

Realized-Implied Volatility Gap Rank

Short-history option-volatility ranking diagnostics across listed equity underlyings.

FAMILY Option-volatility cross-section	UNIVERSE Listed equity underlyings with local option-volatility fields	RESEARCH HORIZON 63d
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Executive Summary

Realized-Implied Volatility Gap Rank evaluates whether an option-volatility gap helps rank listed equity underlyings. The available local option-volatility history is shorter than ten years, so this is treated as secondary short-history evidence.

Preferred horizon	63d
63d rank spread	1.31%
Rank IC	0.014
Long-leg return	9.69%
Underlying count	1,577

Observations

1. Ranking evidence is clearest at the longest tested option-volatility horizon.
2. The horizon profile is positive but not uniformly strong across yearly splits.
3. The signal is a secondary research candidate pending longer local option-volatility history.

Data and Research Setup

The setup evaluates option-volatility ranking diagnostics on listed equity underlyings over the available local history.

UNIVERSE

Listed equity underlyings with local implied-volatility and realised-volatility fields. Current instruments are not shown.

INPUTS

Historical option-volatility fields and forward underlying returns aligned to a common research date grid.

COMPARISON BASIS

Displayed rows use the same universe, date grid and forward-return convention across tested horizons.

OUTPUT BOUNDARY

The figures are short-history research diagnostics. They do not present current option positions or instrument rankings.

Signal Methodology

Without disclosing the exact functional, the construction proceeds along three conceptual steps.

STEP 1

Volatility-gap evidence

The construction measures a peer-relative volatility gap without disclosing the exact functional form.

STEP 2

Cross-sectional ranking

Underlyings are ranked against peers within the available option-volatility research panel.

STEP 3

Forward evaluation

Ranked groups are compared over fixed forward horizons to measure top-minus-bottom behaviour.

The description is intentionally conceptual. Formula details, exact construction rules and implementation parameters are not disclosed.

Results and Horizon Context

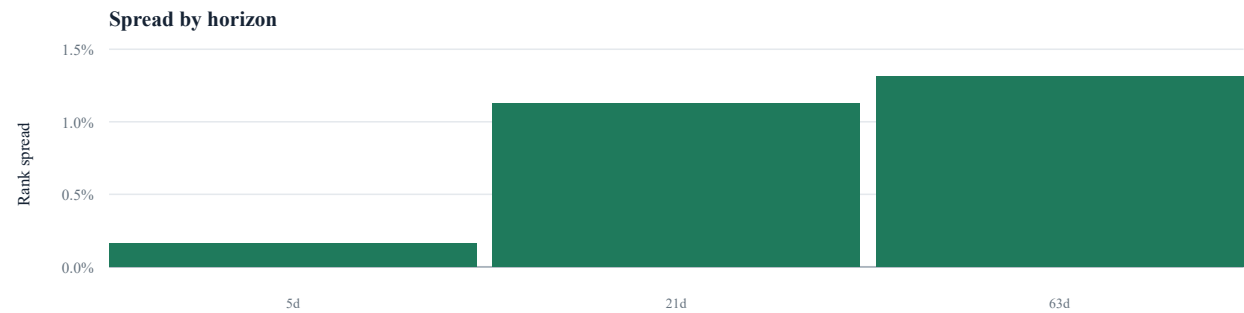


Figure 1. Top-minus-bottom spread across tested option-volatility horizons. The chart is a horizon diagnostic, not a cumulative portfolio return path.

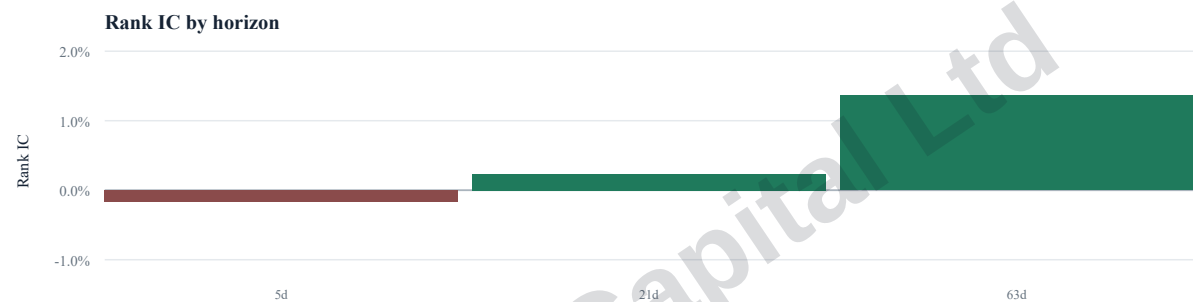


Figure 2. Spearman rank IC across the same tested horizons.

Horizon	Rank spread	Rank IC	Long-leg return	Turnover
5d	0.16%	-0.002	0.77%	not estimated
21d	1.13%	0.002	3.57%	not estimated
63d	1.31%	0.014	9.69%	not estimated

Local option-volatility history starts in 2019, so the note is retained as secondary short-history evidence.

Stability and Robustness

Robustness is assessed from the horizon shape and the fraction of positive yearly splits available in the short-history panel.

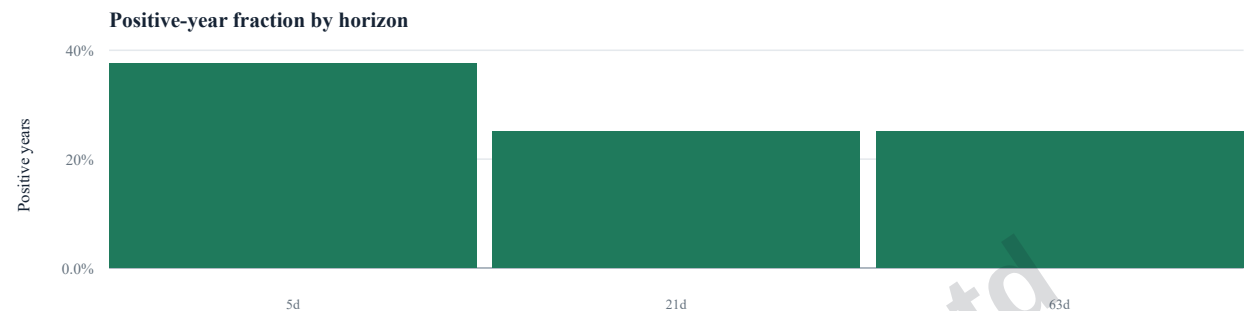


Figure 3. Fraction of yearly splits with positive top-minus-bottom spread across tested horizons.

Horizon	Rank spread	Positive years	Available history
5d	0.16%	37.50%	7.1 years
21d	1.13%	25.00%	7.0 years
63d	1.31%	25.00%	6.8 years

The preferred row uses roughly 6.8 years of available local option-volatility history. That is useful for secondary research context but not long enough to support a broader conclusion.

Research Interpretation

Realized-Implied Volatility Gap Rank is retained in the research library as a secondary option-volatility research candidate.

ROLE

Secondary research candidate.

CAPTURES

Relative option-volatility pricing pressure across listed equity underlyings.

USE

Option-volatility comparator or filter candidate inside broader systematic allocation research.

LIMITATIONS

Local option-volatility history starts in 2019, so the note is retained as secondary short-history evidence. The note does not disclose construction details, current underlyings, execution assumptions or product suitability.