



SCUOLA
NORMALE
SUPERIORE

NO FREE LUNCH SEMINAR
seminari di finanza quantitativa

Mercoledì 10 settembre 2014

ore 13.00

Scuola Normale Superiore

Pisa

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Terrà un seminario dal titolo:

“OPTIMALITY OF MOMENTUM AND REVERSAL”

Abstract:

We develop a continuous-time asset price model to capture short-run momentum and long-run reversal. By studying a dynamic asset allocation problem, we derive the optimal investment strategy in closed form and show that the combined momentum and reversal strategies are optimal. We then estimate the model to the S&P 500 and demonstrate that, by taking the timing opportunity with respect to trend in return and market volatility, the optimal strategies outperform not only pure momentum and pure mean reversion strategies, but also the market index and time series momentum strategy. Furthermore we show that the optimality also holds to the out-of-sample tests and short-sale constraints and the out performance is immune to market states, investor sentiment and market volatility.

Tutti gli interessati sono invitati a partecipare.

Classe di Scienze