

On momentum strategies with several trend indicators

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摘要

There are two investment strategies that are often used in the stock market in order to obtain high returns. The momentum strategy that believes that good performance in the past will also perform well in the future, and the anti-momentum strategy that believes that poor performance in the past will perform well in the future. In this paper use cumulative rate of return, Sharpe ratio, stable-tail adjusted return ratio, and Rachev ratio as indicators for evaluating past performance. However, it is not enough to only use past performance. In H. Chuang, H. Ho(2013), it considers a price trend indicator IPR (Implied Price Risk) to the cumulative rate of return, that is, to select stocks that have performed well in the past and whose prices will still rise in the future that would be better than just using the cumulative rate of return. Therefore, the corresponding trend indicators are also derived for other evaluation indicators. The asset allocation issue is also one of main factors that affect returns, so the naive portfolio is compared with the Markowitz optimal portfolio proposed in the literature. In the empirical studies, it is found that the performance of returns after adding trend indicators most of the results will have a positive effect

關鍵詞：momentum strategy , anti-momentum , IPR , naive portfolio

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