet meet every required condition. Active monitoring is recommended. The asset may graduate to BUY status as conditions evolve, or it may weaken further and fall out of the ranked universe.



Risk & Forecast

This panel surfaces the **highest-ranked opportunities across every selected sector simultaneously**. Unlike the Best Assets table — which evaluates one industry at a time — the Risk & Forecast dashboard enables direct cross-sector comparison of all qualified assets through three core dimensions: Opportunity Score, Risk Score, and Forecast Score.

Opportunity Score

A composite measure of the overall attractiveness of the asset. It aggregates technical strength, relative performance against sector peers, and structural positioning into a single normalized score.

What Higher Scores Indicate

A high Opportunity Score signals that the asset is demonstrating superior technical and relative conditions compared to its peers across all evaluated sectors. It reflects:

- Above-average relative strength within its sector
- Positive and accelerating momentum profile
- Favorable structural positioning relative to long-term price history

Risk Score

The **Risk Score** in the cross-sector panel reflects the current estimated exposure risk of each asset in a directly comparable format. This enables side-by-side evaluation of which opportunities carry the most attractive risk profiles — independent of sector.

Lower Scores Are Preferred

A low Risk Score indicates that the current market environment for this asset presents more controlled downside exposure. Lower-risk assets should be prioritized when Opportunity and Forecast scores are comparable.

Risk Filters Opportunity

An asset with a high Opportunity Score but an elevated Risk Score is not a high-conviction candidate. Risk must be assessed alongside — not after — the attractiveness of the opportunity.

Dynamic and Recalculated

Risk Scores are recalculated continuously as market conditions evolve. An asset's risk profile can shift meaningfully across days or weeks as volatility regimes change.

Forecast Score

The cross-sector **Forecast Score** measures the expected strength of the current market scenario for each asset. When evaluated across all selected sectors simultaneously, it allows analysts to identify which assets carry the strongest continuation probability relative to the full qualified universe — not just within a single industry.

Higher Forecast Scores suggest the model has detected multiple confirming signals across the evaluated variables, increasing the statistical weight behind the directional thesis.

High Forecast

Multiple model variables confirm directional strength. Stronger continuation probability.

Low Forecast

Weak or conflicting signals. Lower statistical confidence in continuation.

Decision Framework

The StrategyStore methodology follows a **structured top-down process** designed to systematically eliminate low-probability candidates at every stage before capital is committed.

01

Identify Capital Flows

Determine where institutional capital is actively rotating using the Scan module's RRG analysis.

02

Select Strong Sectors

Retain only sectors demonstrating confirmed relative strength and Leading or Weakening status.

03

Rank Assets

Score and rank every qualifying asset within selected sectors by Relative Strength, Momentum, Risk, and Forecast.

04

Cross-Sector Comparison

Compare Opportunity, Risk, and Forecast Scores simultaneously across all sectors to identify the statistically strongest names.

05

Select High-Conviction Candidates

Prioritize only assets combining High Opportunity, Low Risk, Strong Forecast, BUY status, and leadership within a Leading sector.

Philosophy

> The objective is not to find *more* opportunities. The objective is to identify *better* ones.

Opportunity Finder does not attempt to predict the market. It **systematically reduces** thousands of possible investments into a small number of statistically stronger candidates — by combining sector rotation analysis, relative strength ranking, risk estimation, and multi-variable forecast modeling into a single coherent workflow.

Every filter exists to protect capital from low-probability environments. Every score exists to surface the scenarios where the probability of a favorable outcome is demonstrably higher than the market average. Discipline in process produces discipline in results.