How RegimeSignal Picks Stocks

The Core and Monthly methods: design, testing and 26 years of history

By the RegimeSignal Team

Research paper · November 2026 · figures through the November 4, 2026 close

Important: This paper is general research, not investment advice and not a recommendation to buy, sell or hold any security. Nearly all results shown are hypothetical backtests, which have serious limitations and were prepared with the benefit of hindsight; no actual account earned them. Stock investing involves risk, including loss of principal, and both methods described here have fallen further than the S&P 500 in past sell-offs. Past results, real or hypothetical, do not indicate future results. Read the full disclosures on the last page before relying on anything in this paper.

Summary

RegimeSignal ranks every stock in the S&P 500 each month and publishes two model portfolios built from that work. Both are tested the same way: a walk-forward backtest that uses only information available at the time, the index membership as it actually stood each month, and a trading cost on every change. Since October 2026 every pick is also recorded live at the month-end close and scored as it stands.

	Core Stock Picks	Monthly Stock Picks	S&P 500
Return a year, 15 years	20.3%	16.5%	14.8%
Return a year, 20 years	—	15.7%	10.9%
Calendar years ahead of the S&P 500	12 of 15 (80%)	18 of 25 (72%)	—
Rebuilt	Every quarter	Every month	—
Worst fall, Feb 2010 to now (adverse)	−29.2%	−39.9%	−23.9%

Backtest results through September 2026, live from October 2026. Core has no 20-year figure because its company-filing data begins in 2010. Hypothetical results, not an account.

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Why two methods

A ranking model that reads price behavior and money flows moves quickly, so it works best when the list is refreshed often. Company value measures from financial filings move slowly, so they suit a list held for a quarter. Each idea holds up on its own; together they give investors a choice between a faster list with a longer record and a steadier list with stronger results since 2010.

The ranking model

At each month-end close the model scores every S&P 500 stock on how likely it is to beat the average stock over the next month. It weighs price momentum and short-term reversal, volatility and beta, trend, trading liquidity and money flow, the strength of the stock's sector, and the market environment (interest rates, the Federal Reserve, the yield curve, inflation and the index's own trend). No single input decides a pick, and the exact weighting is proprietary.

- **Walk-forward:** the model is refit each January using only earlier data, so no month in the history was scored by a model that had already seen it.
- **Real index membership:** each month uses the S&P 500 members as they stood that month, including companies later removed, wherever their prices exist.
- **Trading costs:** 0.35% is charged on every unit of turnover at each rebuild.

Monthly Stock Picks

The highest-ranked tenth of the S&P 500, about 50 stocks, with no sector above 40% of the list, equal-weighted and rebuilt at every month-end. It is the longer record of the two, starting in February 2000.

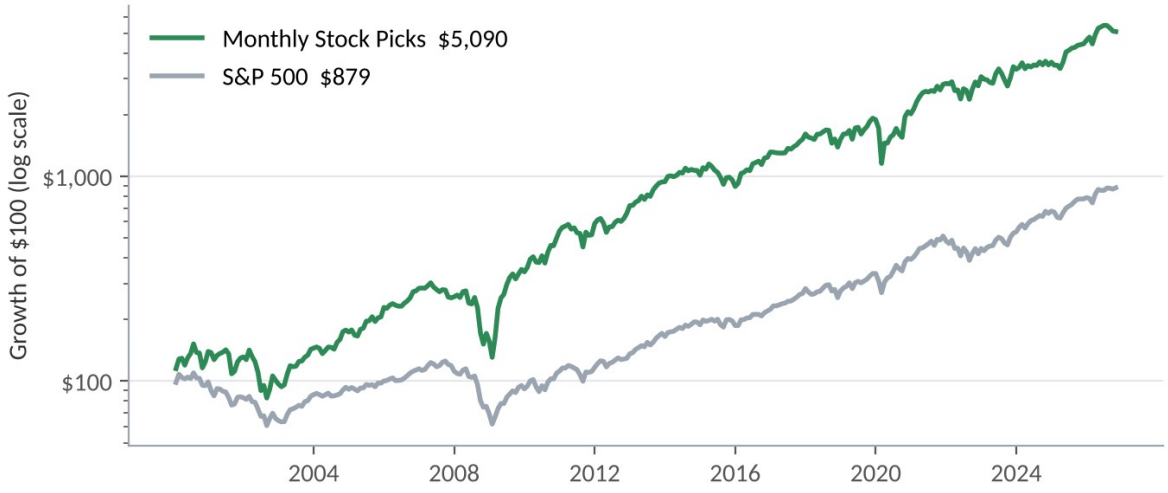


Figure 1. Monthly Stock Picks against the S&P 500, February 2000 to November 4, 2026. $100 grew to about $5,090 against about $880 for the S&P 500 with dividends. Backtest to September 2026, live from October 2026.

Over the full period the list returned 15.8% a year against 8.4% for the S&P 500 and was ahead in 18 of 25 calendar years. It also carried more risk: a worst fall of −56.8% against −50.8% for the index over the same years, which include 2008.

Core Stock Picks

Core adds what a price-based model cannot see: what the business earns and generates for the price paid. Each stock is ranked on four value measures taken from SEC filings as they were first filed, so later restatements never leak into the past:

- **Free cash flow yield:** cash the business generates per dollar of price
- **Sales yield:** price paid per dollar of sales
- **Earnings yield:** the inverse of the price-to-earnings ratio
- **Growth-adjusted value:** earnings growth relative to price

That value rank is averaged with the ranking model, so the list holds companies that are both reasonably priced and in favor, rather than cheap and still falling. The top tenth of the scored S&P 500 is held, with no sector above 40%, equal-weighted and rebuilt at the January, April, July and October month-ends.

Tested on years it never saw. The Core rule was chosen using 2011 to 2017 data only, then checked on 2018 to September 2026, years it had not seen: 17.5% a year against 14.5% for the S&P 500.

Results on the same years

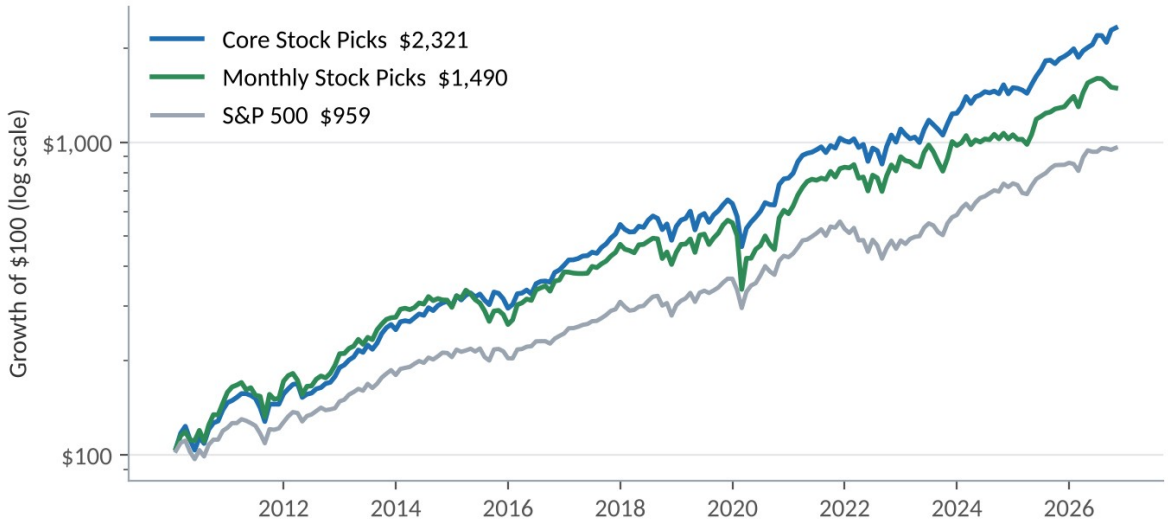


Figure 2. Growth of $100, February 2010 to November 4, 2026, the years both methods cover.

February 2010 to November 4, 2026	Core Stock Picks	Monthly Stock Picks	S&P 500
Return a year	20.5%	17.4%	14.4%
Sharpe ratio (return per unit of risk)	1.03	0.77	0.91
Rolling 5-year periods ahead of the S&P 500	100%	78%	—
Rolling 3-year periods ahead of the S&P 500	94%	59%	—
Annual volatility (adverse)	18.4%	22.3%	14.2%
Beta to the S&P 500 (adverse)	1.16	1.35	1.00
Worst fall from a peak (adverse)	−29.2%	−39.9%	−23.9%

Sharpe uses the 3-month Treasury bill as the risk-free rate. Rolling periods step forward one month at a time.

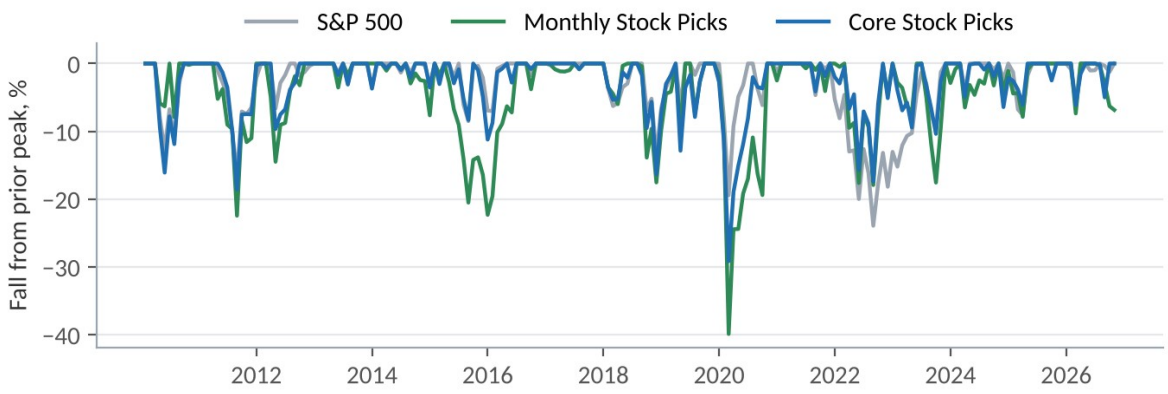


Figure 3. Falls from the prior peak, February 2010 to November 4, 2026. Both lists fell further than the index in the sharpest sell-offs.

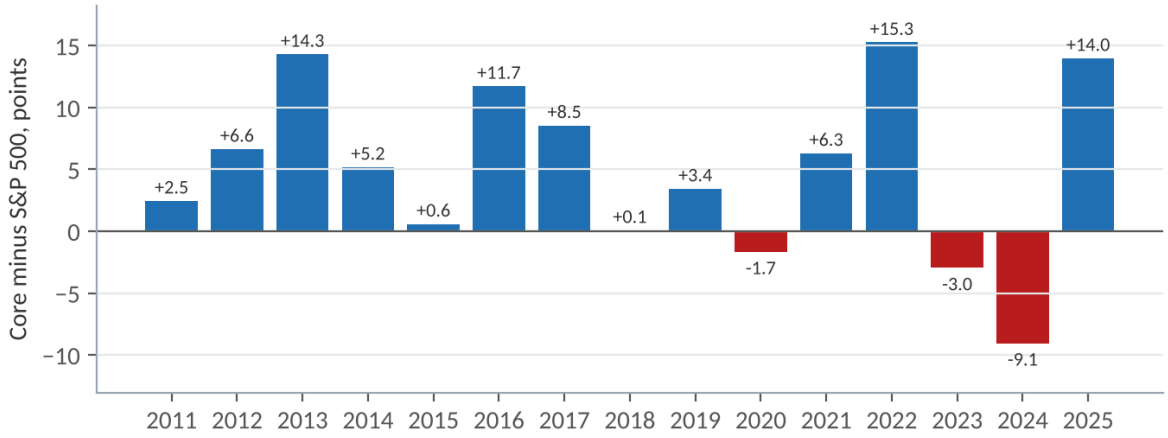


Figure 4. Core Stock Picks minus the S&P 500, each calendar year 2011 to 2025, in percentage points. Ahead in 12 of 15 years.

The last completed lists, stock by stock

Current lists are for subscribers. These are the most recent lists whose holding period has ended, with every result as recorded by the server. Price change only, before dividends; the S&P 500 figure is over the same days.

Core Stock Picks, chosen July 31, 2026. Held July 31 to October 30, 2026 (August and September rebuilt from filings public at the time; October recorded live): the 49 stocks averaged +5.7% against +1.4% for the S&P 500; 29 of 49 beat the index.

Ticker	Company	Sector	Result
IT	Gartner	Information Technology	+51.5%
PTC	PTC Inc.	Information Technology	+42.5%
GDDY	GoDaddy	Information Technology	+41.7%
CRM	Salesforce	Information Technology	+24.8%
LDOS	Leidos	Industrials	+24.1%
KLAC (adverse)	KLA Corporation	Information Technology	-13.5%
UAL (adverse)	United Airlines Holdings	Industrials	-14.1%
DECK (adverse)	Deckers Brands	Consumer Discretionary	-15.4%

Five best and three worst of the list, biggest first; the full list is in the subscriber pages.

Monthly Stock Picks, October 2026. Chosen at the September 30 close, held to October 30, 2026, recorded live: the 50 stocks averaged -3.1% against -0.9% for the S&P 500; 27 of 50 beat the index.

Ticker	Company	Sector	Result
ERIE	Erie Indemnity	Financials	+20.1%
FICO	Fair Isaac	Information Technology	+20.0%
NCLH	Norwegian Cruise Line Holdings	Consumer Discretionary	+19.8%
LYB	LyondellBasell	Materials	+19.4%
HII	Huntington Ingalls Industries	Industrials	+18.7%
TER (adverse)	Teradyne	Information Technology	-31.6%
SNDK (adverse)	Sandisk	Information Technology	-33.9%
INTC (adverse)	Intel	Information Technology	-45.3%

Five best and three worst of the list, biggest first; the full list is in the subscriber pages.

One quarter and one month are examples, not evidence; the long record above is the evidence.

What the record does not show

- **Backtest:** every figure before October 2026 is a hypothetical backtest, not an account.
- **Coverage:** the test can include only companies with price history. About half the index is covered in 2000 and nearly all of it today, and companies that fell before leaving the index are partly missing, so the early years are likely overstated. From 2015 to 2025, with near-full coverage, Monthly Stock Picks ran about even with the index (13.8% against 13.4%), while Core returned 17.8%.
- **Leadership:** both lists are equal-weighted and lean toward mid-sized companies, so they can trail badly in years led by a few of the largest stocks, as in 2023 and 2024.
- **Risk:** both carry more market risk than the S&P 500 (beta above 1 and deeper falls). They are stock selection, not protection.
- **Selection:** Core was the best of many rules tried on 2011 to 2017; part of its lead may be luck of the draw, which is why the years it never saw are reported separately.

How subscribers use it

Subscribers see both current lists with every stock's model score and its result since picked, each method's full record against the S&P 500 including losing periods, risk and performance analytics, and the lists combined with the RegimeSignal Bear signal, which moves to Treasury bills while the signal fires. Every plan starts with a 7-day free trial: $0 today, cancel anytime.

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Hypothetical performance. Except where marked as live (from October 2026), every result in this paper is hypothetical: it was produced by applying rules to historical data and does not reflect trading in any actual account. Hypothetical results have inherent limitations. They are prepared with the benefit of hindsight; the rules, measures and settings were designed and chosen after the period they describe, and the methods were refined over time. They do not reflect the effect of market conditions, liquidity, slippage, taxes, account fees or investor behavior on real trading. No representation is made that any account will or is likely to achieve results similar to those shown, and real results may differ materially, including losses.

Method and data limitations. Results assume equal weighting, rebuilding at month-end or quarter-end closes, and a trading cost of 0.35% per unit of turnover; actual costs and execution prices may be higher. The test can include only companies with available price history; companies removed from the S&P 500 are partly missing, especially before 2013, which likely overstates early results (survivorship bias). Core Stock Picks was selected from many tested rules (selection bias), so part of its historical lead may reflect chance. Company financial data come from SEC filings as first filed; prices and index data come from third-party sources believed reliable but not guaranteed to be accurate, complete or timely. Figures may be revised as data are corrected.

Risk. Investing in stocks involves risk, including the possible loss of all money invested. Both methods have carried more market risk than the S&P 500 (beta above 1 and deeper falls in past sell-offs) and have trailed the index in some years and periods, sometimes by wide margins. Concentrated, equal-weighted lists of about 50 stocks can behave very differently from the index. A model portfolio is not diversified advice for any individual.

Past performance. Past performance, actual or hypothetical, does not guarantee or indicate future results. Market conditions change, and a method that worked in the past may stop working.

Stocks named. Companies named in this paper are shown only to illustrate how past lists performed after their holding periods ended. Their inclusion is not a recommendation, and they may no longer be on any current list. Cronus, its owner and staff may hold, buy or sell securities mentioned in this paper at any time.

Benchmark. S&P 500 returns use the SPDR S&P 500 ETF (SPY) with dividends reinvested, as a practical proxy for the index. Stock results in the list tables are price change only, before dividends. An index cannot be invested in directly.

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