

Finding winners in a risk on/risk off world

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Rollinger says, "Much of the choppiness seen by globally diversified trend followers is indeed linked to the risk on/risk off phenomenon. That phenomenon, however, has not been problematic in the long/short commodity space."

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This gives an edge to programs concentrating on physical commodities... "Tangible commodities such as corn, wheat and sugar behave differently and in a more predictable manner than financial markets," says Rollinger who launched a commodity-focused long/short program this year. "Fundamentals appear to play out more normally in physical commodities markets. Supply, demand, weather, etc. often-times create short-term, directional volatility bursts that our strategy is designed to capture."

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