ARISTOTLE
CAPITAL MANAGEMENT

INSIGHTS in FOCUS

THE RETURN OF MOMENTUM VOLATILITY

After a relatively calm stretch post-Covid, large moves in momentum have become more frequent in 2026.

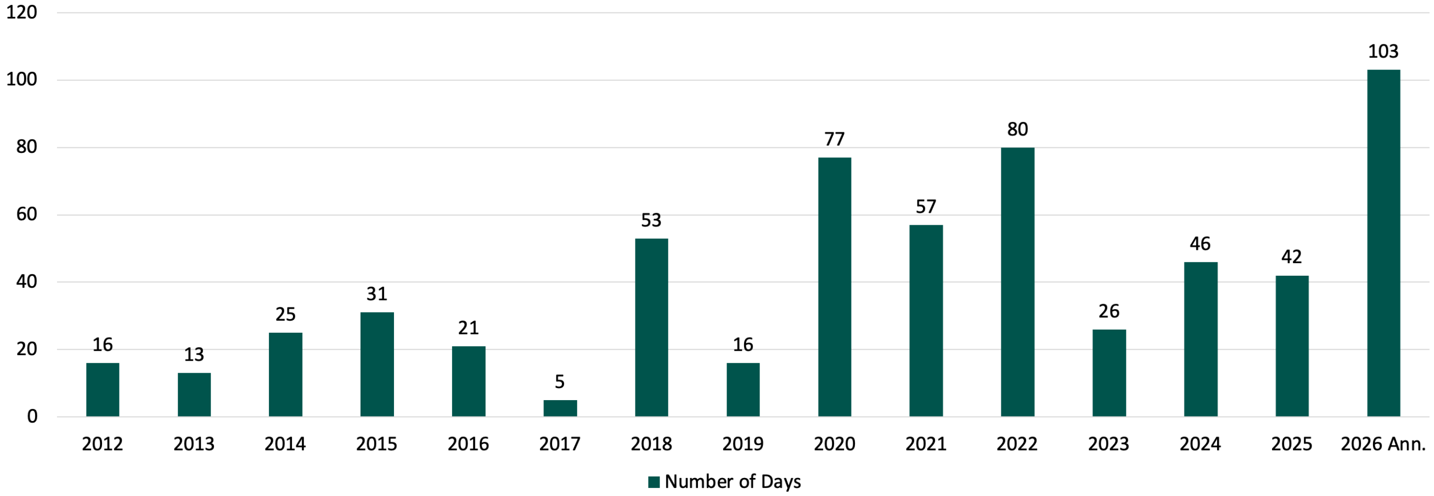
Large **momentum swings** are occurring **more often**, highlighting a **more volatile environment** for factor leadership.

Large daily moves in the **U.S. Momentum Index** have become **more frequent**, with **2026 on pace for the highest count** since the **Great Financial Crisis.**

Periods of **elevated momentum volatility** often reflect **faster rotations** in market leadership and **sharper reactions** to changing expectations.

The data reinforces the importance of **risk control** and **diversification**, particularly when **factor trends become less stable.**

Number of Days with +/- 1.5% Move (U.S. Momentum Index)



Note: 2026 annualized as of 7/24/2026.

Source: Factset, Aristotle Capital Management.