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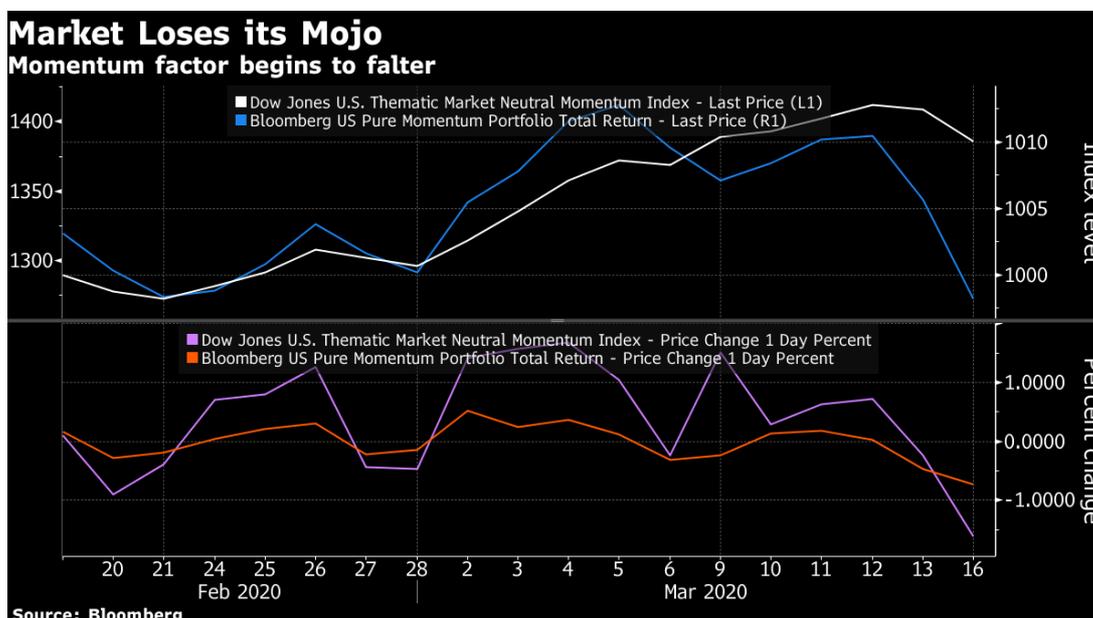
## 'Hidey Holes' Disappear as Market's Winners Turn Into Losers

By Luke Kawa

(Bloomberg) -- A market rout that's spared nary a stock is starting to fell one of the few strategies that's been able to perform well throughout this downturn.

Two measures of the momentum factor -- a gauge of the performance of recent winners versus losers -- suffered their biggest losses of this equity market drawdown on Monday. Coming into the week, this factor posted positive returns since the S&P 500 reached its record on Feb. 19.

With today's retreat, the Bloomberg pure momentum portfolio total return index is now negative since U.S. stocks peaked.



"We had been waiting for the 'hidey holes' to puke, before thinking the market had sufficiently liquidated risk for a medium-term low to build," said Naufal Sanallah, chief macro strategist at EIA All Weather Alpha Partners. "We are now nearing that point, and although the market could still make a much lower final low, for the time being, we think the lion's share of the downside has materialized, and balance sheets have dramatically grossed down."

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