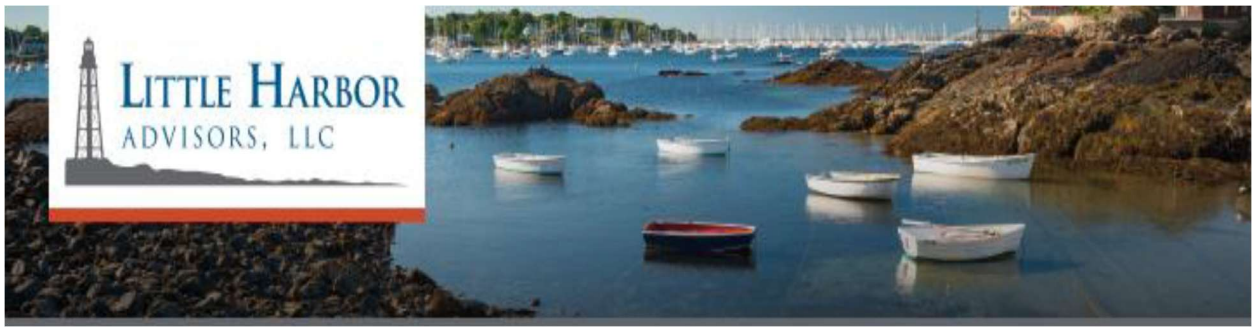


The Volatility Watch

A Weekly Commentary On The Volatility Marketplace

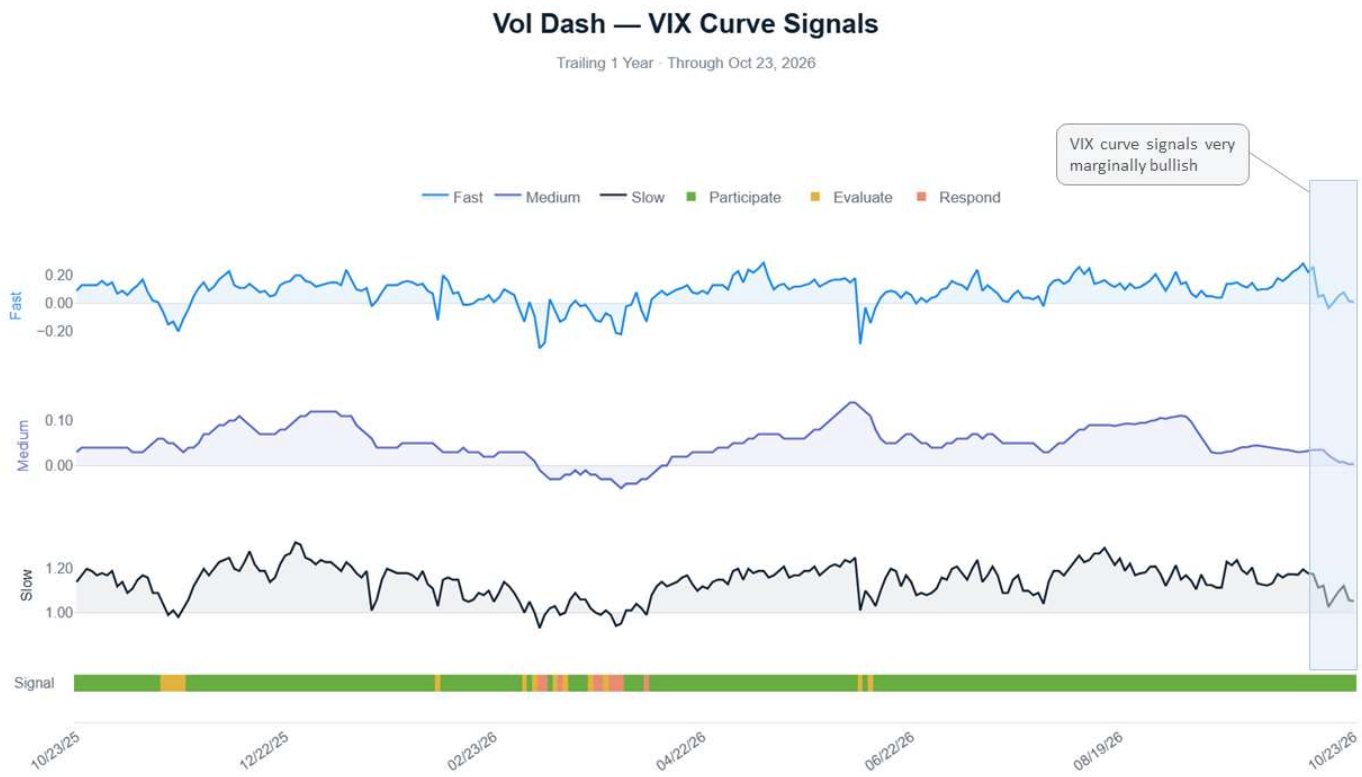
Free weekly delivery

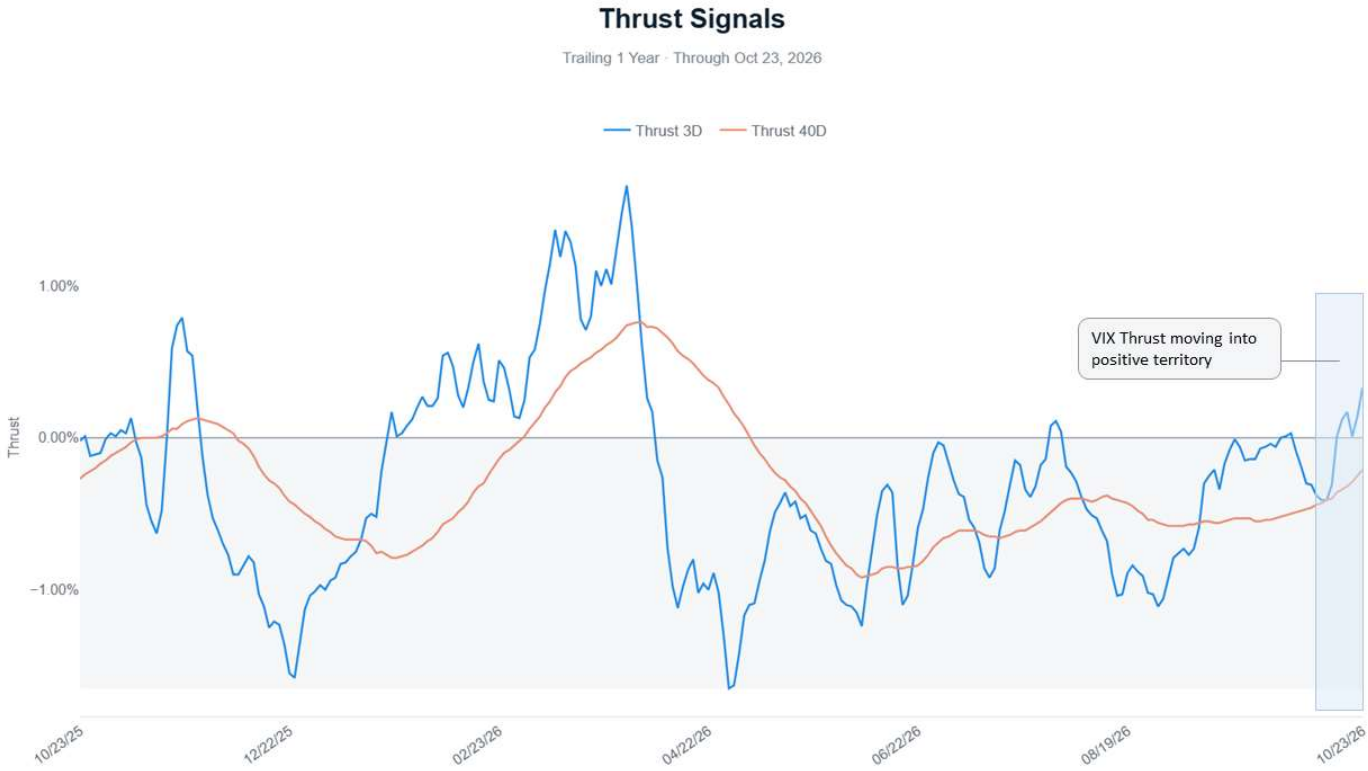
For Week Ending 10/23/2026:

After significant chop in both directions, stocks ended modestly lower last week amid lingering questions about the returns on heavy AI spending and the impacts of rising oil prices. The headline indexes obscured healthier participation beneath the surface: the Russell 2000 gained 2.0%, roughly two-thirds of S&P 500 constituents advanced for the week, and eight of 11 sectors finished higher.

The VIX ended the week near the informal bull/bear threshold of 20, a substantial premium to comparatively subdued realized volatility. Together with intermittent intraday inversion in the VIX futures curve, this suggested rising but measured demand for protection. Although the Curve signals finished each session in marginally bullish territory, intraday flickering prompted an increase in exposure during the week before portfolios ultimately returned to a modestly defensive posture, with reduced equity exposure and initial VIX allocations.

The coming week combines a Federal Reserve decision with several consequential economic and earnings reports. The Fed meets October 27–28, with markets generally expecting rates to remain unchanged. Alphabet and Microsoft report Wednesday, followed by Amazon Thursday, placing AI spending and monetization back at the center of the market conversation. Thursday also brings the advance estimate of third-quarter GDP and September PCE inflation, while oil prices and Middle East developments remain important sources of inflation and market risk.

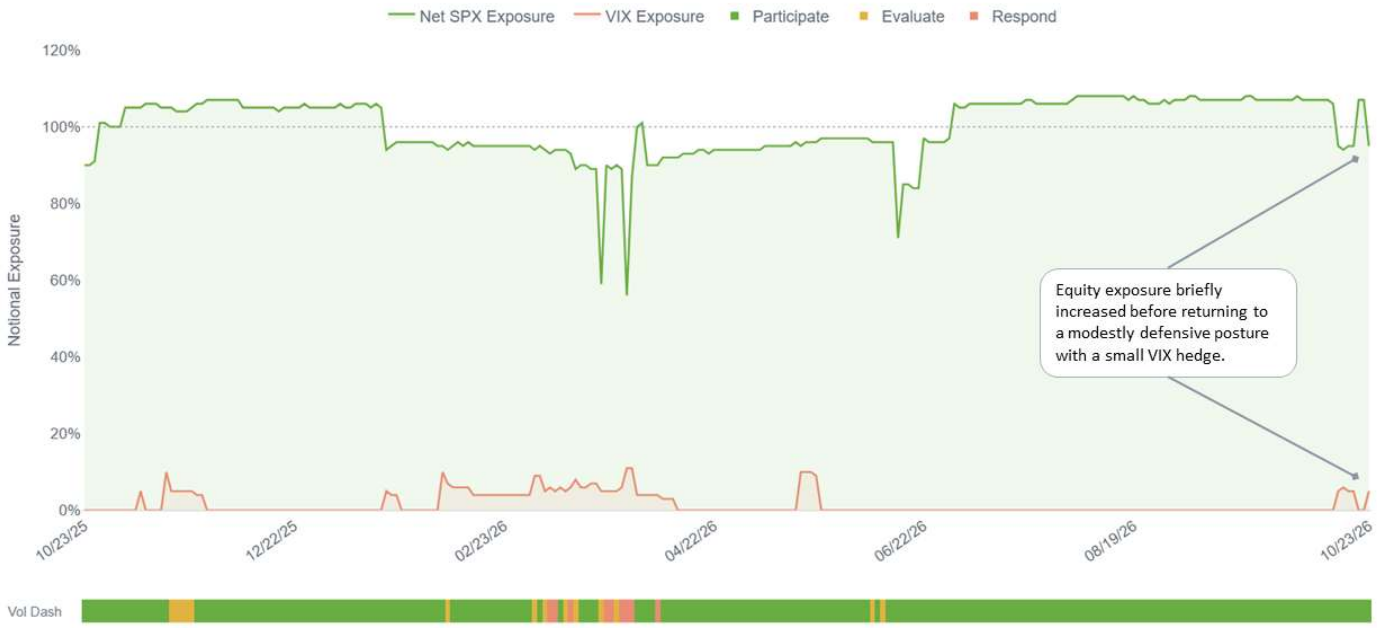




Tactical Beta and Tactical Q ended with approximately 95% equity exposure while retaining modest VIX exposure of approximately 5%.

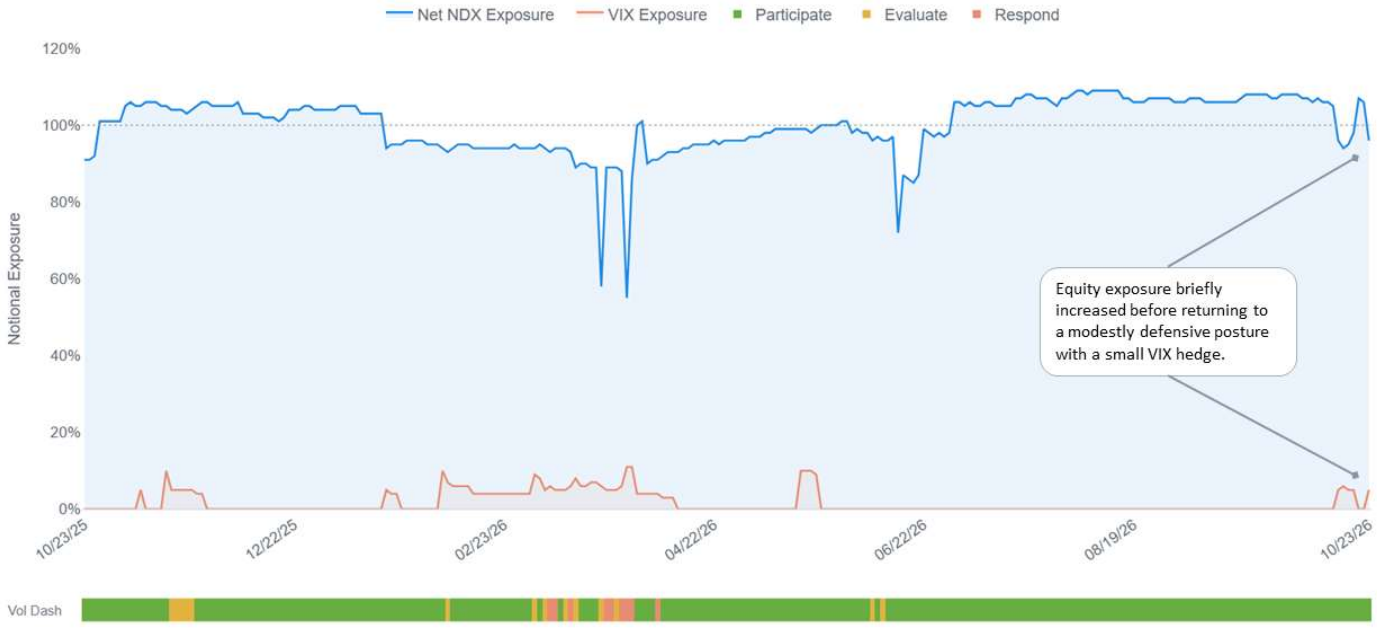
Tactical Beta Portfolio Exposure History

Trailing 1 Year · Through Oct 23, 2026



Tactical Q Portfolio Exposure History

Trailing 1 Year · Through Oct 23, 2026



Disclosure

Investing involves risk, including the possible loss of principal.

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The Tactical Q Strategy and Tactical Beta Strategy are alternative investment strategies. In pursuing the Tactical Q Strategy and Tactical Beta Strategy, the portfolio managers may invest assets in alternative investments. Alternative investment strategies are investments that are less commonplace than traditional, long holdings of just stocks and bonds that are widely traded and are not suitable for all investors. Frequently, alternative investment strategies are available in the form of interests in pooled investment vehicles. Interests in these vehicles are not registered with SEC and are available to sophisticated investors. Alternative investment strategies involve substantial investment risks and typically have widely ranging return and volatility characteristics.

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VIX is the ticker symbol for the Chicago Board Options Exchange (Cboe) Volatility Index, which shows the market's expectation of 30-day volatility. References to the S&P 500®, the S&P, and to the market generally are to the Standard & Poor's 500® Index (SPX), a market-capitalization-weighted index of 500 leading companies in leading industries of the U.S. economy that does not include reinvestment of dividends in the calculation of index total return. The Volatility Dashboard™ is a trademark of TCM. Little Harbor Advisors, LLC at 781.639.3000 and www.littleharboradvisors.com