

May 8

Final Project Using Stock Data Collected During the Semester

1. Be sure your data is listed so that each column is a different stock and the rows contain the prices for each day of your collection.

	Stock 1	Stock 2	Stock 3...	Stock 10
1/1/17				
1/2/17				
1/32/174				
	HPR1	HPR2	HPR3	HPR1
	Volatility1	Volatility2	Volatility3	Volatility10
Investment	\$10,000	\$10,000	\$10,000	\$10,000

2. Compute the holding period return for each. Here is a website that will help:
<http://financetrain.com/how-to-calculate-the-holding-period-returns/>
3. Compute the annualized volatility for each of your stocks:
<https://www.fool.com/knowledge-center/how-to-calculate-annualized-volatility.aspx>
4. Compute the return on an equally weighted portfolio of your ten stock.
<https://www.boundless.com/finance/textbooks/boundless-finance-textbook/introduction-to-risk-and-return-8/implications-across-portfolios-80/calculating-expected-portfolio-returns-349-3894/>
5. Construct a correlation matrix for the ten stocks in your spreadsheet.
www.ruf.rice.edu/~admn543/Correlation%20matrix%20steps.doc
6. Using the correlation matrix, construct 6 portfolios of two stocks each. Find 2 portfolios of positively correlated stocks, 2 portfolios of negatively correlated stocks and 2 portfolios of stocks that have correlations that are as close to zero as you have.
7. Compare the portfolio returns you get to the individual returns of the stock that comprise them.
8. Lastly, create portfolio of 5 stocks of your own choosing and weight. Compute the daily value of that portfolio, then use this column to determine the holding period return and volatility of your self-constructed portfolio.

- Excel sheet

- you as anchor

close Sunday night