MINDFORGE INTELLIGENCE

# THE WHIPSAW RECORD

***Every VIX scare is the same trap: cut risk and waste the trade, or sit tight and get caught.***

When the market forces that decision, our system publishes its call as an Event Risk Brief and scores itself by what the market does next.

*Since 1990, here's how often those calls held:*

**WHIPSAW** **117 of 123** · 95% correct

A VIX spike of 25% or more hits while the system is calling STABLE. 77 of those scares faded with the call unchanged, and the system escalated in time for the 40 that proved real. The grey bar is the 6 it missed.

**RESOLVED** **52 of 71** · 73% correct

After a crisis, the system returns to STABLE before VIX settles. The call held 52 times. The grey bar is the 19 that were early, where the system re-escalated within days.

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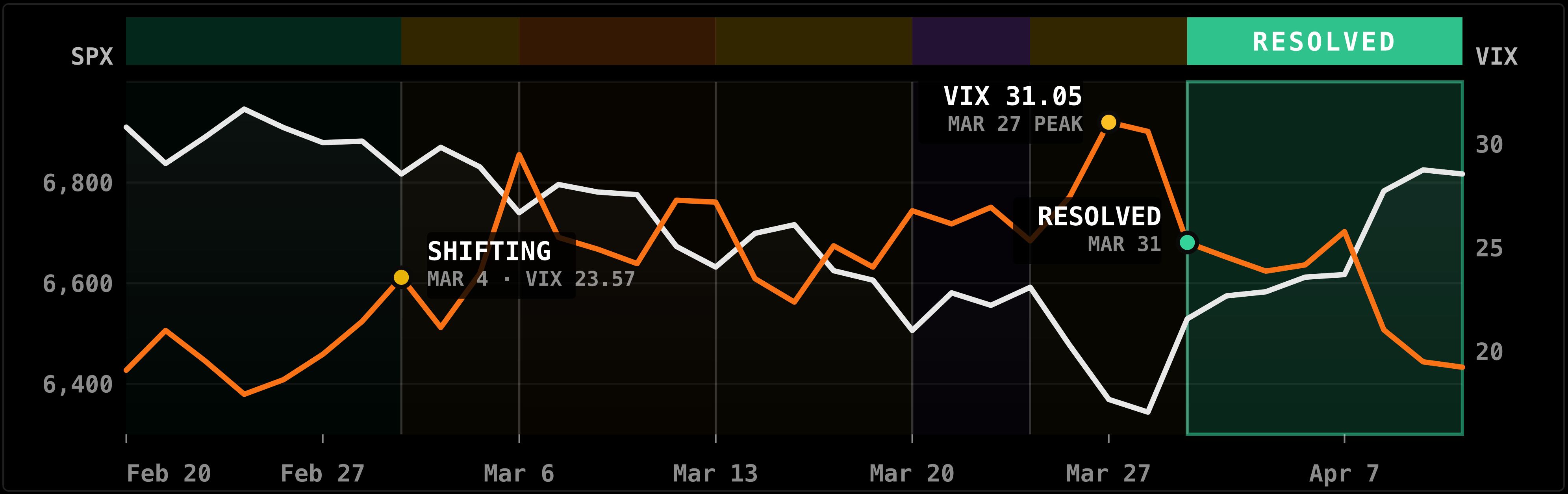
BACKTESTED 1990–2025 LIVE SINCE APRIL 2025 PROPRIETARY MINDFORGE.TECH

LIVE CALL

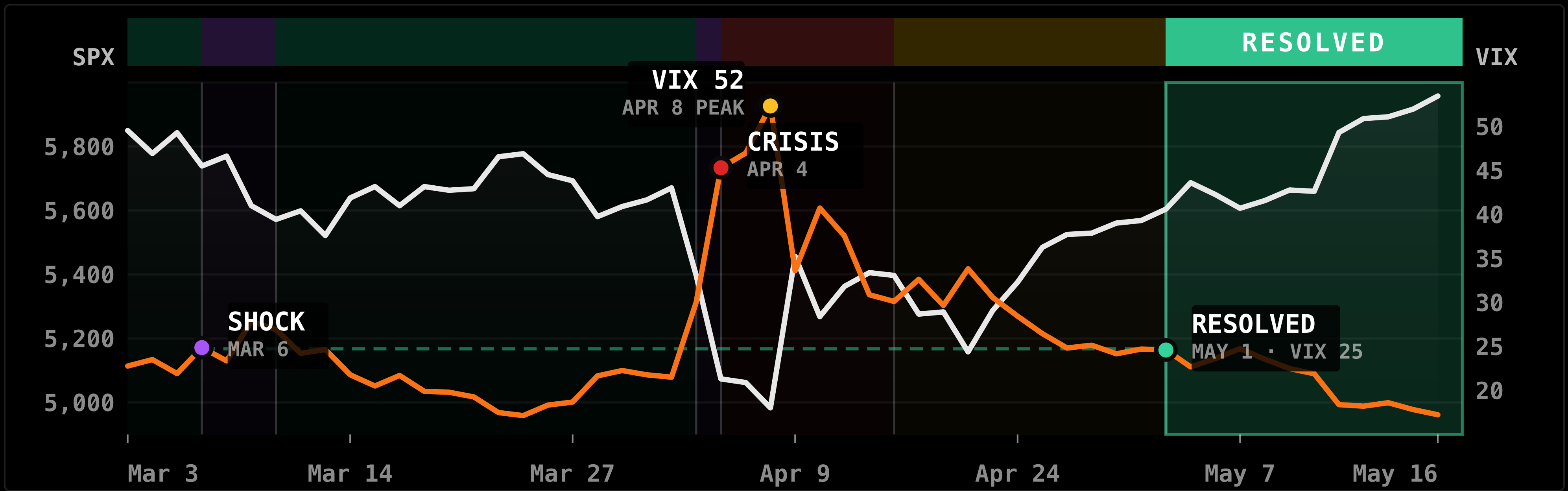
# IRAN SHOCK, MARCH 2026




| | |
|---|---|
| WHAT HAPPENED | Iran military strikes pushed VIX above 25, and the S&P 500 fell 7% from the session the system first flagged. The Market Risk Classifier escalated through SHIFTING, ELEVATED, and SHOCK as the episode built. |
| THE CALL | On March 31, 2026, the classifier returned to STABLE while VIX was still at 30.61. This is a RESOLVED classification: the crisis was real, it had ended, and the classifier said so before VIX did. |
| WHAT FOLLOWED | The S&P 500 recovered 254 points over 5 trading days. |
| EVIDENCE TIER | Live production classification. Not a backtest. |

LIVE CALL

# TARIFF CRISIS, APRIL 2025

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| WHAT HAPPENED | Liberation Day tariffs drove VIX to 60.13 intraday on April 7, the worst shock since COVID. The Market Risk Classifier escalated to CRISIS on April 4 and held it for 7 trading days. |
| THE CALL | On May 1, the classifier returned to STABLE while VIX was still at 24.60. This is a RESOLVED classification: the acute tariff shock had ended, and the classifier said so before VIX did. |
| WHAT FOLLOWED | VIX dropped to 17.83 by May 15. The S&P 500 rallied 313 points over two weeks. A portfolio manager following VIX alone stayed defensive for weeks after the crisis had already ended. |
| EVIDENCE TIER | Live production classification. Not a backtest. |

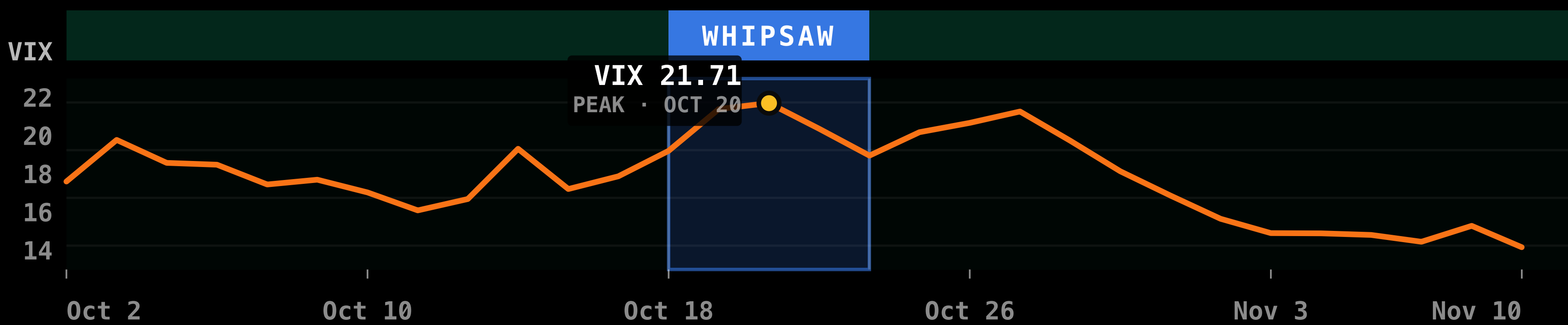
IN-SAMPLE

**THREE FALSE SCARES THAT FADED**


Weak August jobs data spiked VIX 49% in five sessions, from 15.00 to 22.38. The system classified STABLE through the entire spike, and VIX faded within a week. Every defensive trade triggered by that spike was a cost with no benefit.

### Israel-Hamas / 10-Year at 5%

OCTOBER 2023




Two simultaneous scares: a geopolitical crisis and the 10-year Treasury hitting 5% for the first time since 2007. VIX spiked 30% to a peak of 21.71. The system classified STABLE, and both scares faded. The portfolio manager who reacted to either one paid twice for nothing.

### Fitch US Sovereign Downgrade

AUGUST 2023


Fitch downgraded US sovereign debt from AAA to AA+. VIX spiked 28% to 17.10. The system classified STABLE, and the spike faded. The downgrade was a

# What did VIX cost you last quarter?

Every defensive move you made on a VIX spike that faded was money left on the table. Every crisis you stayed hedged through after it had already ended was the same mistake in reverse.

**In twenty minutes, we will replay the last four quarters of VIX scares day by day and show you what the classifier said on each one.**

REQUEST A 20-MINUTE WALKTHROUGH

**research@mindforge.tech**

646-847-9889

Today's risk shape. In your inbox by 07:30 AM ET every U.S. trading day.

THE MISSES

## WHERE IT'S WRONG

EVERY VIX SPIKE WHILE THE SYSTEM CLASSIFIED STABLE · 1990–2025

117 of 123 correct · 95%


**Faded on their own**
classified STABLE; the spike passed

**Caught by escalation**
left STABLE before the drawdown

**Missed**
classified STABLE and should not have

THE MISSES

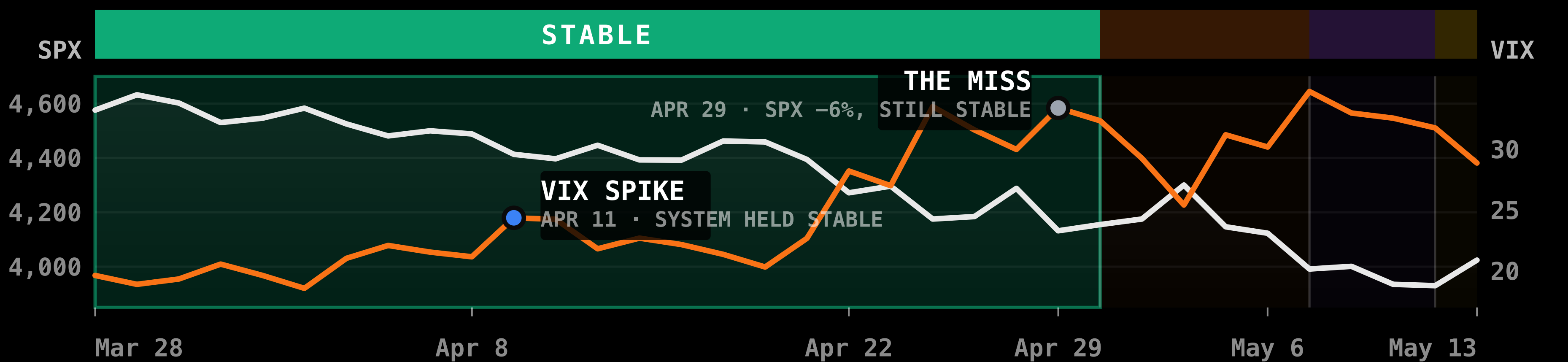
6 of 123 were misses where the system classified STABLE and should not have. The three modern-era misses are September 2014, July 2015, and April 2022; the other three fall in the 1990–2011 backtest era. The worst one is charted below.

WHEN VIX WAS RIGHT

40 of the 123 scares were real. The system left STABLE before the damage in every one. The classifier caught them, not VIX.

### The worst miss: April 2022

MISS · APRIL 2022




VIX spiked 25%+ on April 11, 2022 and the system classified STABLE. This time the scare was real: the S&P 500 fell 6% over the following three weeks while the classification held STABLE, and the system did not escalate until May 2, after the damage. This is what a miss costs.

RESOLVED, THE WEAKER CALL

RESOLVED is the weaker call: right 73% of the time (52 of 71). When it is wrong, the system re-escalates within a median of 10 trading days. The cost is a short window of hedges coming off early, never a silent blind spot.

[See the full record →]

This brief is the false-alarm side: when the system classifies STABLE through a VIX scare. The other side, when it leaves STABLE and the risk is real, is [The Escalation Record].