Strike Algo: Systematic Momentum in U.S.-Listed Equities

Strike Algo is a rules-based momentum system. It ranks a broad universe of liquid U.S.-listed stocks by the strength of their price trend and holds the names at the top of that ranking. The tear sheet behind this paper scores an average of 453 stocks per day, sorts them into ten groups, and concentrates capital in the strongest group. Positions are long only, and the account stays close to fully invested.

Buying Strength That Has Already Shown Up

Momentum is one of the most studied effects in finance. Jegadeesh and Titman (1993) documented that recent winners tend to keep outperforming recent losers over the following months. George and Hwang (2004) and Moskowitz, Ooi and Pedersen (2012) extended the finding across signals and asset classes. Strike is built on that principle. It does not forecast, and it does not try to call turning points. It waits for strength to appear in the price, then owns it for as long as the ranking holds.

A Ranked View of the Whole Universe

Because every stock in the universe is scored on the same scale each day, Strike sees leadership as it rotates between sectors and themes. Over the period, the book has moved through gold miners, software, semiconductors, power producers, space and crypto-linked names as each took the lead. No sector is chosen by hand. A stock enters when it ranks at the top and leaves when it no longer does.

Rebalanced on a Fixed Monthly Schedule

Strike rebalances about once a month. Across the six and a half years shown here, it traded on 86 days and placed 2,239 trades, with average daily turnover of 4.6%. The fixed schedule keeps decisions out of the hands of emotion during volatile weeks and keeps costs low. Modeled commission and slippage total $290 per $1 million traded.

The Design Priorities Behind Strike

Strike was engineered around three priorities:

1. **Selection:** Owning only the top-ranked momentum names, where the measured edge is concentrated.
2. **Discipline:** Following a fixed monthly process with no discretionary overrides, in strong markets and weak ones.
3. **Control:** Running in the client's own Interactive Brokers account. Capital B28 does not hold or pool client funds.

Returns Come in Bursts, and Drawdowns Are Part of It

Momentum does not pay evenly. Most of Strike's gain came from a handful of strong stretches in 2020, 2024 and 2026, while 2021 through 2023 were modest. The strategy is also more volatile than the benchmark. Annualized volatility is 35.95% against 17.36%, the deepest drawdown is -37.01% against -25.36%, and the worst month is -22.89%. As of 7 October 2026, the account sits 12.5% below its June 2026 high. Anyone running Strike should expect and plan for moves of this size.

One Platform Around the Strategy

Clients follow the strategy through the Strike dashboard, which shows portfolio value, total return, CAGR and live positions. The signal panel lists the top momentum names and updates daily. Simulation and paper trading modes are available before going live.

Performance Record

All figures in this paper come from the Strike strategy tear sheet for 1 April 2020 to 7 October 2026. It starts from a $100,000 account and is shown after modeled commission and slippage. Returns are compared with the benchmark over the same dates.

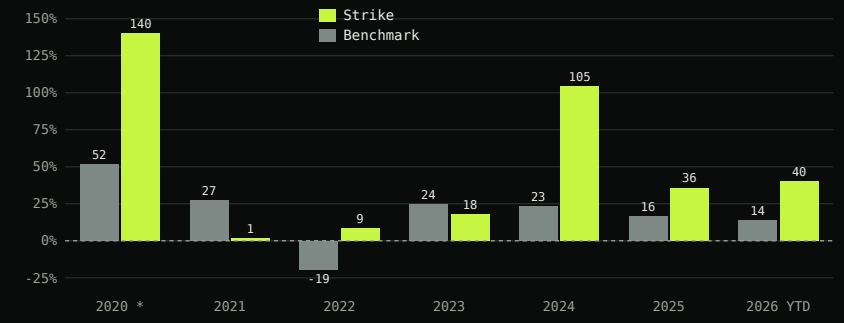
TOTAL RETURN	CAGR	SHARPE	MAX DRAWDOWN
1,114.9%	46.7%	1.25	-37.0%
Benchmark 215.8%	Benchmark 19.3%	Benchmark 1.11	Benchmark -25.4%

Cumulative Returns vs Benchmark

Growth of $100 (Log Scaled)

Drawdown from Peak (Underwater)

End-of-Year Returns vs Benchmark (%)



* 2020 covers 1 April to 31 December. 2026 is year to date through 7 October.

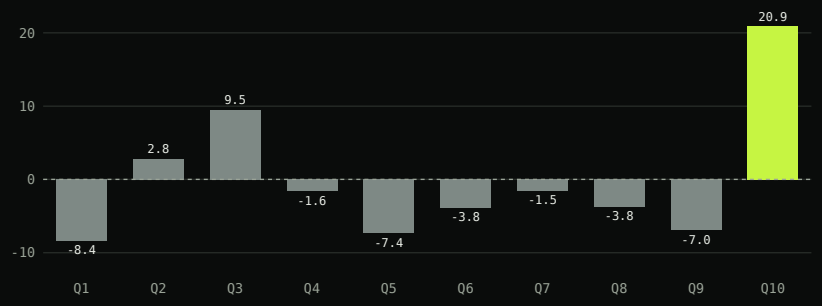
Key Performance Metrics

Metric	Benchmark	Strike
Start	2020-04-01	2020-04-01
End	2026-10-07	2026-10-07
Risk-Free Rate	0.0%	0.0%
Time in Market	100.0%	99.9%
Cumulative Return	215.75%	1,114.87%
CAGR	19.30%	46.70%
Sharpe	1.11	1.25
Sortino	1.62	1.80
Monthly Sharpe	1.07	1.21
Monthly Sortino	1.84	2.51
Calmar	0.76	1.26
Max Drawdown	-25.36%	-37.01%
Max DD Date	2022-10-12	2026-07-29
Max DD Period Start	2022-01-03	2026-06-22
Max DD Period End	2024-01-19	Not yet recovered
Longest DD Days	745	1072
Avg. Drawdown	-1.77%	-4.54%
Avg. Drawdown Days	16.2	24.9
Volatility (ann.)	17.36%	35.95%
Daily Skew	0.21	-0.22
Daily Kurtosis	7.86	2.54
Daily Value-at-Risk (95%)	-1.72%	-3.55%
MTD	1.91%	3.16%
3M	3.95%	9.38%
6M	17.90%	23.44%
YTD	13.98%	40.41%
1Y	16.16%	29.32%
3Y (ann.)	21.64%	65.11%
5Y (ann.)	12.12%	36.43%
Since Inception (ann.)	19.30%	46.70%
Best Day	10.50%	14.51%
Worst Day	-5.85%	-9.99%
Best Month	18.01%	33.70%
Worst Month	-9.62%	-22.89%
Best Year (calendar)	27.04%	104.58%
Worst Year (calendar)	-19.48%	1.39%
Avg. Up Month	3.93%	8.73%
Avg. Down Month	-3.49%	-6.09%
Win Days	54.86%	55.71%
Win Month	65.82%	64.56%
Win Quarter	77.78%	66.67%
Win Year	85.71%	100.00%
Win 12M (rolling)	82.35%	88.24%
Beta	-	1.26
Alpha (ann.)	-	0.21
Correlation	-	60.96%

Strike Monthly Returns (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2020				24.6	12.7	14.5	14.1	8.2	-4.0	-6.6	33.7	1.1	**140.4**
2021	13.2	-2.3	-9.7	4.0	2.5	1.2	-5.6	3.8	-1.0	6.5	-6.0	-3.0	**1.4**
2022	-3.1	3.3	6.0	-4.0	15.0	-18.5	14.0	2.1	-9.8	14.2	2.1	-7.0	**8.7**
2023	2.6	-0.5	-2.0	0.3	1.9	5.4	2.7	-3.2	-4.4	-4.4	15.2	4.2	**17.6**
2024	5.5	32.6	8.6	-3.8	11.7	-0.3	2.2	6.3	6.5	2.8	12.7	-6.3	**104.6**
2025	10.8	-7.1	-8.0	7.6	4.4	7.3	5.6	2.0	14.8	10.1	-8.1	-4.8	**35.8**
2026	17.1	3.9	-11.8	24.9	14.8	-2.2	-22.9	3.6	13.1	3.2			**40.4**

Mean Return by Momentum Decile, 21-Day Horizon (bps)



Where the Edge Sits

The factor tear sheet splits the universe into ten groups by momentum score, Q1 the weakest and Q10 the strongest. At a 21-day horizon, the top group averaged +20.9 bps and the bottom group -8.4 bps, a spread of 27.8 bps.

The middle groups show no clear pattern. The edge is concentrated in the top group, which is the only one Strike owns. The signal is also persistent. Rank autocorrelation is 0.83 at 21 days, and the information coefficient is statistically significant at 21 days and beyond (t-stat 2.10 at 21 days, 5.64 at 63 days).

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Past performance does not guarantee future results. Figures are taken from the strategy tear sheet for the dates shown and reflect modeled commission and slippage. Where results are backtested or simulated, they are hypothetical, are prepared with the benefit of hindsight, and do not represent trading in any client account. Individual results will differ with account size, timing of entry, fills, fees, and taxes. No representation is made that any account will achieve similar results.

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Capital B28 provides software. It is not a registered investment adviser or broker-dealer, and it does not manage client funds. Its role is limited to delivering the Strike product and supporting clients who use it.

Fund Custody

Capital B28 does not hold or control client funds. Strike runs in the client's own Interactive Brokers account. All deposits, withdrawals, and positions remain with the broker, in the client's name.

Legal & Jurisdictional Disclaimer

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Risk Warning

Trading carries a high level of risk and may result in the loss of your capital. Momentum strategies are concentrated and volatile and can fall sharply and quickly. Algorithmic systems also carry technology risk, including software errors, data problems, and connectivity failures. Do not trade with money you cannot afford to lose. Seek independent financial advice if you do not fully understand these risks.