HOW TO READ THE WEBSITE

Understanding Valkrynn

A practical guide to the four-model V3 forecasts, continuous allocation targets, and how to decide whether a target actually warrants a trade.

01 / FORECAST

What price moves might occur?

02 / RANK

How does the spread compare with history?

03 / DECIDE

What exposure - and is a trade warranted?

RECENT HORIZON JOURNEY



DAILY TARGETS ARE NOT DAILY ORDERS

The target updates after each completed session. A practical rebalance typically requires roughly a 10-15 percentage-point gap between the new target and actual current exposure.

00 / THE APPROACH

From forecast to allocation

Valkrynn separates forecasting, signal ranking, exposure targets, and the decision to trade.

01 FORECAST

Four fixed component models were retained after historical testing for stronger forecasting results and complementary signals across different market conditions. Selection does not guarantee future outperformance.

02 COMBINE

The four raw model probabilities are averaged for each event. Non-tail upside and downside forecasts are aggregated into a signed bullish-minus-bearish spread at each horizon.

03 RANK

Each 3D and 5D spread is ranked against 504 preceding eligible observations. Their percentile ranks receive equal weight in the primary score; 10D contributes only to a separate reference.

04 MAP

The average rank is converted into a continuous 0%-90% target by interpolating through fixed exposure anchors: 10th, 34th, 61.5th and 87.5th percentiles.

05 DECIDE

Compare that model target with the actual portfolio holding. The backtest has a mechanical 8-point band; a larger discretionary gap may be appropriate for real trading.

NOT A PROBABILITY OF PROFIT

A 70% target refers to a suggested fraction of the trading portfolio. It is neither a 70% chance of a positive QQQ return nor a standing order to buy or sell.

01 / MARKET BRIEF

The daily market read

Use Market Brief to understand the signal behind the recommendation - before considering any change to holdings.



PRIMARY READ

The headline links the **3D and 5D signed spreads**, their individual historical ranks, and the averaged score to the current continuous exposure target.

SUPPORTING CONTEXT

3D describes nearer-term conditions, 5D the primary allocation horizon, and 10D the broader backdrop. The 10D reference **does not vote** in the primary 3D + 5D score.

EVIDENCE LENS

The confidence slider changes which forecast-quality diagnostics are highlighted. It **does not change the allocation algorithm** or select additional component models.

READ THE NUMBER, THEN THE ACTION THRESHOLD

A 90% displayed target can still mean no trade if current actual exposure is already near 90%. Forecast evidence and trade implementation are different decisions.

02 / ALLOCATION

Target versus trade

A continuous model target is updated each session. It does not require you to buy or sell every session.



MODEL TARGET

90%

Recomputed from ranked 3D/5D signals.

CURRENT HOLDING

82%

Illustrative actual exposure.

DIFFERENCE

8 pp

Normally below your practical trading threshold.

PRACTICAL TRADING GUIDELINE

Consider rebalancing only when target minus actual current exposure differs by roughly 10-15 percentage points. A small gap can be left alone to avoid unnecessary turnover, transaction costs and frequent trades. This is a discretionary implementation guideline, not an automatic website order.

Examples: target 90% and current 82% = 8-point gap (generally hold); target 90% and current 70% = 20-point gap (rebalance worth considering). Reassess after material market moves or portfolio drift.

Important - two distinct bands: The website backtest uses its mechanical **8-percentage-point** rebalancing band. Your **10-15-point** practical threshold is an additional real-world trading preference; the displayed historical results do **not** simulate that preference.

02 / ALLOCATION

Reading the backtest

Performance charts measure a modeled strategy, not the returns on an executed brokerage account.



VISIBLE POLICY	ANNUALIZED RETURN	MAX DRAWDOWN	AVG EXPOSURE	TRADES/YR	ENDING WEALTH
3D + 5D	64.1%	-39.0%	53.4%	157.2	79.60×
3D + 5D + 10D	54.9%	-43.3%	54.0%	151.5	47.92×
CONSTANT 33%	16.8%	-38.8%	35.0%	2.8	3.96×
CONSTANT 66%	31.6%	-64.5%	67.8%	3.2	11.34×
CONSTANT 50%	26.9%	-50.1%	51.9%	4.6	8.20×

MATCHED COMPARISONS

Compare equal 3D + 5D, the three-horizon reference, and constant-exposure controls on the same dates. The selected-window wealth curves start at 1x.

READING THE SCORECARD

Annualized return and ending wealth capture compounding; maximum drawdown describes peak-to-trough loss. Average exposure and trades per year describe risk and turnover.

MODEL ASSUMPTIONS

The backtest uses synthetic daily 3x QQQ returns, 5 bps of friction per dollar traded, a 0.9% annual holding fee, zero cash yield, and the 8-point rebalance band.

ALPHA IS UNEVEN

A handful of well-timed exposure increases or decreases can explain a disproportionate share of the strategy's excess return. Outperformance versus naive exposure can vary substantially by start and end date.

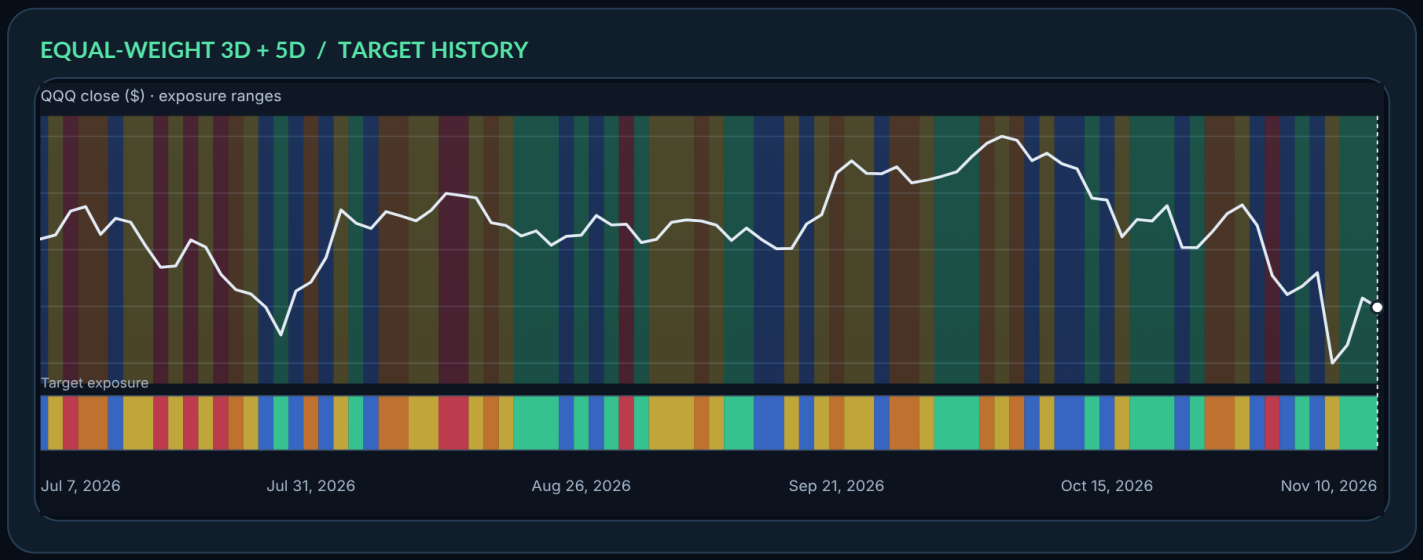
EXECUTION AND WINDOW SELECTION MATTER

These are simulations, not fills. Actual costs, taxes and discretionary trades can differ. Review several non-overlapping windows rather than treating the full-period advantage as uniform.

03 / FULL ALLOCATION HISTORY

The historical target path

Explore how model targets changed alongside QQQ, without confusing them with account holdings.



TWO POLICIES

The first chart shows the recommended equal-weight 3D + 5D target. The second adds 10D at equal weight for comparison; both use continuous 0%-90% exposure.

COLOR BANDS ARE APPROXIMATE

The five bands encode target-exposure ranges (0-20%, 20-40%, 40-60%, 60-80% and 80-90%). The green primary signal and lavender-blue reference signal are separate measures.

CHOOSE YOUR WINDOW

Use date filters, Last 90, Latest YTD or full history to inspect rally and drawdown periods. The pale line tracks actual QQQ closing prices; use the hover detail for exact targets.

EVERY COLOR CHANGE IS NOT A TRADE

The chart plots a model recommendation, not brokerage holdings or transactions. Small target changes need not trigger a trade; the practical account-exposure guideline is roughly 10-15 percentage points.

04 / FORECAST MAP

The evidence underneath

Core boundary and moderate events drive the allocation signal; rare tails provide separate risk context.

01 NON-TAIL EVENTS / CURRENT FORECAST MAP

3D BOUNDARY / MODERATE

UP +0.60% / +0.90%

DOWN -0.30% / -0.45%

5D BOUNDARY / MODERATE

UP +1.25% / +1.50%

DOWN -0.50% / -0.75%

10D BOUNDARY / MODERATE

UP +2.00% / +2.50%

DOWN -1.00% / -1.30%

Illustrative thresholds shown are from the current website snapshot; horizons mean trading sessions.

02 HOW THE NON-TAIL SPREAD BECOMES A TARGET

Aggregate bullish probabilities minus bearish probabilities at each horizon to obtain a signed spread; rank that spread against 504 prior eligible observations.

3D SIGNED SPREAD

+13.46 pp

Historical rank 81.7%

50% primary

5D SIGNED SPREAD

+16.53 pp

Historical rank 93.3%

50% primary

10D SIGNED SPREAD

+9.45 pp

Historical rank 79.8%

reference only

3D / 5D AVERAGE RANK **87.5th percentile**

MAP TO TARGET **90%**

Fixed rank anchors: 10th -> 0%, 34th -> 33%, 61.5th -> 66%, 87.5th -> 90%; interpolate between them. A rank is not a return probability.

EVENT PROBABILITY AND VERSUS NORMAL

An event probability is the estimated chance of crossing the specified threshold at a future daily close within the horizon. "Vs normal" compares it with that event's historical base rate.

WHAT HISTORICAL RANK MEANS

The percentile locates today's signed spread relative to prior model spreads. For example, 93.3% means unusually bullish historically - not a 93.3% probability of gain.

TAIL WATCH

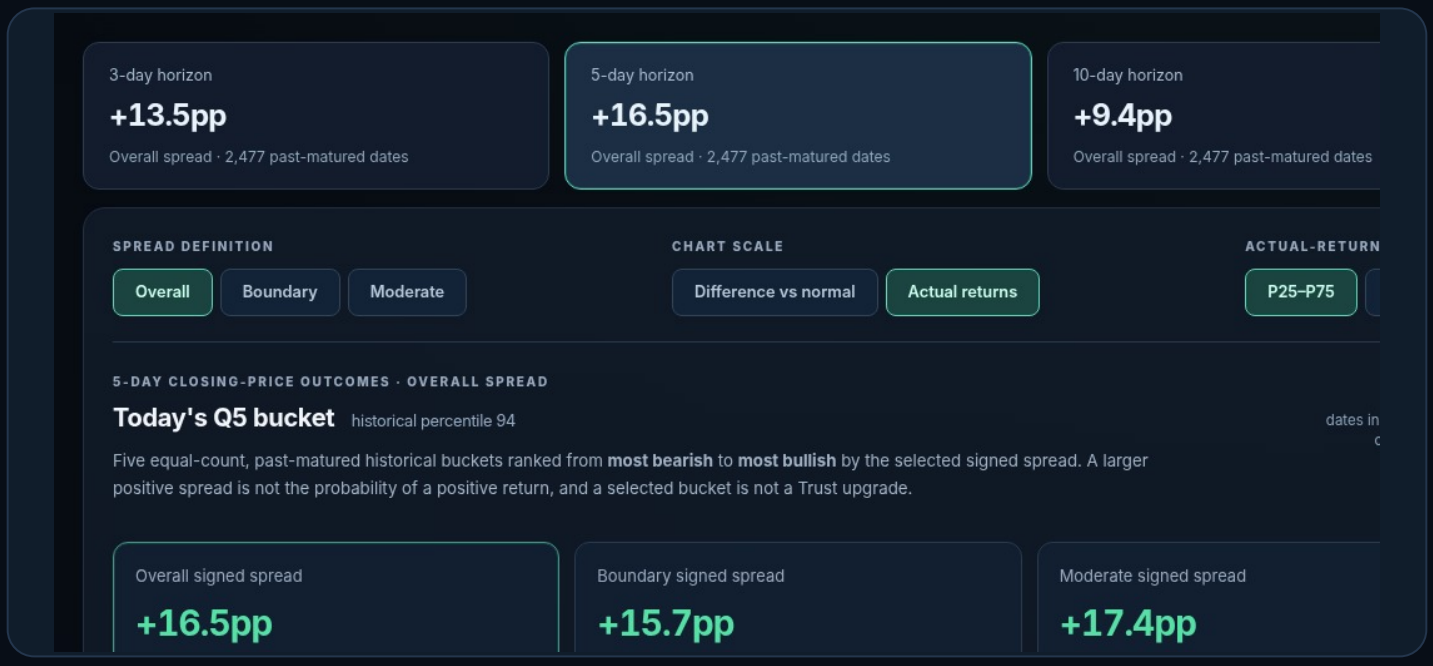
Separate, larger-magnitude events are useful for downside and upside risk awareness; they do not enter the primary non-tail 3D/5D allocation score.

Intraday forecasts based on provisional OHLCV inputs should be treated as provisional.

05 / PATH & EXCURSIONS

How similar signals played out

This tab analyzes historical QQQ price paths conditioned on signed spreads. It is descriptive research, not another allocation strategy.



MAXIMUM UPSIDE

The highest subsequent daily close versus the forecast-date closing price.

TERMINAL RETURN

The return at the closing price of day 3, 5, or 10, depending on the selected horizon.

DOWNSIDE EXCURSION

The lowest subsequent daily close relative to the starting close (decline from entry).

ACTUAL DRAWDOWN

The largest close-to-close peak-to-trough decline within the path; not the same as the lowest return from entry.

READ THE DISTRIBUTIONS, NOT JUST THE AVERAGE

Choose overall, boundary or moderate spreads, inspect all five historical spread buckets, and compare means with historical dispersion. Similar signals have produced widely different paths; 3D and 5D patterns do not prove a particular recovery sequence.

06 / QUICK REFERENCE

A simple reading routine

A repeatable way to use Valkrynn without mistaking an updated forecast for an immediate trading instruction.

1 **START**

Read Market Brief's 3D + 5D target, spreads and ranks.

2 **CONTEXT**

Review 3D and 5D, with 10D as comparison context only.

3 **COMPARE**

Check the target against your actual exposure in the portfolio.

4 **TRADE?**

Avoid small rebalances when the gap is under roughly 10-15 points; assess costs and drift for larger gaps.

5 **VERIFY**

Use history, the backtest, Forecast Map and Path & Excursions as context, not additional trading signals.

GLOSSARY

Event
A threshold reached at a future daily close.

Signed spread
Upside probability minus downside probability.

Percentile
Rank among past eligible spread forecasts.

Target exposure
Model allocation, not current account holdings.

Exposure gap
Target minus actual portfolio exposure.

Rebalance band
8 pp in backtests; practical guide 10-15 pp.

CORE PRINCIPLE

Forecasts and targets can update daily. Trades are selective, not required for each small target change.