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A STOCKOPEDIA RESEARCH WEBINAR

The StockRanks Jump Effect

When a StockRank jumps into the nineties - is that the moment to buy, or have you already missed it?

Ed Croft - CEO, Stockopedia

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- The value of shares and investments and the income derived from them can go down as well as up.
- Investors may not get back the amount they invested.
- Past performance is not a guide to future performance.

Please note that all data in this document is historic and dated when this document went to print in June 2026.

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A QUESTION FROM THE COMMUNITY

"When a stock's StockRank suddenly jumps up into the nineties, is that the moment to buy? Or have I already missed it?"

We didn't know the answer. So we measured it - every UK stock, every week, for more than a decade.

WELCOME

Tonight

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WHAT WE'LL COVER

1. **The anatomy of a jump**
   what actually jumps, and why it can pay
2. **The findings**
   does a jump pay off, and by how much
3. **Keeping ourselves honest**
   how we measured it, warts and all
4. **The 90/80 Rule**
   a simple rule you can actually use
5. **Case studies**
   the winners - and the one that lost 94%
6. **The playbook, and your questions**
   the practical recap, then over to you

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Ed Croft

CEO & Co-founder, Stockopedia

CFA, Former Asset Manager. 15 years helping private investors beat the market with rules not guesswork.

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PART 1 - THE SETUP

The anatomy of a jump.

Tminutes on what actually jumps - and why a sharp move might carry information that a slow drift does not.

PART 1 - THE SETUP

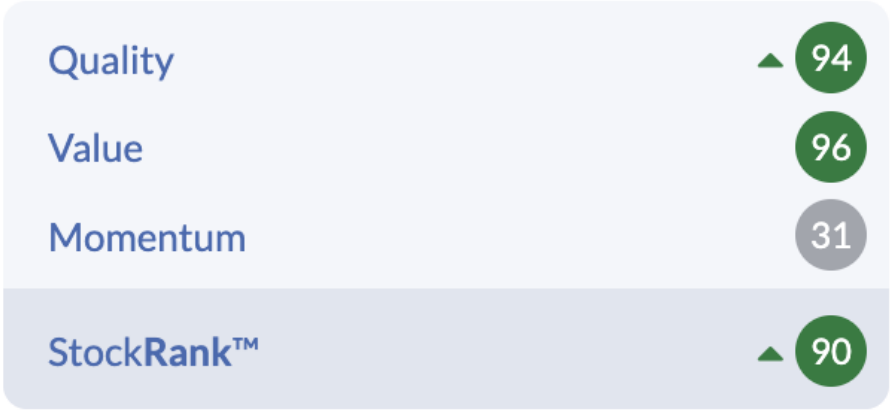
What actually jumps?

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1. **The StockRank (QVM)**
   A 0-100 score blending Quality, Value and Momentum. 95 means the top 5% of the whole market.

2. **A jump, not a creep**
   A leap of +10 to +40 rank points in a single week - usually on new results or a profit upgrade - not a slow drift over the line.

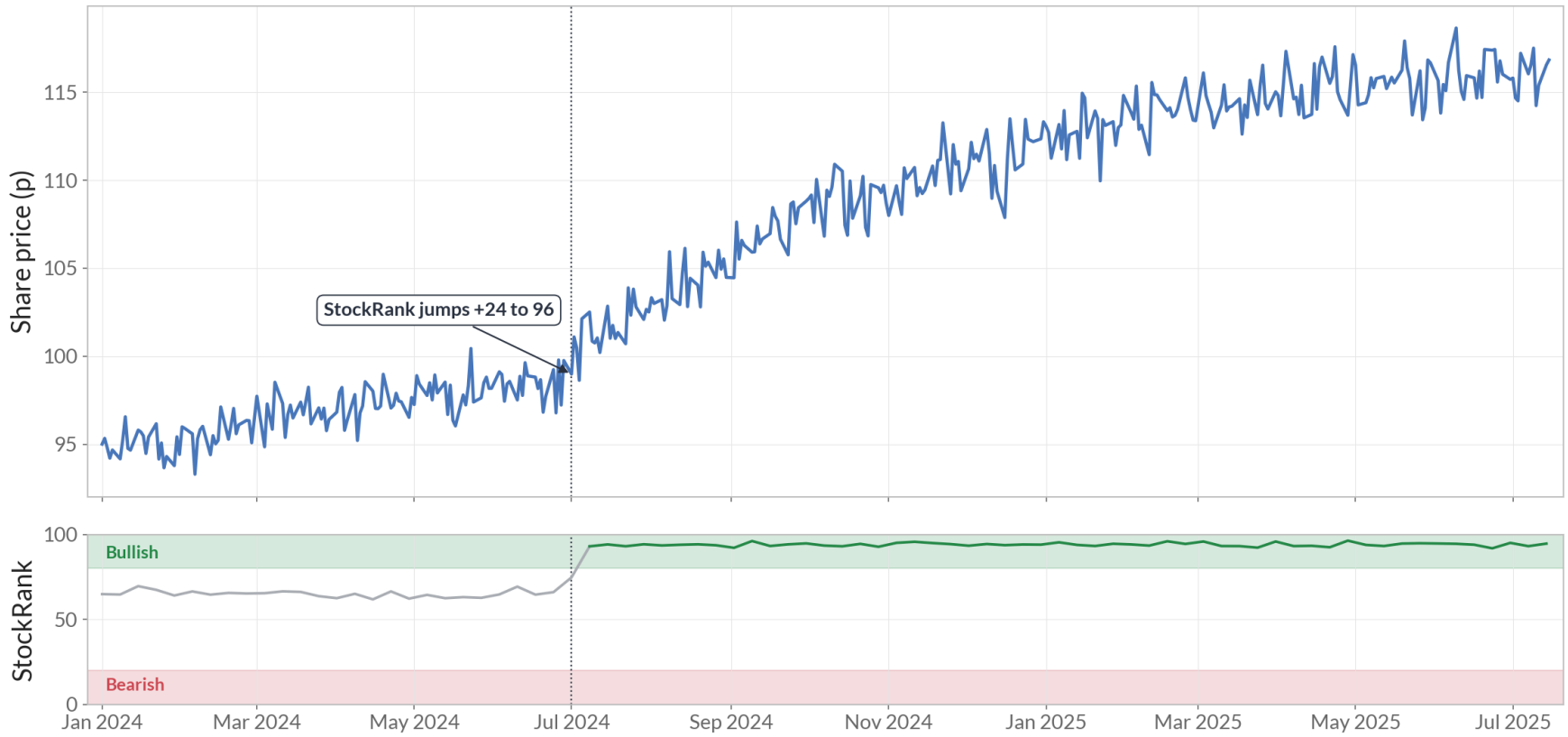
3. **Landing in the top decile**
   The jumps that matter are the ones that finish at a rank of 90 or above.



PART 1 - THE SETUP

The shape of an “archetypal” jump

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+18%

Average share-price move in the year after a +10 to +40 jump into a StockRank of 90+.

53%

Of those jumps ended in profit, held from the jump until the rank closed below 80.

~9 mo

Typical holding period before the rank breaks 80 - the signal to sell.

A sharp jump in the Stockrank into the 90+ range, then a price that keeps drifting for months.
The jump is the data noticing; the drift is the market slowly agreeing.

Why would a public number predict anything?

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1. **Information spreads slowly**
   The 'post-earnings announcement drift': prices move on the news, but rarely far enough, and rarely fast enough.

2. **Analysts are anchored**
   They edge their forecasts up in cautious steps, trailing reality for months - especially in under-researched small caps.

3. **So the re-rating has only just begun**
   A jump is a flashlight on a story that is still unfolding. Buy the leap, not the creep.

PART 1 - THE SETUP

The comparison that matters

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THE JUMPERS

The **new** arrivals - stocks that just jumped up the ranking into the top decile

Jumping through the door into the rank-90+ VIP room

THE INCUMBENTS

The **regulars** - stocks already sitting at 90+ in exactly the same weeks

Same club, same conditions - they just didn't jump

We know the regulars are good. The only honest question is: when a new stock barges in, having just jumped, does it do BETTER than the regulars already inside? That gap is the value of the jump.

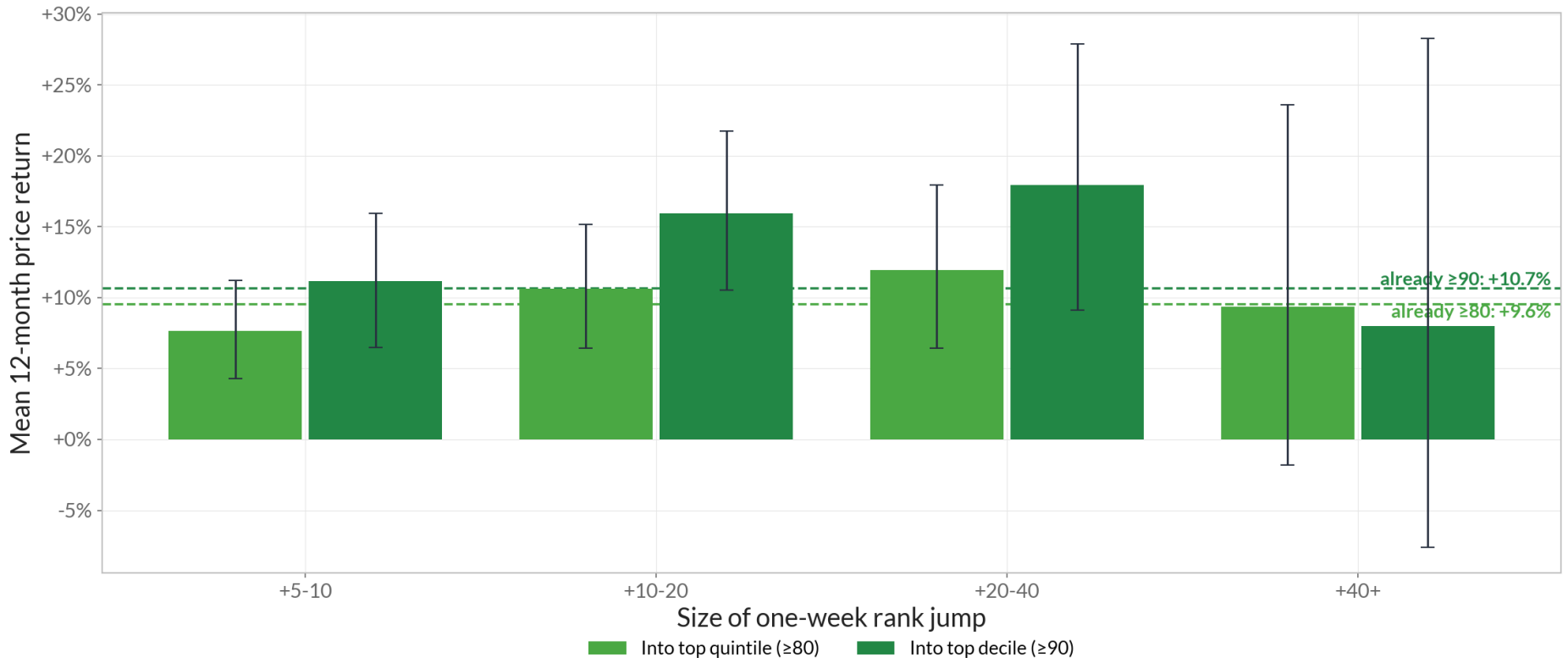
PART 2 - THE HEADLINE

So - does the jump actually pay off?

One chart. New arrivals vs the incumbents, by the size of the jump. Read the bars against the incumbent line.

PART 2 - THE HEADLINE

The headline statistics



A +10-20 jump into 90+ returned +15.9% over 12 months vs +10.7% for the regulars - a +5.3% edge, statistically significant.

PART 2 - THE HEADLINE

Bigger jumps are better - but only up to a point

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+15.9%

a +10-20 jump into 90+
over 12 months
(a +**5.3**% edge - significant)

+17.9%

a +20-40 jump into 90+
over 12 months
(a +**7.2**% edge - strong)

+8.0%

a jump of +40 and up
no real edge, and the delisting
rate roughly doubles

The sweet spot is a +10 to +40 point jump landing at 90 or above. A truly enormous overnight leap is often a takeover rumour or something distressed - a flashing red light, not a green one.

PART 2 - THE HEADLINE

Two things that don't work

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SMALL JUMPS ARE NOISE

-1.9%

A +5-10 point creep into the top quintile actually **UNDERPERFORMED** the incumbetns. Buy the leap, not the creep.

THE 80s AREN'T ENOUGH

90+ only

The edge lives in the top decile, not the top quintile. Jumps that land at 80 but don't reach 90 carry almost no edge. You have to land in the 90+ zone itself.

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PART 3 - KEEPING OURSELVES HONEST

But is it real?

Anyone can find a winner after the fact. Here is how we made sure the edge is real - and what the full spread of outcomes actually looks like.

PART 3 - KEEPING HONEST

How we kept ourselves honest

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1. **Every UK share, every week, 2014 to now**
   Not a handpicked list - the whole London market.

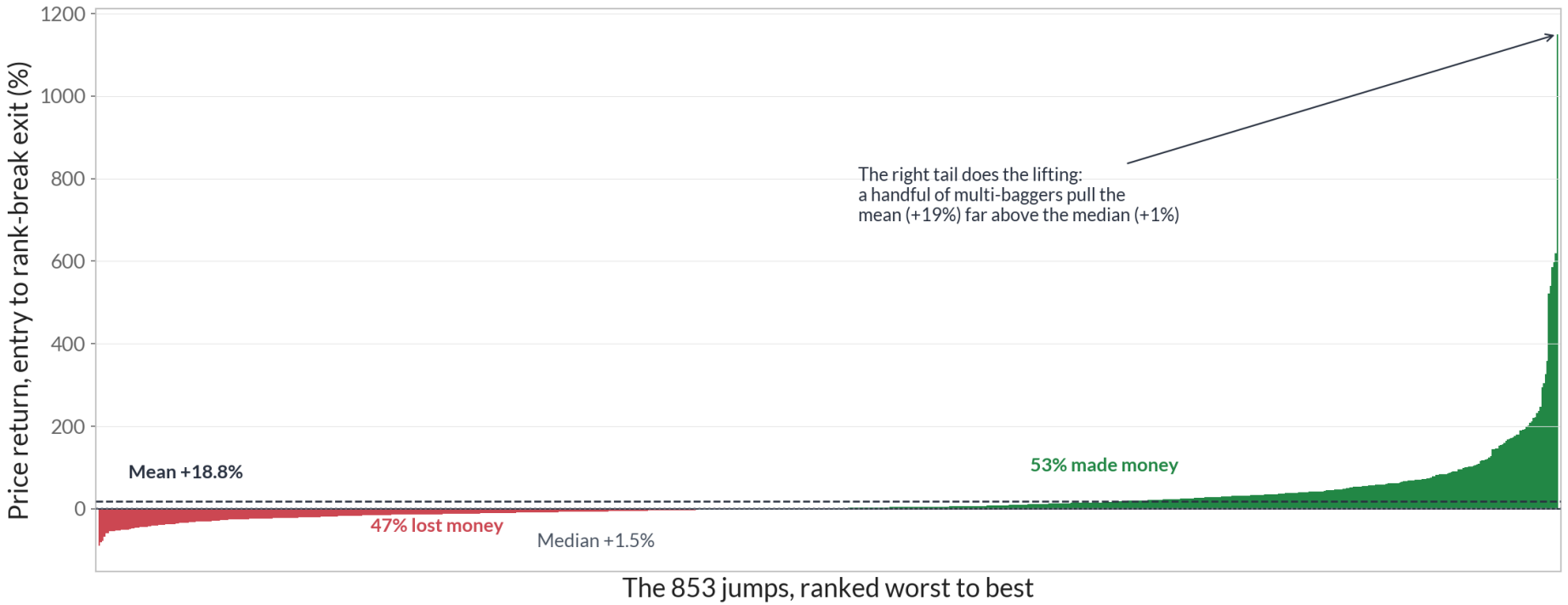
2. **We kept the dead and delisted stocks in**
   Companies that went bust stayed in the sample, held to their last traded price. The failures are baked into every return.

3. **Every strategy number is net of real-world costs**
   The spread, the stamp duty, the commissions - especially brutal for small caps.

4. **We tested for luck**
   Statistics clustered by month, a demanding test, so we know what is a real edge and what is not.

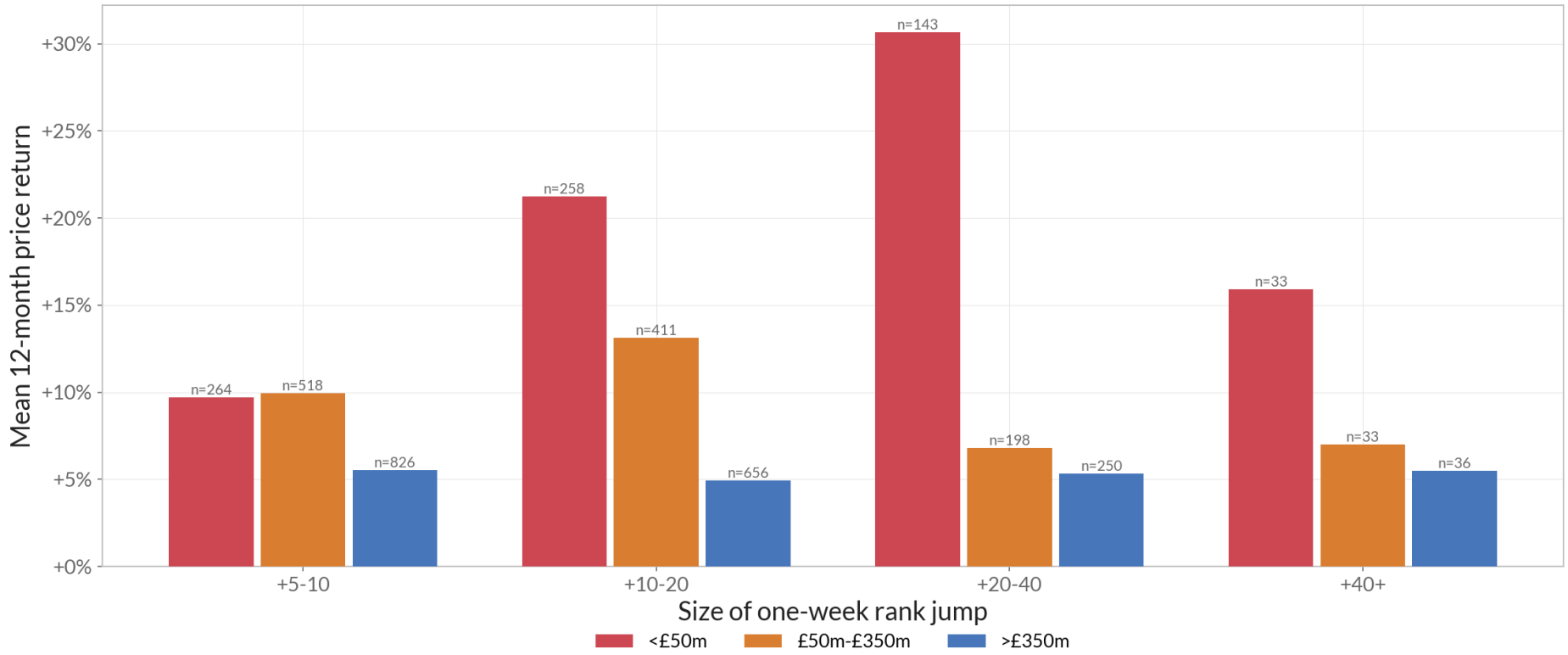
PART 3 - KEEPING HONEST

Every jumper, sorted by outcome



Just over half made money. The red left is the losers you will hold; a handful of multi-baggers on the right pull the average far above the median. It's a basket game.

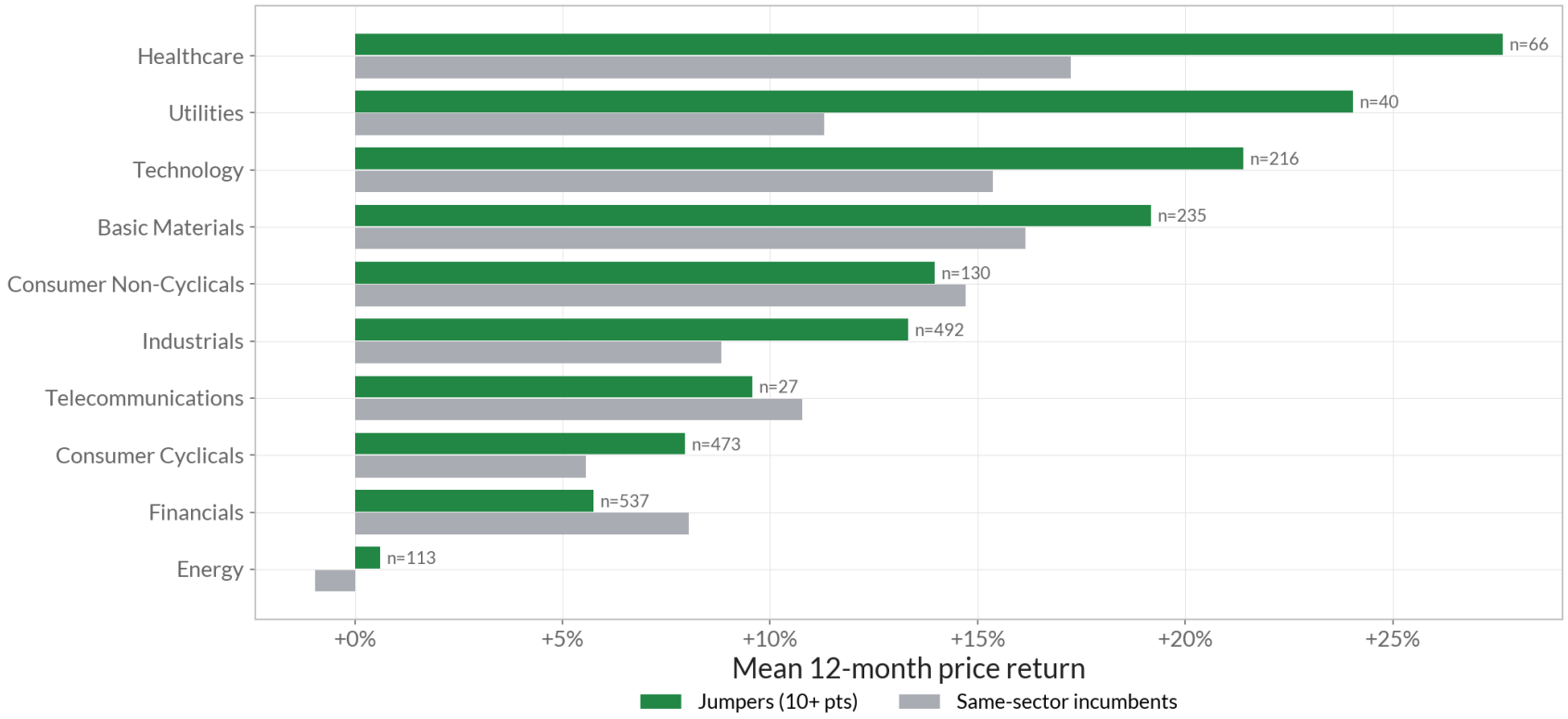
Where the edge lives - size



Under £350m: returns of 13% to 31%. Over £350m: a flat ~5% whatever the jump. The big names get arbitraged away. Private investor's have a small cap advantage.

PART 4 - WHERE IT WORKS

Where the edge lives - sector



Strongest in Healthcare, Technology and Industrials. Weakest in Financials (the only negative edge) and Energy. Excluding those two removes ~27% of signals and many of the disasters.

PART 4 - WHERE IT WORKS

At its heart, this is a Quality story

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+11.1%

a +20-40 jump into a QUALITY rank of 90+ beats the incumbents by this much - and it's significant

~0%

MOMENTUM and VALUE jumps showed no reliable edge over their own regulars

9-13%

the delisting rate on VALUE jumps - the classic value trap, arriving dressed as a freshly minted ”new” jump signal

When you decompose the composite, the jump effect is really about a step-change in Quality – due to the arrival of new financial statements. A cheap or fast-moving stock jumping is not the same thing - and a value jump is the one to distrust.

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PART 5 - THE RULE

The 90/80 Rule.

We've seen the evidence. What about a rule we can use - simple enough to remember, and grounded in everything we've just seen?

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THE 90/80 RULE

Buy a one-week jump of +10 to +40 points that lands at a StockRank of 90 or above. Sell on the first weekly close back below 80.

90+ as an entry signal. Below 80 as an exit. That's it.

PART 5 - THE RULE

When to sell is where people often struggle

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1. **The rule doesn't say 'hold for six months'**
   It says hold while it keeps its StockRank high - deliberately.

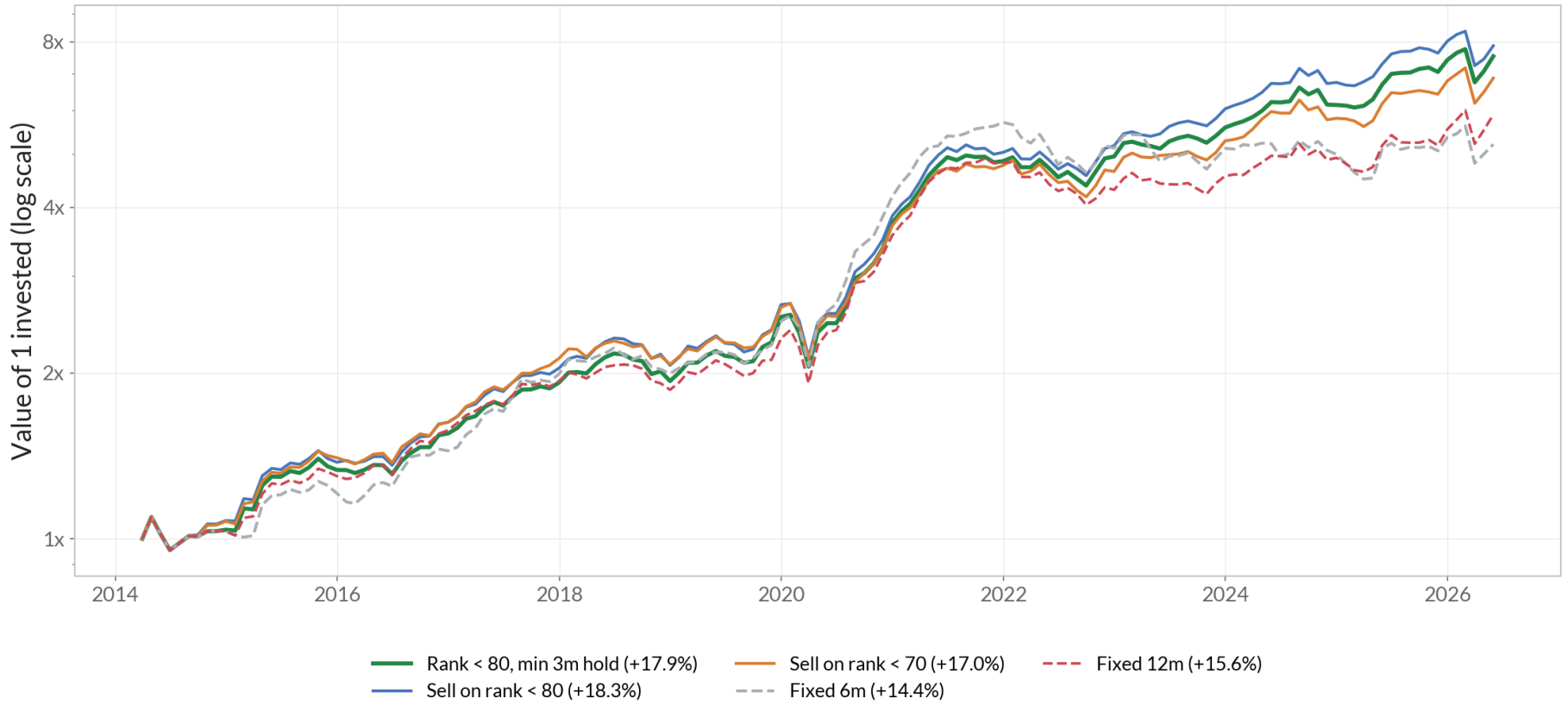
2. **The rank knows more than the calendar does**
   If the numbers break, the rank tends to fall before the market appreciates it.

3. **Sell when the rank closes below 80**
   This provides an objective point below which returns suffer.

4. **In practice the median hold is around 9.5 months**
   But it varies – it follows share characteristics, not the clock.

PART 5 - THE RULE

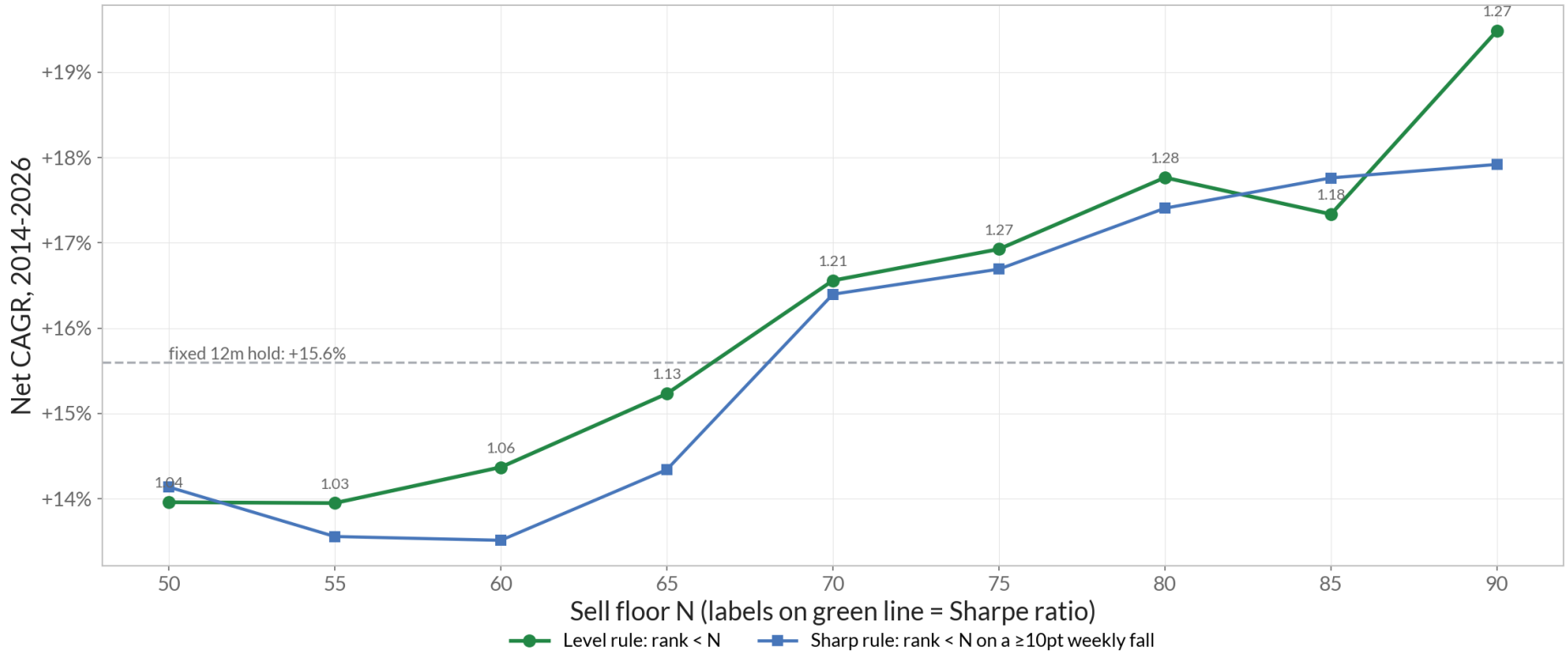
Better to sell when the rank falls, or after a fixed time?



The 90/80 Rule: +18.3% CAGR, Sharpe 1.32, max drawdown -20%. A fixed six-month hold: +14.4%, Sharpe 0.91. The rank-based exit adds about 4% a year.

PART 5 - THE RULE

A plateau, not a knife-edge



Every sell floor from 70 to 90 earned 16% to 20% net, and the ordering held in both halves of the data. We hardened Reschenhofer's 90/70 – 90/80 just works a touch better.

PART 5 - THE RULE

How to create a Portfolio Approach to the 90/80 rule

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BUY

A +10 to +40 point StockRank jump that lands at 90 or above.

Small and mid-cap only - between **£10m to £350m cap** on purchase.

Equal-weight, biggest jumps first.

HOLD

Hold while the StockRank stays at 80 or above.

Hold for a maximum long-stop of 2 years or until delist.

SELL

Sell on

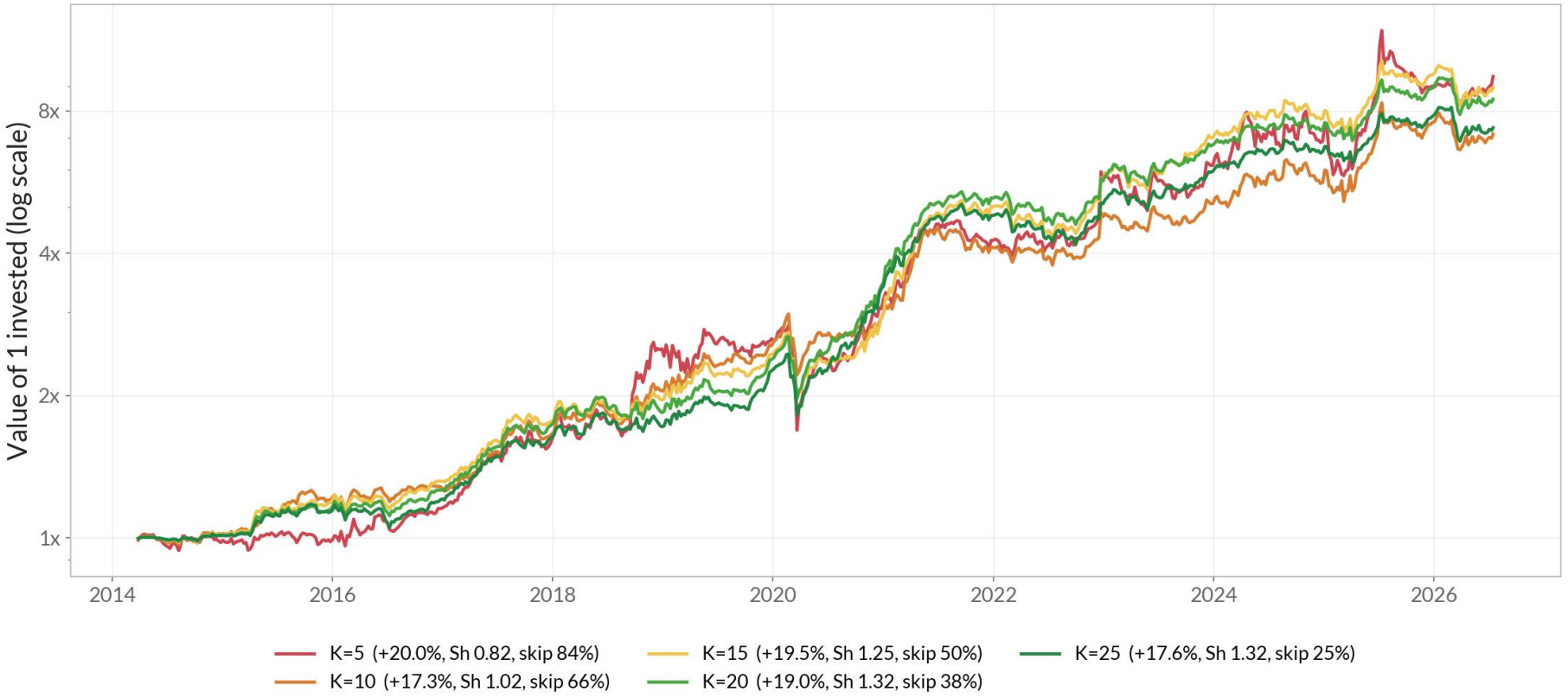
1. the first close below 80
2. after a 2 year hold period
3. on delist (takeover etc)

Free the slot, take the next jump.

Run about 20 names at once.

And notice there is no sector rule - the numbers filter on size alone. Leaning away from Financials and Energy would have been upside.

Portfolio strategy – best run as a 20 stock basket



A 20-slot basket is the sweet spot: +19% CAGR, Sharpe 1.32 , max drawdown -26%. Ten stocks is liveable but lumpy. It's a long-tail edge - you need enough shots on goal.

PART 5 - THE RULE

What the 90/80 Portfolio costs to run

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~22 / yr

positions opened a year - the 20-slot book turns over about once

~8 months

the median holding period. Low turnover: follow the company, not the clock.

~3.3%

average round-trip cost - wide small-cap spreads, plus 0.5% stamp and 0.2% commissions

~4% / yr

the cost drag: net +19.0% CAGR vs a costless +23.1%. It's already in every number.

Two-thirds of trades sit in the £50m to £350m band (2.7% round-trip), a third in sub-£50m (4.7%).

The £10m floor strips out the most illiquid names - every figure is net of costs, but capacity and market impact is unmodelled.

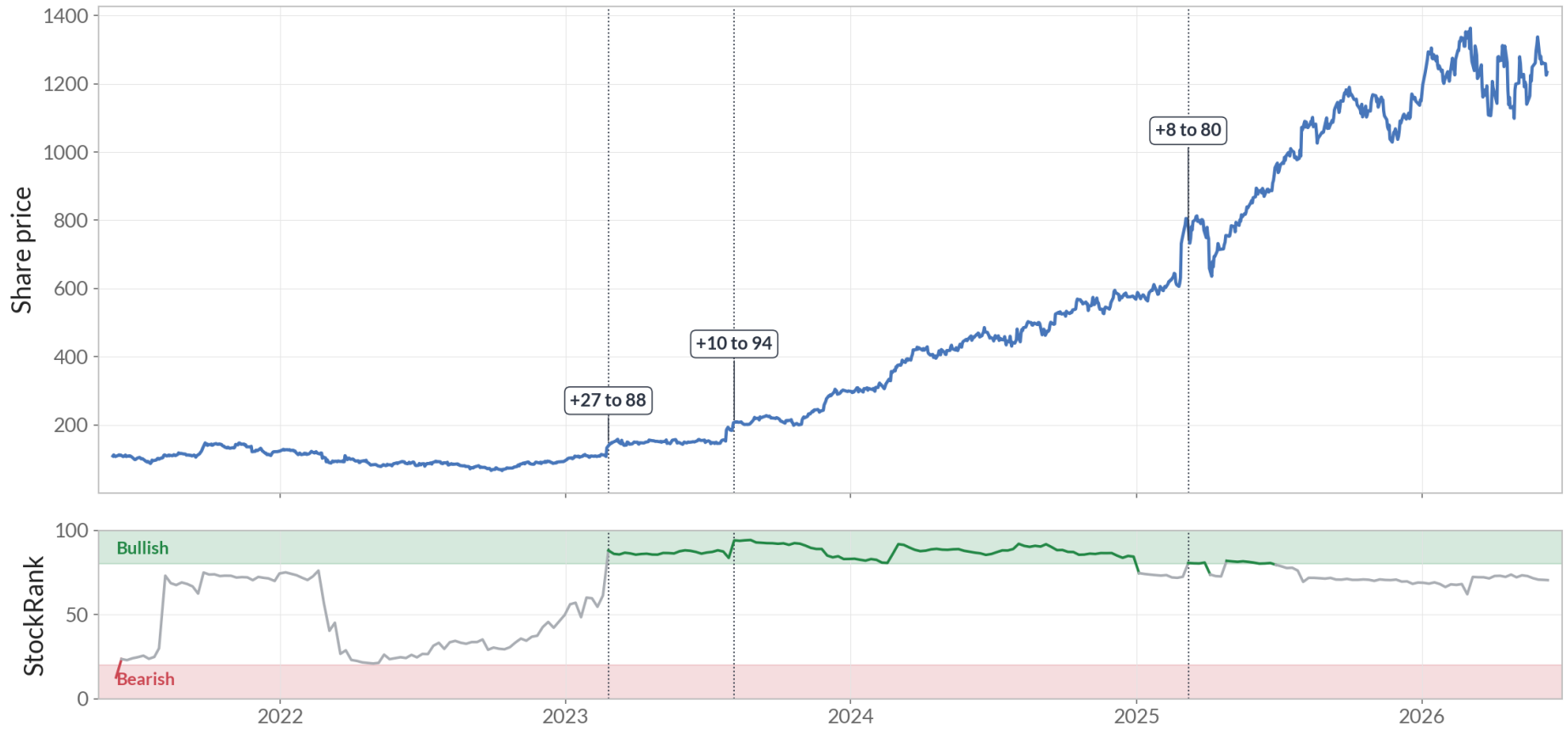
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PART 6 - CASE STUDIES

What it looks like in the wild.

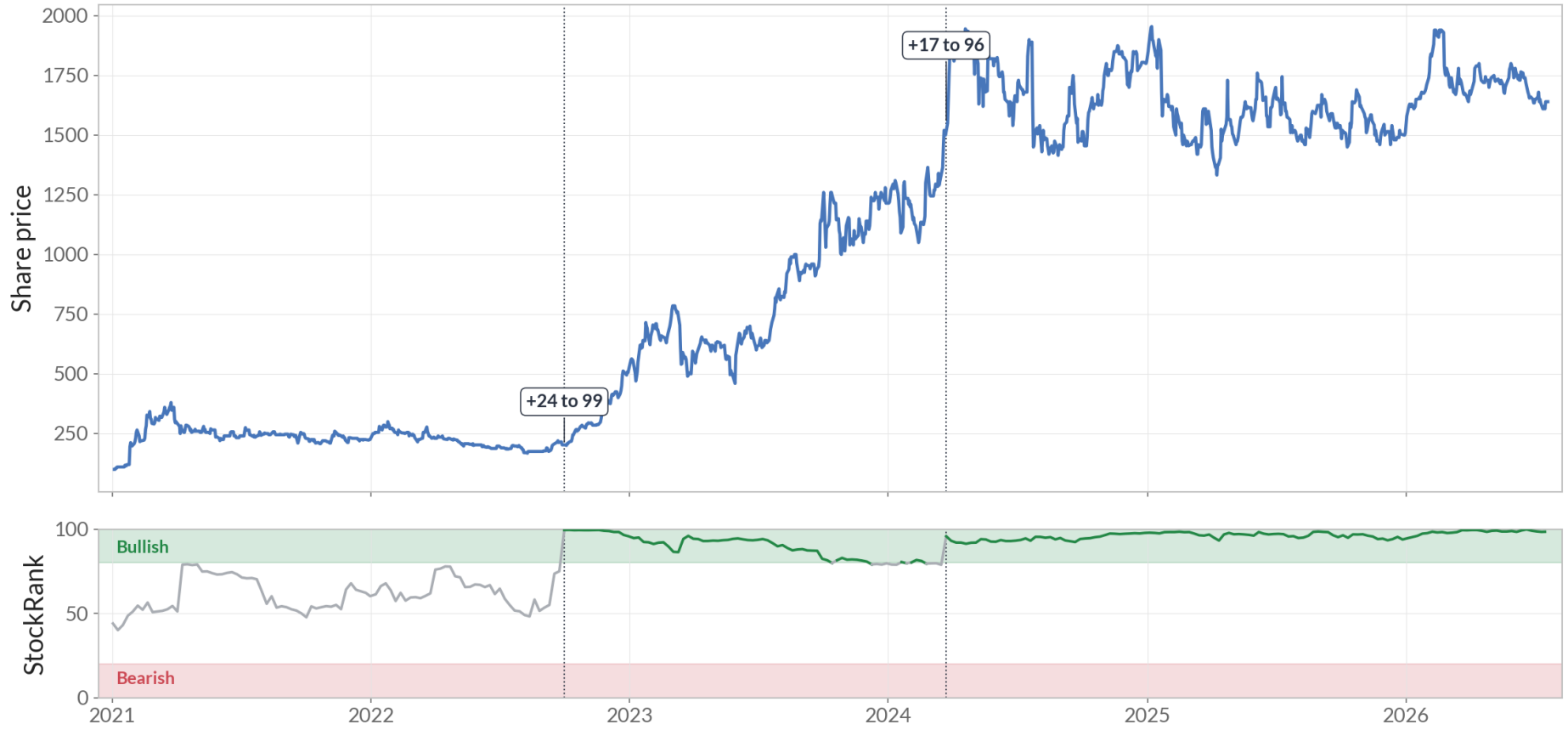
Numbers are one thing. Here's what this actually looked like, in real stocks you'll know.

Rolls-Royce: the credible re-rating



February 2023: rank jumps +27 to 88, on the doorstep of the top decile. +147% over the following 12 months. The rank knew before the calendar did.

Yü Group: the jump and the drift



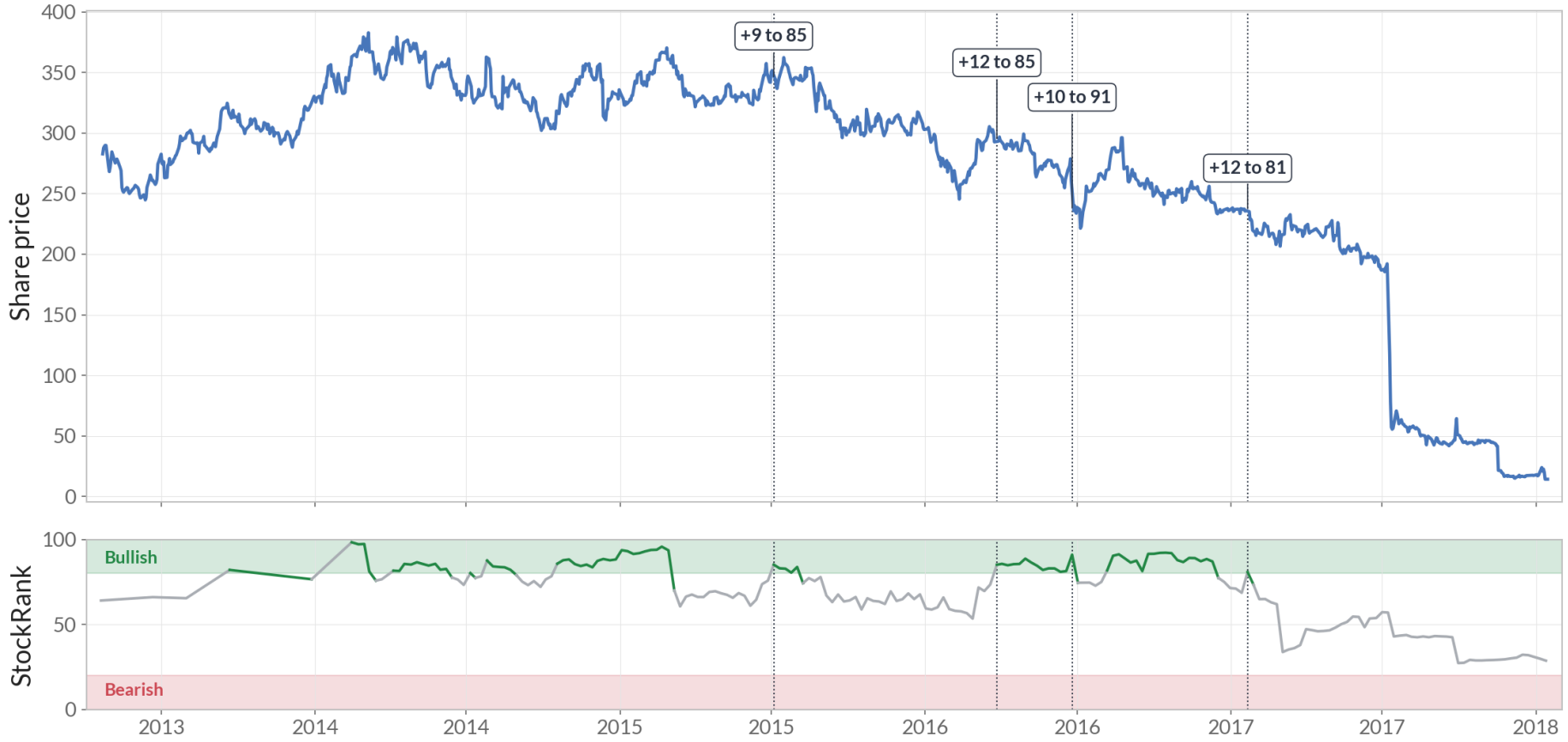
October 2022: rank leaps +24 to 99. +490% over the next 12 months while it held the decile - the market catching up one 'ahead of expectations' at a time. The right tail, in one name.

Kromek: the small-cap front-run



September 2025: rank jumps +78 to 98 - a huge quality step-change in a neglected small cap. +40% over the following six months. The sweet spot in one picture.

Carillion: the one I promised you



January 2017: a +12 jump to 81 qualified. The backtest bought it. Then -94% and bust. That loss is already baked into every average tonight - we absorbed it, we didn't hide it.

A rogues' gallery

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-98%	-98%	-98%	-94%	-88%
Afren	Morses Club	Flybe	Carillion	Ted Baker

A pattern jumps out - lenders and leveraged resource companies.

It's the Financials-and-Energy left tail, now in named form. This is the whole reason for the sector filter, the basket of 20, and the sell rule. We're not pretending the failures away - we're building the strategy around the fact that they happen.

The playbook on a postcard

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1. **The 90/80 Rule**
   Buy a +10-40 jump landing at 90. Sell on a weekly close below 80.
2. **Buy the leap, not the creep**
   Small drifts over the line are noise.
3. **Land in the top decile**
   90, not 80. The eighties aren't enough.
4. **Hold while it holds rank**
   The rank knows before the calendar does.
5. **Run a basket of around 20**
   Enough shots for the edge to show up.
6. **Mind the sector**
   Lean into Healthcare, Technology, Industrials. Suspect Financials and Energy.
7. **Small and mid-cap only**
   Under £350m - that's where the edge lives.

The honest truth about this edge

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53-61%

the hit rate. Around four times in ten, a jumper does NOT beat the regulars.

Means, not Medians

the average is pulled up by a long tail of big winners - most stocks do less than the headline.

Backtested

net of modelled costs. Real life has slippage and emotions. Past performance is not a reliable guide.

A tip shows you the winner and hides the rest. Research shows you the hit rate, the failures, the Carillion - and lets you decide for yourself. That's the difference. Evidence, honestly presented, so you can invest with rules instead of guesswork.

RESOURCES

It's yours

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1. **The full research paper - free**
   Every number, every chart, every caveat, the complete method.

2. **It started with a member's question**
   We measured it across nearly 6,000 jumps and found something real.

3. **A genuine edge in UK small and mid-caps**
   Early-stage rank jumps, a simple rule to capture it, and an honest account of where it fails.

4. **Invest with rules, not guesswork**
   With the right evidence and the right rules, you can put the odds in your favour.

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Over to you.

The 90/80 Rule: buy the jump into 90+. Sell on a weekly close below 80.

Let's take your questions - the hard ones are my favourites.

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