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A stockopedia research study

# The StockRanks Jump Effect

What 5,902 rank jumps reveal about catching re-ratings early

Edward Croft, CEO

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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.

# Introduction

It started, as much of our research often does, with a question from a member in the forums:

> "When a share's StockRank suddenly jumps into the top decile, is that a buying signal - or have I already missed the move?"

It's a fair question. We have all watched a share climb the ranks and wondered whether the leap itself tells us something, or whether the crowd already got there first. Some investors treat a jump as a starting gun. Others assume that if the rank has moved, the opportunity has already gone. Until now, nobody had taken an objective look at the numbers.

So we did. This study measures every one-week StockRank jump on the London Stock Exchange over twelve years, and tracks the forward performance to answer the questions that matter to a private investor with real money on the table:

- Does a StockRank jump predict returns - or is the news already in the price?
- Does the size of the jump matter, and is there a sweet spot?
- When should you sell - and can the StockRank itself identify when?
- Where does the effect live: in which size groups, which sectors and markets?
- And the acid test: does any of this survive real-world dealing costs?

What follows is the most focused study we have run on a single behaviour of the ranks. The headline is clean enough to turn into a rule, and that rule is on the next page. But a number you cannot trust is worse than no number at all, so we have been deliberately careful with the details - the dead and delisted stocks stayed in the sample, every cohort is judged against an honest control group, and we have modelled costs realistically.

> **How to use this study:** The next page carries the findings at a glance and a few rules of thumb - if you stop just there you will understand the principles. The chapters that follow show further evidence behind these rules, and some case studies that bring them to life. The closing chapter covers everything that can go wrong. Please do not skip it.

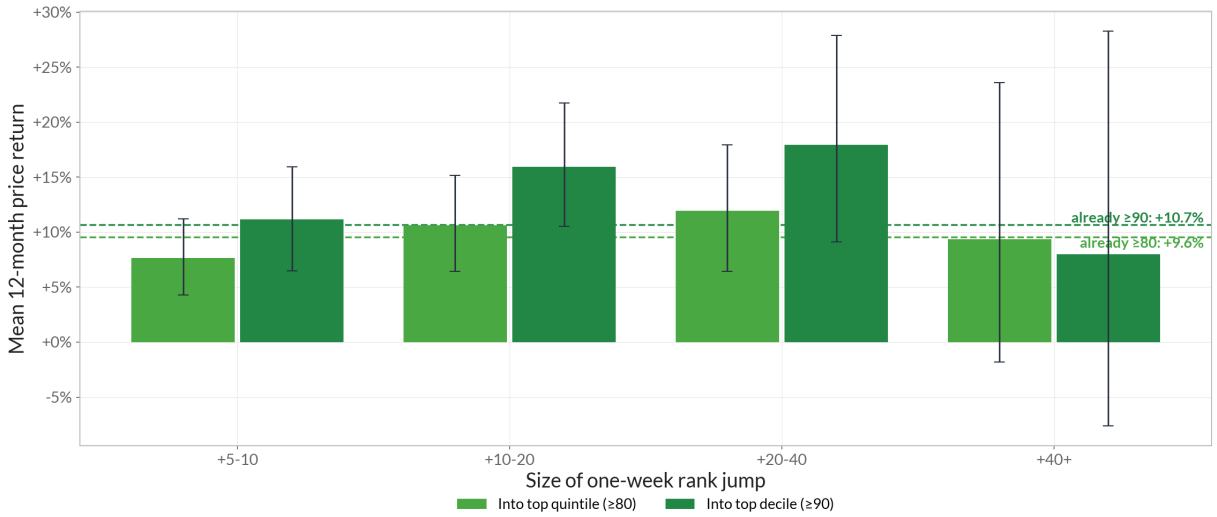
# The findings at a glance

| +5.3% | +18.3% | 53-61% | 5,902 |
|---|---|---|---|
| The 1yr edge 10-20 jumps have on already 90+ ranked | CAGR of the 90/80 Rule over the study, costs included | Win-rate, a basket effect not a guarantee | Jump events measured, clean of survivorship bias |

The chart below is a summary of the study in one picture. The bars show the average 12-month price returns after a one-week jump in the StockRank, by the size of the jump, against the stocks already above each threshold in the same weeks. The whisker lines on the chart are the 95% confidence intervals, clustered by event month. The signal is real but is strongest when stock jump above 90, rather than above 80, and there is a sweet spot.

**Do StockRank jumps pay off?**

Mean 12-month price return after a jump into the top QVM quintile/decile - LSE 2014-2026




Mean 12-month return after one-week rank jumps, by jump size, against stocks already above each threshold

## Some rules of thumb

If nothing else, please take away the following seven rules of thumb. Each is unpacked, with further evidence, in the chapters that follow.

1. **"Buy the leap, not the creep".** Jumps of +10 to +40 points carry the signal. A +5 to +10 drift over a threshold is noise - and sometimes worse than noise.

2. **Jumps land best above 90.** Jumps that finish at 90 or above carry new information and pay best. Jumps that finish between 80-90 do not.

3. **The 90/80 Rule.** Buy +10 to +40 point StockRank jumps that land at a rank of 90 or above. Sell on the first weekly close back below 80.

4. **The rank knows more than the calendar.** Hold while the rank holds; exit when the rank breaks, rather than a fixed date. Median hold lands near 9.5 months.

5. **Jumps are strongest in small and mid-caps.** The edge is a sub-£350m phenomenon; above £350m it barely exists.

6. **Run a basket of ~20 jumps.** The return appears at most portfolio sizes, but holding 20 names rather than 5 halves the risk.

7. **Some sectors are stronger than others.** Strong in Healthcare, Technology and Industrials; treat Financials and Energy jumps with suspicion.

# About the Research Study

Analysing historic stock market data can be prone to various biases. Findings are only as strong as the way they are measured. So before we share more details about these rules, we want to explain the basis of the study - our dataset, the definitions, and the things we did to avoid fooling ourselves.

## The data and the window

We took every UK-listed share on the LSE, measured every week, from early 2014 to June 2026. Twelve years of weekly observations across the whole market, around 1,300-1,900 listed companies at any time. The StockRanks used are point-in-time - we have archived the "as published" data daily through time for every stock in our database. They are taken exactly as subscribers saw them each day - with no restated history, and no hindsight bias.

## The event definition

A jump event is defined when a share's StockRank crosses above a threshold - above 80 (top quintile) or above 90 (top decile) - within a single week, having been below the level the week before, with a minimum move of 5 rank points. That gave us 3,900 jumps above 80 and 2,001 above 90, after universe filters and a six-month per-stock cooldown so the same name couldn't flood the sample with repeat signals. Investment trusts are excluded as we wished to focus on operating companies.

## Survivorship: the delisted stayed in

This is most important data quality point about the study. The easiest way to make a backtest look brilliant is to quietly drop the companies that delisted. If losers disappear from your sample (due to bankruptcy or other reasons), and only the survivors remain, then the average can be inflated. This is called "survivorship bias" and is a big problem for research studies.

We have ensured this isn't the case. Every delisted stock is held to its last traded price. Carillion fired a jump signal in January 2017 and sits in our results at -94%. Flybe is in at -98%, Afren at -98%, Morses Club at -98%. Those losses are inside every average return quoted in this study. The edge you read in this study survived in spite of keeping the losing stocks in sample.

## The control group: the incumbents

A return on its own tells you nothing. +15.9% over twelve months sounds great until you wonder what it's compared to? We already know high-ranked stocks outperform - that's been the basis of the StockRanks story. So we don't judge the jumpers against the market. We judge them against the stocks already ranked above the rank threshold they've jumped into. We call those the incumbents in the room (already 90+) and compare them against the new arrivals (the jumpers). The gap between them should identify the investment value of buying jumps.

## Costs and statistics

When we test the tradeable version of this strategy, we deduct the full cost of buying and selling each share - the gap between buying and selling prices, 0.5% stamp duty, and 0.2% in broker commissions. These costs can be substantial for smaller, less frequently traded companies, so the results reflect our best estimate of what returns could be realised.

Our return figures are also based on share price changes only. Dividends are left out entirely - both from the modelling and from the benchmark it's compared against. This is a deliberately cautious choice, as if anything, it makes the approach look worse than it really is. 90+ ranked stocks tend to yield more than 3% on average.

One statistical point worth explaining. Because we measure returns over twelve-month periods that overlap with each other, the same market moves get counted many times. Standard statistical tests don't account for

this and would make us look far more certain than we should be. So we use a more robust method (a "bootstrap") that groups results properly and avoids double-counting. When we describe a result as significant, it means it passed this tough test.

# The anatomy of a jump

Before the evidence, it is worth being precise about what is doing the jumping - and why a sharp move into the top decile can carry information that a slow drift does not.

## What jumps, and why

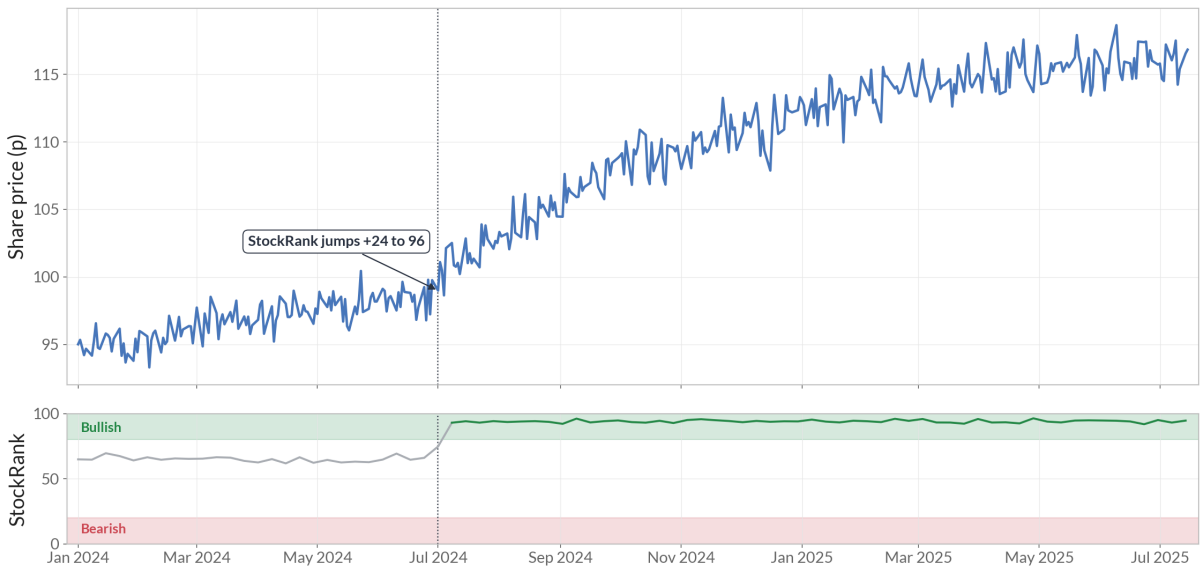
Every share in our universe carries a StockRank: a score from 0 to 100 that ranks it against the rest of the market. The headline rank blends three factors that decades of academic work - and our own data - say matter: Quality (is this a good business?), Value (is it cheaply priced?) and Momentum (is the market warming to it?). A StockRank of 95 puts a share in the top 5% of the market on that combined basis, and the rank updates as the data changes.

The StockRank does not know the story - it only weighs the numbers. So when a rank leaps 20 points in a single week, there is almost always something concrete behind it: new results, a profit upgrade, a step-change in the forecasts. Earnings beat expectations, the Quality metrics firm up, brokers raise their numbers and the price breaks out - and, scored against 1,500 other companies, the share vaults to a far higher percentile. A jump is the fingerprint of that cascade.

A jump also has a characteristic shape, worth holding in your mind's eye before we reach the averages. A company sits quietly mid-table, a rank in the 60s, going nowhere in particular. Then, in a single week, the rank leaps into the top decile and stays there. Crucially, the share price does not finish its move on the day of the news - it drifts higher for months afterwards, and on average it is around 18% higher a year later. The jump is the data noticing. The drift is the market slowly agreeing.

### The shape of a jump

Illustrative: a rank leap into the top decile, then the average +18% price move over the following 12 months




A quiet rank, a sharp leap into the top decile, and a price that keeps drifting higher for months afterwards

That single picture is the thesis of the study: a jump into the decile tends to mark the *start* of a re-rating, not the end of one. It is why the rule we go on to build has two halves - hold while the rank holds its ground, and sell ideally when it breaks back down through 80.

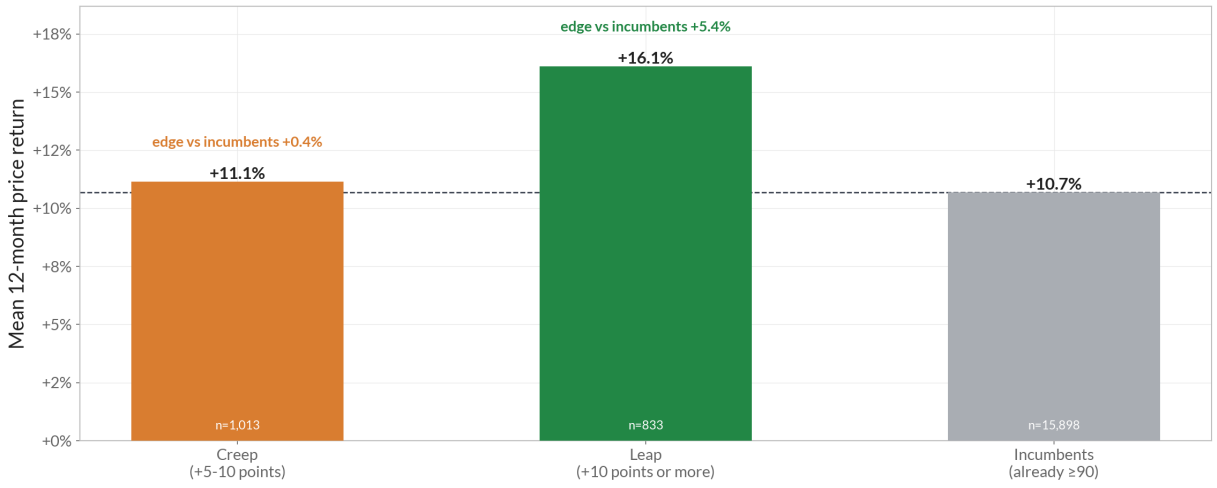
## A jump versus a creep

A rank can climb two ways, and the distinction is the crux of the whole study. It can creep - drifting up a few points a week, easing over the 80 or 90 line without drama. Or it can jump - a meaningful number of points in

a single leap, on a profit upgrade or a real change in the financials. A creep is usually the market having a slow change of heart; by the time the rank crosses the line, the news is often months old and already in the price. A jump is the market reacting to something new and concrete that has just happened.

**Buy the leap, not the creep**

Mean 12-month price return after a one-week QVM move into the top decile (≥90), by how the rank got there




Buy the leap, not the creep: a +5-10 point creep into the decile carried no edge over the incumbents already there, while a 10+ point leap beat them by 5.4%

## Why the jump could carry an edge

Why would a public number predict anything at all? Because markets digest new information more slowly than you would expect. There is a well-documented anomaly called post-earnings announcement drift: prices move on the day of the news, but rarely far enough. Analysts revise their estimates in cautious steps, and investors anchor on the old story. In under-researched smaller companies that lag can stretch out for months. A rank jump is a flashlight for exactly these situations - a re-rating that may be only just beginning. That is the seed of the rule we keep coming back to: buy the leap, not the creep.

# Finding 1: buy the leap, not the creep

Now for the finding itself. The evidence says two things, and both are sharper than I expected when we started.

The top quintile - rank 80 and above - is a good place to select shares from. But a jump into the quintile, measured against those already there, barely moves the needle. The crowd had largely already arrived. But jumping into 90+ is a different story. Read these tables down the "12m mean" column, then against the incumbent row at the bottom.

## Jumps into the top decile (QVM 90 and above)

| Jump | n (12m) | 3m mean | 6m mean | 12m mean | 12m median | Hit rate | Delisted |
|---|---|---|---|---|---|---|---|
| +5-10 | 1,013 | +2.6% | +5.2% | +11.1% | +3.9% | 56% | 5.4% |
| +10-20 | 578 | +4.2% | +9.5% | +15.9% | +6.6% | 59% | 4.8% |
| +20-40 | 219 | +5.5% | +7.4% | +17.9% | +4.3% | 58% | 6.4% |
| +40+ | 36 | +2.4% | +6.8% | +8.0% | +1.0% | 53% | 13.9% |
| *Incumbents* | *15,898* | *+3.3%* | *+5.8%* | *+10.7%* | *+3.4%* | *55%* | *5.5%* |

## Jumps into the top quintile (QVM 80 and above)

| Jump | n (12m) | 3m mean | 6m mean | 12m mean | 12m median | Hit rate | Delisted |
|---|---|---|---|---|---|---|---|
| +5-10 | 1,608 | +1.4% | +3.5% | +7.6% | +1.9% | 53% | 5.9% |
| +10-20 | 1,325 | +3.1% | +5.7% | +10.6% | +3.7% | 55% | 5.2% |
| +20-40 | 591 | +4.1% | +6.6% | +12.0% | +4.0% | 55% | 6.6% |
| +40+ | 102 | +4.4% | +6.1% | +9.3% | +0.7% | 51% | 8.8% |
| *Incumbents* | *33,351* | *+2.7%* | *+5.0%* | *+9.6%* | *+2.7%* | *54%* | *5.5%* |

New +10-20 jumps into the 90+ bucket beat incumbents by +5.2%, and that edge is statistically significant - its clustered interval (+0.6% to +10.1%) clears zero. The +20-40 jump did even better at +7.2%. But jumps into the 80+ quintile seem to carry little edge at any size. The lesson is precise: it's better to land in the 90+ top decile, rather than just the 80+ top quintile.

Now look at the two ends of the top decile table and you see why size matters. Returns rise as the jump gets bigger, from the feeble +5-10 nudge up through the +20-40 re-rating. Then, above +40, the whole thing falls apart: that cohort returned just +8.0% with no edge. It may be because a move that size is increasingly a company that's risky, evidenced by them having roughly double the delisting rate. So the sweet spot perhaps has some clear boundaries: a +10 to +40 point jump landing at 90 or above.

But the smaller "creeping" end of the spectrum disappointed. A +5-10 drift into the top quintile (80+) actually underperformed the incumbents by 1.9%. This creep is not a great signal, in fact by this evidence it seems to be an anti-signal. It's quite possibly occurring at the tail end of moves in shares that have already played out.

> Actionable Rules: a +10 to +40 point weekly jump landing at 90 or above is the signal. Ignore smaller +5-10 drifts. Treat +40-and-above moves - which underperformed with double the delisting rate - as needing significantly more research.

# Finding 2: the 90/80 Rule

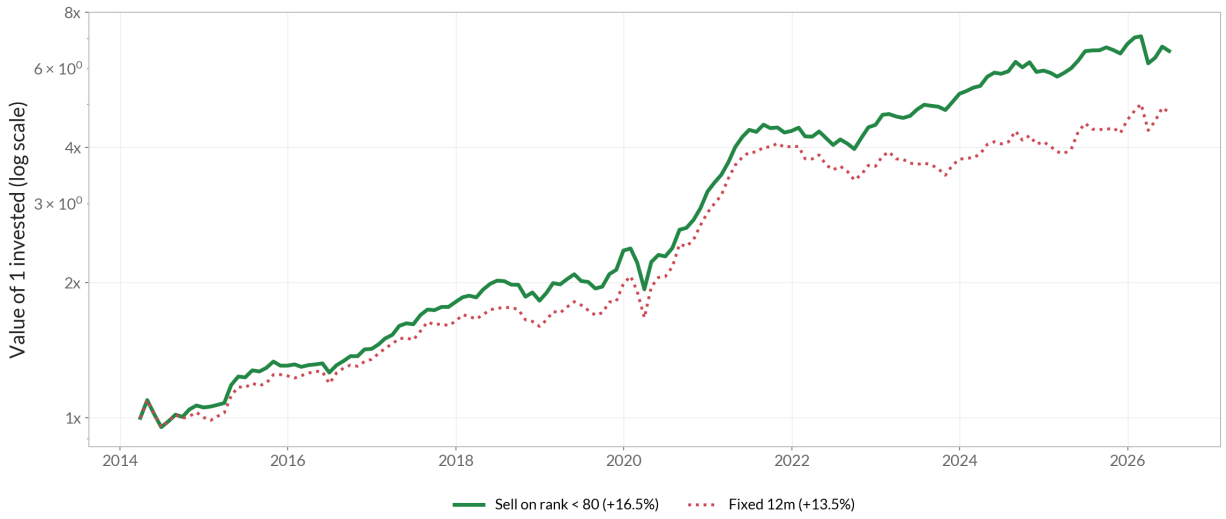
A finding is most useful when it gives guidance on both when to buy and when to sell. The data so far has built the buy side. But more interesting is the exit: should you hold for a fixed period, or let the rank itself tell you when to sell? We tested both, net of full costs.

| Exit policy | Net CAGR | Sharpe | Max drawdown | Median hold |
|---|---|---|---|---|
| Sell after 6 months | +12.0% | 0.79 | -21% | 182 days |
| Sell after 12 months | +13.5% | 0.96 | -19% | 365 days |
| Sell on weekly close below 80 | +16.5% | 1.25 | -19% | 277 days |
| Sell on weekly close below 70 | +15.6% | 1.18 | -20% | 418 days |

Selling on the rank break beat every fixed holding period by a clear margin. Letting the rank decide added about 4% a year of compound return and lifted the Sharpe ratio from 0.79 to 1.25 - same entries, same stocks, the only difference the sell discipline. The rank knows best when the story has changed; the calendar does not. That is the second rule of thumb: a weekly close below 80 is the market's first warning that the thesis may be breaking.

**Clock or rank: when should you sell a jumper?**

Net-of-costs calendar-time portfolios, sub-£350m +10-40 jumps into QVM ≥90 - the rank exit vs a fixed 12-month hol

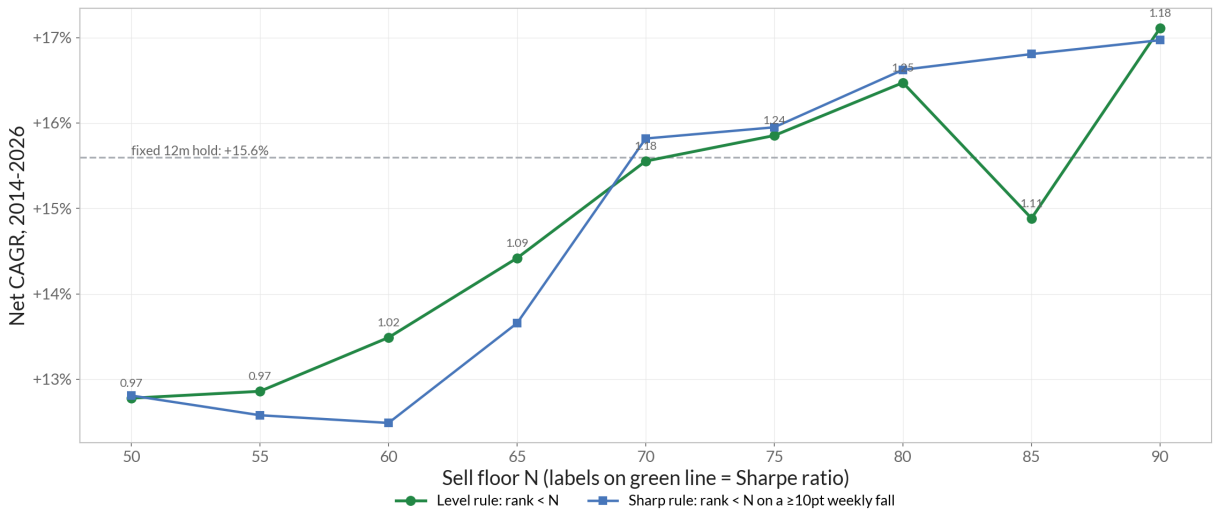



Same buys, same stocks, same costs - only the sell discipline differs. Selling on the rank break compounded £1 into 6.6x; the fixed 12-month calendar managed 4.8x

The sell rule has independent evidence. Stocks that fell 5 to 20 points below the 80 line went on to underperform the ones that held their rank by 3% to 4% over the following year. The departures carry information, just as the arrivals do.

### Hardening the 90/N rule: where should the sell floor sit?

Net CAGR by sell floor - buy +10-40 jumps into ≥90 (sub-£350m), sell when rank breaks below N




The sell-floor sweep: every floor from 70 to 90 earned roughly 15% to 17% net - a plateau, not a knife-edge

None of this is about one magic sell rank number. We swept the sell floor at every rank from 50 to 90, and every floor between 70 and 90 earned roughly 15% to 17% annualised (net of costs), with the ordering holding in both halves of a 2014/2020 out of sample test split. We have previously advocated for Christian Reschenhofer's 90/70 rule, which seeded this idea and which we are happy to credit - but tightening the sell floor to 80 seems to work even better.

The sharp-eyed will notice the sweep's single highest point is actually a floor of 90 - so why not a 90/90 rule? Because with the sell line at 90, the first weekly wobble out of the decile is a sale: the median hold collapses from nine months to three and turnover roughly triples, tripling your exposure to dealing costs - the least knowable number in any small-cap backtest. Giving up that last 0.6% a year buys a calmer, cheaper, sturdier rule that a human being can actually follow.

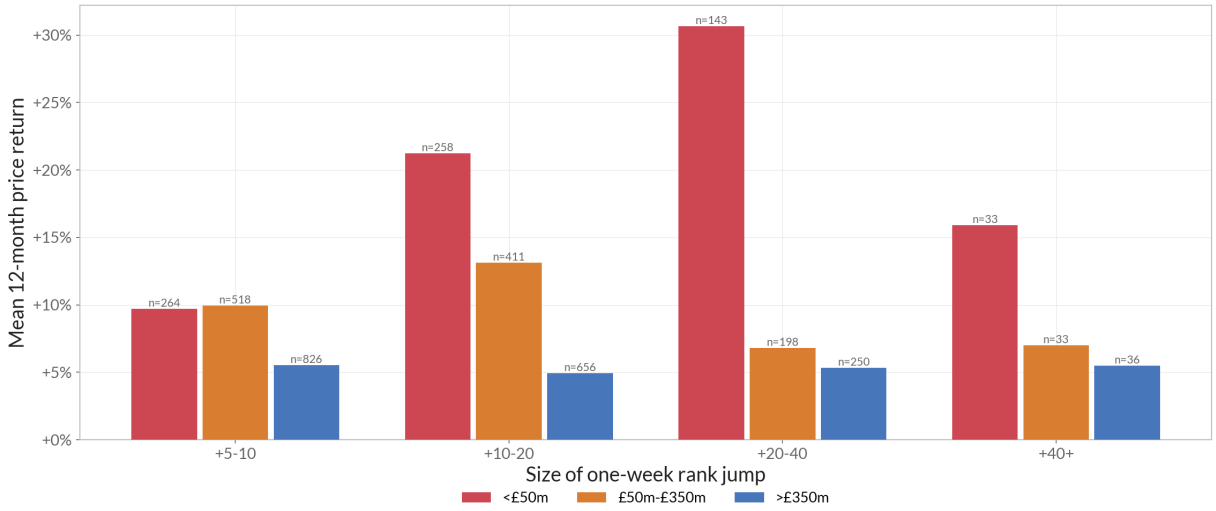
Actionable: buy the +10-40 jump into 90+; hold while the rank stays at 80 or above; sell on the first weekly close below 80. Do not chase for jumps above 95 - buying only the very top shows a flattering headline CAGR but runs on a median of just nine positions!

# Finding 3: where the Jump Effect lives

As they say, there are lies, damned lies and statistics. An average across the whole market hides just as much as it reveals. A sensible investor wants to know where the edge works, because that is where it most pays to put your attention. Three lenses do matter - size, sector and factor.

**Where does the jump effect live?**

Mean 12-month price return after a jump into QVM ≥80, by market cap at event




Returns by market-cap band: the sub-£350m versus above-£350m split

Size is the single biggest constraint, and I need to be frank about it. The jump effect is a small and mid-cap phenomenon. For jumps into the 80+ range (top quintile), twelve-month averages for +10-40 jumps ran a healthy 13% to 31% in stocks under £350m, but a flat 5% above £350m regardless of jump size. The logic is the one Peter Lynch would have recognised - when a large cap company surprises, ten analysts have modelled the news by lunchtime, and the edge has gone. When a £60m engineer transforms its prospects, the repricing can take months. The edge is liquidity-constrained alpha - it exists precisely because nobody is looking. So the first filter is that it's small and mid-cap only.

The edge is also very uneven by **Sector**. Measured against same-sector incumbents, Healthcare (+10.4%) and Technology (+6.0%) carry the premium, with hit rates of 65% to 71%; Industrials are reliably positive (+4.5%). But Financials - the largest single source of jump events - carry a negative edge of -2.3%, and Energy jumps barely beat a base rate that is itself negative. A simple "exclude Financials and Energy" filter removes about 27% of all events and a disproportionate share of the worst losses. Mind the postcode.

| Sector (10+ pt QVM jump) | Jumps | Jumper 12m | Incumbents | Edge |
|---|---|---|---|---|
| Utilities | 40 | +24.0% | +11.3% | +12.7% |
| Healthcare | 66 | +27.7% | +17.2% | +10.4% |
| Technology | 216 | +21.4% | +15.4% | +6.0% |
| Industrials | 492 | +13.3% | +8.8% | +4.5% |
| Basic Materials | 235 | +19.2% | +16.1% | +3.0% |
| Consumer Cyclicals | 473 | +7.9% | +5.6% | +2.4% |
| Energy | 113 | +0.6% | -1.0% | +1.6% |
| Financials | 537 | +5.8% | +8.0% | -2.3% |

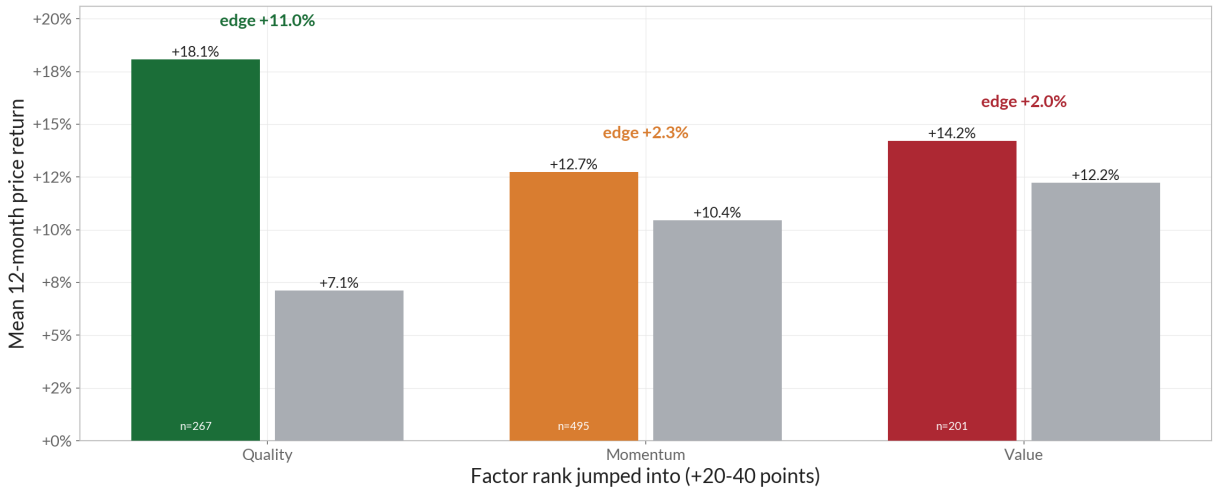
By **Factor**, the answer is clear: this is a Quality story. Jumps of +20-40 into a Quality Rank of 90+ beat incumbents by +11.1% (significant). Momentum and Value jumps showed no reliable edge - and Value jumps carried the highest delisting rates in the study, 9% to 13%. That is the classic value trap, arriving dressed as a jump signal!

| Factor (+20-40 into 90+) | 12m mean | 12m median | Hit rate | Delisted | Edge |
|---|---|---|---|---|---|
| Quality | +18.1% | +7.7% | 61% | 4.5% | +11.1% |
| Momentum | +12.7% | +3.8% | 54% | 5.9% | +2.3% |
| Value | +14.2% | 0.0% | 49% | 13.4% | +2.0% |

There is a detail in this chart that is easy to miss, and it is the sharpest in the study. Look at the grey bars. Quality incumbents were the weakest room of the three at just +7.1% - simply sitting on high-Quality shares paid the least - yet Quality arrivals were the strongest cohort we measured. The edge is not the *level* of quality but the moment it *changes*. A price can jump on sentiment any week of the year; a 20-40 point Quality re-rate means the published numbers - margins, cash generation, returns on capital - have just stepped up, and that is precisely the event the market is slowest to believe.

### Which factor's jumps matter most? It's a Quality story

Mean 12-month price return after a +20-40 point one-week jump into a factor rank of 90+ - coloured bars = jumpers, g

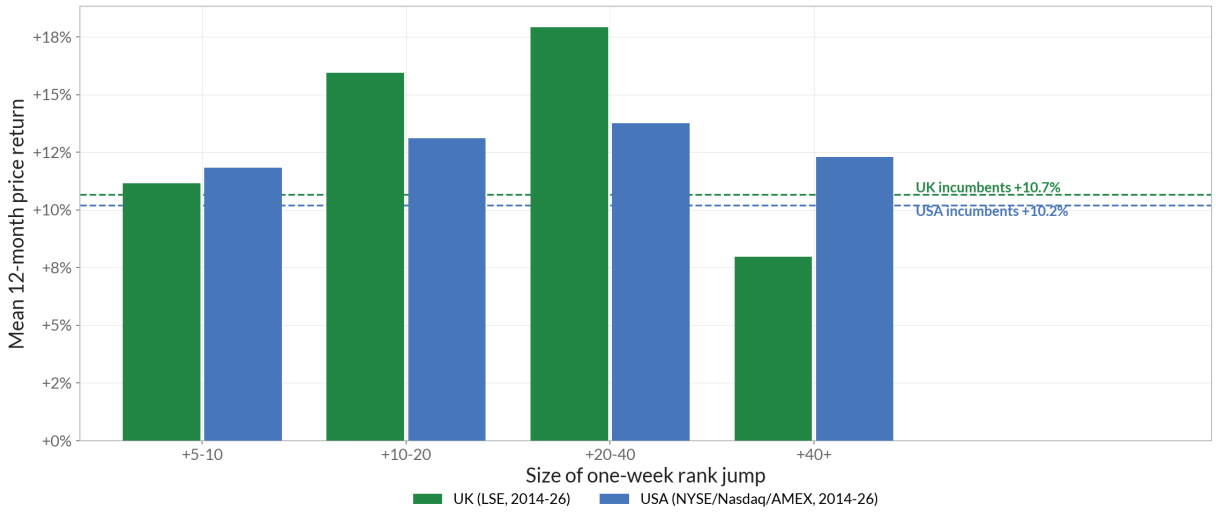


A +20-40 point jump into each factor rank at 90+, against that factor's own incumbents. Quality jumps carry the edge; Momentum and Value jumps barely beat the room they land in

Finally, an international test. We replicated the entire study on the US main boards - nearly 8,000 decile events, 2014 to 2026. The pattern points the same way, at roughly half the magnitude: the mechanism is universal, but the American small-cap market arbitrages it faster. The UK edge is substantially a premium driven by neglect - this is the UK private investor's structural advantage. Performance numbers, therefore, stay UK-specific.

### Does the jump effect replicate in the USA?

Mean 12-month return after a one-week jump into the top QVM decile (≥90), jumpers vs incumbents




Jumpers versus incumbents at each jump size, UK and US top-decile jumps. The same pattern shows up across the Atlantic, but at roughly half the magnitude - the deeper US small-cap market arbitrages the edge away faster

Actionable: hunt in small and mid-caps, in Healthcare, Technology and Industrials, where the jump is powered by changes in Quality. Treat Financials and Energy jumps, and large-cap jumps, as context rather than tradeable signals.

# Building a portfolio

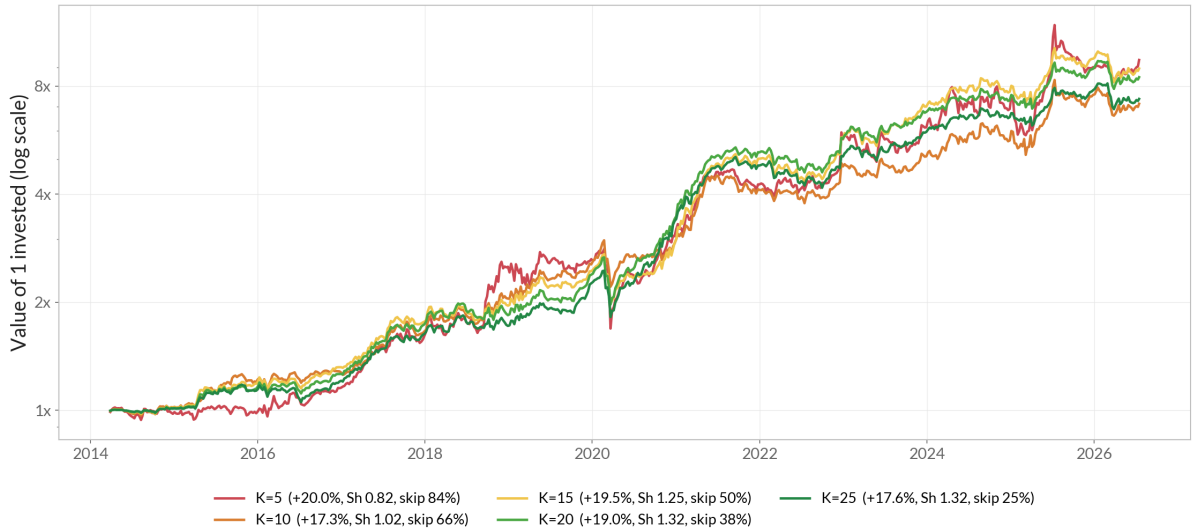
Everything up to here has been evidence. But how might you actually use it? Here is the whole thing as a repeatable weekly routine. Once a week, when the new StockRanks have settled, five practical steps.

- **Scan for the jump.** Find the stocks whose StockRank rose by +10 to +40 points over the week and closed at 90 or above. Ignore smaller +5 to +10 drifts - they are noise - and treat a +40-and-above leap as research-only, not an automatic buy.
- **Filter by size.** Keep only the small and mid-caps, roughly £10m to £350m at the jump. That is where the edge lives, and where you can still deal: below about £10m the spread eats you alive, and above £350m the edge has already been arbitraged away.
- **Buy equal-weight, biggest jumps first.** Open each new position at the same size - one slot of the book - and never for more than the cash you hold. When more signals fire in a week than you have free slots, take the biggest jumps first and let the rest go.
- **Hold while the rank holds.** Keep a position while its StockRank stays at 80 or above. Use a two year long-stop.
- **Sell on the break, then recycle.** Exit on the first weekly close below 80 and free that slot for the next qualifying jump. That single discipline is worth about 4% a year of compound return, and lifts the Sharpe ratio from 0.79 to 1.25 against a fixed hold.

Notice what is *not* on that list: a sector rule. The core strategy filters on size alone. Historically you could have tilted the odds further - by avoiding Financials and Energy - but it's hard to know in advance which sectors will work best. The one decision the recipe leaves open is how many slots to run, and it matters more than any other choice.

**How concentrated should a jumpers portfolio be?**

Max-K holdings, strict 1/K sizing, buy +10-40 jumps into ≥90 (sub-£350m), sell on rank < 80, net of costs




Portfolio CAGR and Sharpe by number of slots

This is not a one-stock strategy. The averages beat medians everywhere, because the returns live in a long right tail - a minority of big winners do most of the heavy lifting - and that maths has a direct consequence. You have to hold enough names to catch the big winners.

A 20-slot basket is the sweet spot at +19.0% CAGR, the best Sharpe ratio of any size, and a -26% maximum drawdown. A 10-stock version is liveable but lumpy (+17.3% CAGR, a similar -26% drawdown but a markedly lower Sharpe) and skips about 66% of the signals - so two investors running the identical rule can have wildly different years simply because of which signals they owned. According to our simulations, the returns were apparent at any portfolio size, but holding 20 rather than 5 cuts the volatility by around 40% and the worst drawdown from -40% to -26%.

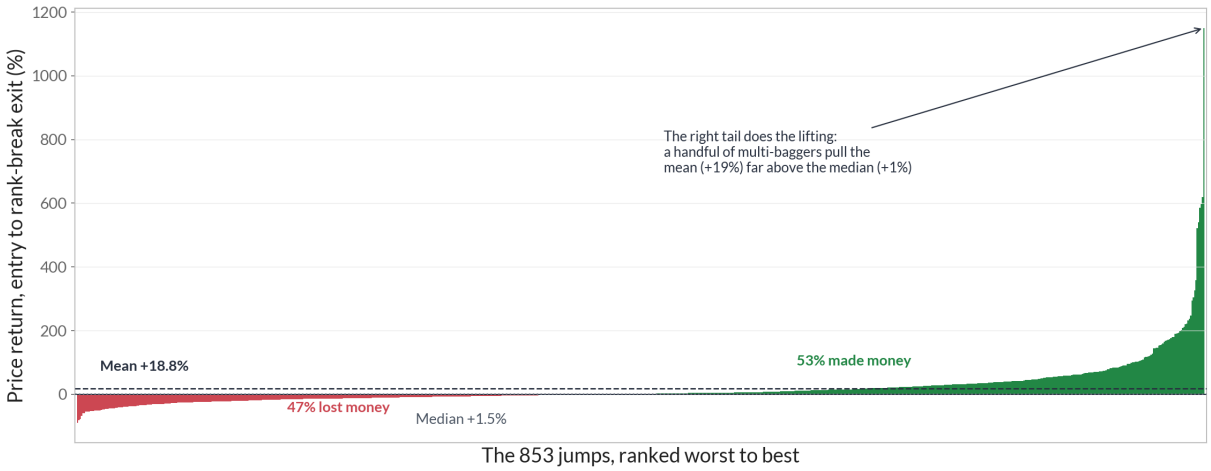
**What it actually costs to run.** This is a low-turnover strategy, but not a cost-free one. You open around 22 positions a year and hold the median name for about eight months, so a 20-slot book turns over roughly once a year. The catch is that these are small-caps, and small-caps have wide spreads. Every figure in this study is already net of that friction: a full round trip averages about 3.3% - two-thirds of trades sit in the £50m to £350m band at 2.7%, a third in the sub-£50m band at 4.7%, each including 0.5% stamp duty and 0.2% commissions. Across a year that is a drag of roughly 4% on the compound return. What we haven't modelled is **capacity** - larger positions need more liquidity and have higher market impact.

| Running the 20-slot book | Figure |
|---|---|
| Positions opened per year | ~22 |
| Median holding period | ~8 months |
| Book turnover | ~1x a year |
| Average round-trip cost | ~3.3% |
| Cost drag on compound return | ~4% a year |
| Net vs costless CAGR | +19.0% vs +23.1% |

That drag is the single best argument for the £10m floor - it strips out the smallest, widest-spread names you could never realistically deal in.

**Every jumper, sorted by outcome**

+10 to +40 jumps into QVM ≥90, held to the first weekly close below 80 · 2014-26, price-only




Every +10 to +40 jump into 90+ across the whole market, held to its rank-break exit and sorted worst to best (price-only, 2014-2026). The red left is the losers you will hold; the towering green right tail is the minority of multi-baggers that carry the whole basket

Set your expectations honestly. Hit rates run 53% to 61%, so on the core cohort expect less than 6 out of 10 positions to be winners over a twelve-month view - which means four in ten will be flat or losers. That is not a flaw in the strategy - it IS the strategy. The edge is the gap between your winners and your losers across the whole basket, not the success of any single selection. You will hold Carillions (see the case study in the next section). The rule does not promise you will not - it means that, run as a disciplined basket with a sell-below-80 exit, the winners have more than paid for them over time.

> Actionable: equal-weight up to ~20 positions; take signals as they come, largest jumps first when slots are limited. Never chase a wide spread on a jump morning - the edge lasts months, the spread costs you in seconds.

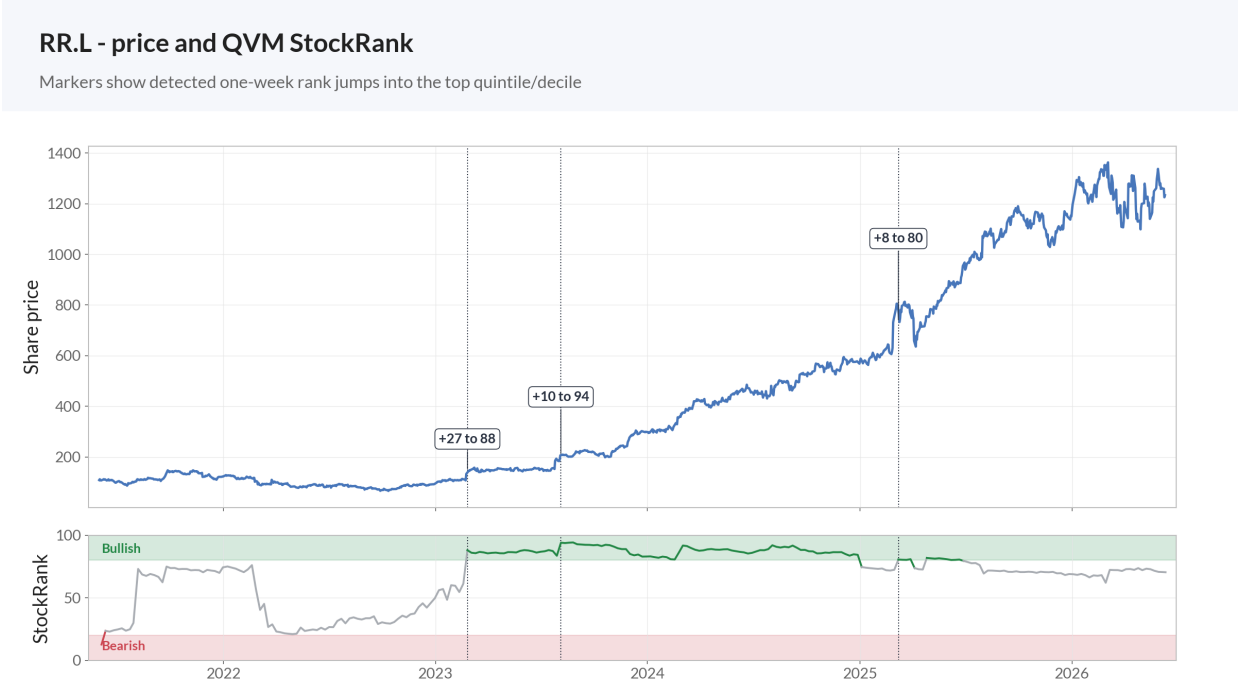
# Case studies

We've been through all the numbers, but what about reality? Here are four real companies the rule flagged - three that worked and one that did not. The loser is here on purpose. I don't want to pretend it's all safe sailing. After all, four or five out of ten "jumpers" end up losers on a 12 month basis.

## Rolls-Royce: the credible re-rating

In February 2023 Rolls-Royce (RR.) posted a +27 jump to a StockRank of 88, off its 2022 full-year results. Plenty of people still saw a wounded, pandemic-battered engine maker, but the StockRank was saying the quality and momentum of the business had inflected, hard, in a single step. Over the following twelve months the stock returned +147%. The jump flagged the turn in real time, before the headlines caught up, and the fundamentals soon vouched for it. By that July the trading update came in significantly ahead of expectations.

What makes this a credible re-rating rather than a one-day pop is that it held, and then some. Three years on, Rolls Royce still carries a momentum rank pinned near 100 - and its market cap roughly doubled again across 2025, past £100bn. Management raised guidance twice in a single year. But this was always a quality-and-momentum story, the value rank never cleared 30. By 2026 the composite rank had eased back to the high 60s even as the business kept growing.




Rolls-Royce: price over StockRank

## Kromek: the small-cap front-run

This is the sweet spot in the flesh. For most of 2025 Kromek (KMK), a radiation-detection technology company worth barely £30m, carried a StockRank in the low 20s, the kind of neglected, loss-making micro-cap nobody was watching.

When September's final results landed significantly ahead of expectations, revenue up 37% to £26.5m, adjusted EBITDA up 232% to £10.3m, a £3.1m profit against the prior year's loss, people took note. But it was only at the 27 October pre-close statement it re-rated in a single step, from 21 to 97, as the new financial statements finally processed, and the quality and value ranks both vaulted into the mid-80s. The market cap ran from £32m in September to £47m by late October and on to £75m by January. The shares more than doubled.

Our analysts, stayed cautious on the shares the whole way. They were uneasy that the re-rating leaned almost entirely on one $37.5m Siemens Healthineers deal whose revenue looked heavily front-loaded, with as much as 90% booked inside twelve months. These insights were early, not wrong: from the January high the shares gave back better than 20%. A big quality step-change in an under-researched small-cap is exactly the pattern the study says to favour, small enough to be neglected, in a technology niche, with a jump powered by a step change in fundamentals. The rank flagged a genuine doubling, can the remaining gains be sustained?

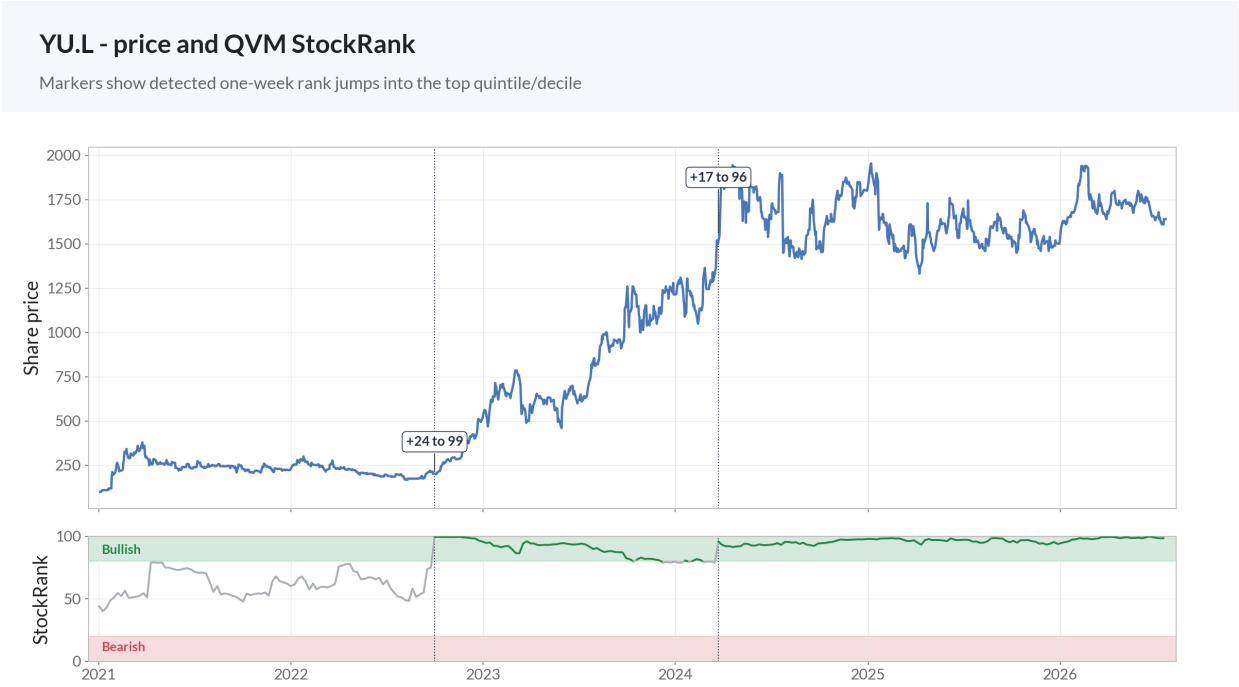



Kromek: price over StockRank

## Yü Group: the jump and the drift

The purest illustration of the whole rule is Yü Group (YU.L), the independent supplier of gas and electricity to UK businesses - a Utilities name rather than an Energy one. In October 2022, after results with revenue up 96%, its StockRank leapt +24 points to 99 in a single week: a sub-£350m small-cap vaulting into the very top of the decile. Small, neglected, in a boring sector, powered by improving fundamentals - the sweet spot in the flesh. Over the twelve months that followed it returned +490%, from around £2 to £12. This is what the long right tail looks like from the inside - a handful of outsized winners tend to do most of the heavy lifting.

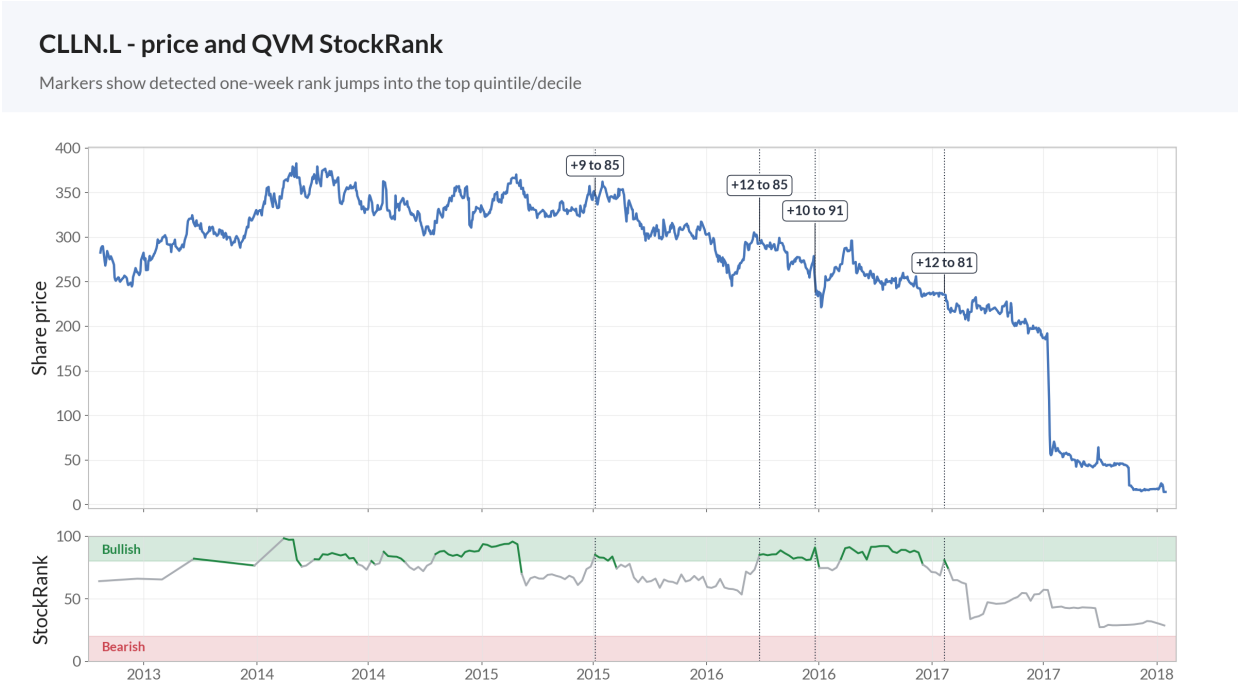
The instructive part is the shape of that climb - not a spike but a staircase, with the rank pinned in the top decile the whole way up. Yü kept telling the market it was "significantly ahead of expectations", again that January, again in May, again in July, and each time the City's analysts, anchored to their carefully-built models, edged their forecasts up only part of the way. The slow diffusion of good news is what turns a single jump into a long, smooth trend. But as the price rose the Value side of the composite dragged the overall StockRank down, and in October 2023 it closed below 80 - a year, and nearly a 6-bagger, after the signal. That is the 90/80 rule writ large. Yes it drifted higher still afterwards, which is the honest truth, but the rule is built to catch the big winners, not catch the high. (I myself bought it for my family above £6 that January, with a lot of vertigo!)




Yü Group: price over StockRank

## Carillion: the honest loser

Now the one that matters most. In January 2017 our backtest dutifully bought Carillion (CLLN) on a +12 jump to a rank of 81. It looked, on the day, like a perfectly ordinary signal. What followed was a -94% collapse and delisting as the construction giant unravelled into one of the most infamous corporate failures of the decade.




Carillion: price over StockRank

Carillion is in this study for three reasons. First, honesty. This is what we mean when we say the dead and delisted stayed in our study - its 94% loss sits inside every average in this study. Second, the rule is a base rate, not a guarantee: with hit rates of 53% to 61%, four in ten signals go nowhere or worse, and Carillion is what the wrong four in ten can look like. Third, this is exactly why the sell rule exists: a buy signal without an exit is how you ride a Carillion all the way down, and "sell on the first weekly close below 80" is built precisely to remind you to sell when the rank breaks, before the worst of the damage is done.

And Carillion has company. The rogues' gallery is systematic - Afren -98%, Morses Club -98%, Flybe -98%, Staffline -96%, Kier -88%, Ted Baker -88%. Look at the list and a pattern leaps out: lenders and levered resource and construction names. It is the Financials-and-Energy left tail in named and bloodied form. This is the whole reason the decile threshold, the sector filter and the sell rule all earn their place.

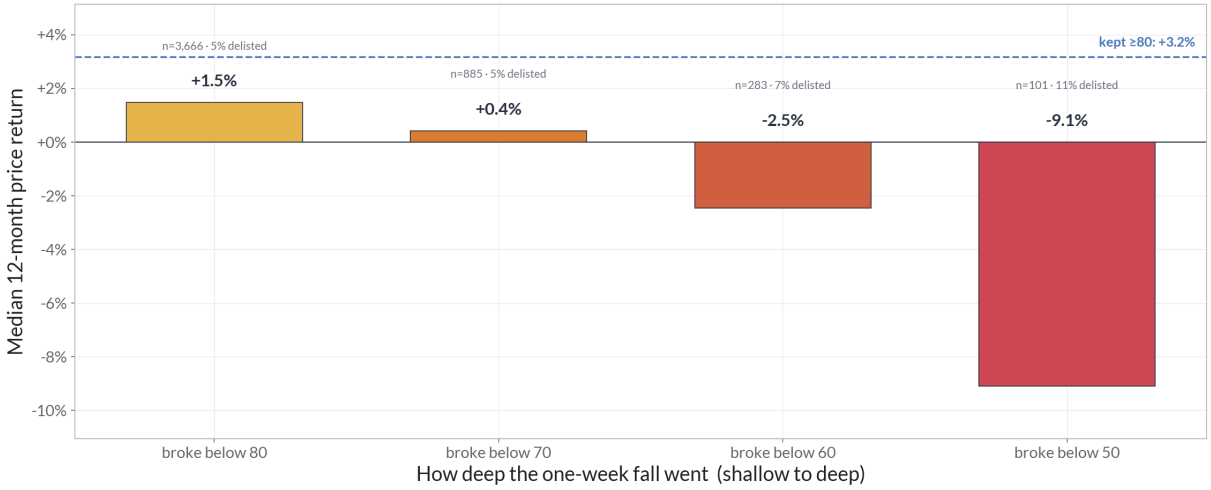
# The trapdoor: how far the fall matters

Everything so far has been about new arrivals - the moment a stock jumps into the top ranks, and what follows. But someone wrote in on X with the mirror question, the one every holder actually faces - "I already own a top-ranked stock. This week its StockRank fell. Should I worry? And does it matter how far it fell?"

It is exactly the right question, because a rank does not cross a line and stop. A stock at 90 can slip to 84, or crater to 47, in the same week. The first is a wobble. The second is something else entirely. So we ran the jump study in reverse: every week a stock that was sitting in the top quintile (rank 80 or above) fell out of it, measured over the same one-week window as a jump, and we sorted the events not by how big the drop was but by where the rank landed. The comparator is the same as everywhere else in this study - the incumbents, the stocks that kept their rank and never fell.

### The deeper a top stock's one-week fall, the worse the year ahead

Median 12-month price return after a top-quintile (≥80) stock breaks below each rank floor in a single week, vs stocks




Median 12-month price return after a top-quintile stock breaks below each rank floor in a single week, versus the stocks that kept their rank. Delisting risk climbs from 5% to 11% as the fall deepens.

The result is a clean staircase down, and it rewards reading slowly.

| The one-week fall (from a rank of 80+) | n | 12m mean | 12m median | vs keepers | Delisted |
|---|---|---|---|---|---|
| Kept the rank | 36,245 | +9.9% | +3.2% | - | 5% |
| Broke below 80 | 3,666 | +6.4% | +1.5% | -3.5% | 5% |
| Broke below 70 | 885 | +6.1% | +0.4% | -3.8% | 5% |
| Broke below 60 | 283 | +2.6% | -2.5% | -7.3% | 7% |
| Broke below 50 | 101 | +1.7% | -9.1% | -8.2% | 11% |

A stock that merely slips below 80 is barely worse than one that held its rank - a median +1.5% against the keepers' +3.2%, a mild drag, though a real one. But each floor it breaks through costs more, and the shortfall against the keepers is significant all the way down through the break below 60. Below 50 - a stock that was top-quintile a week ago and now sits in the bottom half - the median twelve-month return is -9%, the hit rate falls to a losing 46%, and the delisting rate more than doubles. Genuine one-week collapses of that size are mercifully rare. It's a trapdoor that doesn't open often - but when a top-ranked stock falls through it in a

single week, the market is usually telling you something.

## Why the average looks kinder than the reality

Read the mean column and the fall looks gentler than the median - even the deepest breakdowns average a small positive return. But this is the same tail mathematics that runs through the whole study, working in reverse. Most fallen stocks drift lower, but a minority rebound hard as big winners. So the median is what one holder is most likely to live through, the mean is what a broad basket of every faller would capture. For a private investor holding a handful of names, the median is the honest guide.

## From the very top, a stumble is usually just a stumble

One reassurance for holders of the best-ranked stocks. From the top decile (rank 90 and above), a one-week drop is, far more often than not, a shallow one. For every hundred such falls, roughly seventy ease back into the 80s, still comfortably top-quintile and no cause for alarm. A genuine one-week collapse from 90 to below 60 is rare - a few dozen events across twelve years. So the practical signal for a top-decile holder is calm - a small fall is ordinary noise, not a reason to sell. It is the rare, deep, sudden break that deserves your full attention - and when one does arrive, it is every bit as ugly as the quintile data implies.

## The asymmetry, and what to do about it

Set this beside Finding 1 and a clear asymmetry appears. The buy-side edge - a good jump beating the incumbents by +5% to +8% - is larger and cleaner than the sell-side drag, which runs from about -3.5% on a shallow slip out to roughly -8% on a deep break. **Arrivals are more informative than departures**. A jump is the market discovering something; a fall is often just the same crowd quietly drifting away.

But the fall evidence earns its place, because it independently confirms and then sharpens the sell half of the 90/80 Rule. The rule already says to sell on the first weekly close below 80. This chapter adds that **depth is urgency**. A break that stops just under 80 is the market's polite first warning. A break that keeps going - through 70, through 60, toward 50 - is the trapdoor you need to avoid. This mechanism carried patient holders all the way down to -90% or more losses with Carillion.

> Actionable Rules: Buy strong jumps above 90 and sell below 80, but the deeper and faster the break, the less it pays to sit tight. A slip just under the 80 line is a warning; a sudden fall through 60 toward the bottom half carries negative returns and double the delisting risk.

# Conclusions

When a stock jumps 10 to 40 points into the StockRank top decile, history says the market has not finished repricing it - and will not have for another six to twelve months. The effect is strongest in smaller companies, in sectors where results reflect durable operating progress, and in the UK, where a decade of institutional neglect has left an inefficiency that private investors are uniquely placed to harvest.

Run as a rules-based portfolio: with a 90/80 Rule, around twenty slots, and signals taken as they come. This approach compounded at over 18% a year net of costs across twelve years that included a pandemic crash and a small-cap bear market. This is not achieved by picking certainties - it just stacks a measured base rate, patiently, across many events.

That is, in miniature, is everything we believe at Stockopedia, that the odds can be shifted in our favour if we apply rules based on data-backed evidence. I have not handed you a list of shares to buy. I have given you a tested base rate and a few rules to act on it. A share tip takes away your autonomy; but knowledge of base rates makes you capable. Invest with rules, not guesswork.

## Honest limitations

Please do not close the study without reading this page.

- This is a basket effect. Hit rates are 53% to 61% and medians are roughly half the means - it's the tail of bigger winners that does the real work, and only broad diversification lets it. A single StockRank Jumper remains close to a coin flip.
- Costs are estimates. Spread assumptions are deliberately conservative but they are assumptions. Execution in wide-spread small caps materially affects realised returns.
- Fraud passes through. The ranks process reported numbers and cannot detect fraud. Carillion jumped a year before collapsing. Careful position sizing is the only defence.
- Regime dependence. Twelve years covers 2016, 2020 and 2022 stress events, but the sample is one market and one era of factor behaviour. Different markets and regimes will see different results.
- It is a backtest. Every figure here is a rigorous description of the past, not a promise about the future.

Important information. Stockopedia is an educational and informational service for self-directed investors. This study is research, not investment advice; no recommendation is made or implied. Past performance is not a reliable indicator of future results. Returns are from backtested simulations, price-only, net of modelled costs as described. Investments can fall as well as rise and you may get back less than you invest; smaller-company shares can be illiquid and carry higher risk. See our terms of use for full details. Study: 5,902 UK jump events, 2014 to 2026; Methodology, code and full tables: Stockopedia Ltd Research, June 2026.

# Appendix: the hall of fame

The fifteen best twelve-month outcomes following a jump event, from all completed events in the sample. Several names fired more than one winning signal over the years - a multi-year re-rating is a staircase, and every step is a fresh signal.

| Date | Ticker | Company | Rank move | 12m return |
|---|---|---|---|---|
| 2016-02 | FXPO | Ferrexpo | 79 to 84 | +528% |
| 2022-10 | YU | Yu | 75 to 99 | +493% |
| 2019-11 | BOTB | Best of the Best | 69 to 87 | +441% |
| 2020-06 | ASTO | River Global | 76 to 90 | +434% |
| 2016-12 | SQZ | Serica Energy | 89 to 95 | +428% |
| 2020-08 | TRMR | Nexxen International | 77 to 84 | +421% |
| 2016-09 | SPSYa | Spectra Systems | 36 to 81 | +414% |
| 2016-03 | SPHN | Sopheon | 66 to 100 | +412% |
| 2016-03 | FXPO | Ferrexpo | 84 to 92 | +405% |
| 2020-09 | TRMR | Nexxen International | 80 to 92 | +396% |
| 2023-04 | GMS | Gulf Marine Services | 72 to 83 | +393% |
| 2025-03 | FRES | Fresnillo | 71 to 88 | +366% |
| 2016-09 | IQE | Iqe | 89 to 97 | +362% |
| 2020-08 | WGB | Sanderson Design | 72 to 83 | +339% |
| 2020-10 | RCH | Reach | 69 to 90 | +338% |

# Appendix: the rogues' gallery

And the other tail - the worst outcomes, every one of which passed the same entry criteria as the winners. Note how many came from the noise bucket of sub-10-point drifts and from the Financials sector, and that most had already lost the bulk by month six. This page is why the study insists on baskets, the decile threshold and the sell rule.

| Date | Ticker | Company | Rank move | 12m return |
|---|---|---|---|---|
| 2014-08 | AFRE | Afren | 69 to 81 | -98% |
| 2022-06 | MCLM | Morses Club | 77 to 85 | -98% |
| 2018-09 | FLYB | Flybe | 73 to 80 | -98% |
| 2019-05 | STAF | Staffline | 73 to 84 | -96% |
| 2017-01 | CLLN | Carillion | 69 to 81 | -94% |
| 2023-03 | CRC | Circle Property | 66 to 92 | -94% |
| 2025-04 | AGFX | Argentex | 90 to 96 | -94% |
| 2017-01 | DREF | Duet Real Estate Finance | 71 to 82 | -93% |
| 2019-06 | TECH | Ubuntu Mining and Metals | 77 to 82 | -93% |
| 2022-10 | AMGO | Amigo Resources | 88 to 93 | -91% |

Afren, Carillion, Flybe and Morses Club delisted within the measurement window; their losses are counted in every average in this study.