Jegadeesh and Titman Notes

Abstract:

* Buy stocks that have performed well in the past and sell stocks that have performed poorly in the past generate significant positive returns over the 3-12 month holding periods
* Profitability is not due to their systematic risk or to delayed stock price reactions
* Part of the abnormal returns generated in the first year after the portfolio formation dissipates in the following 2 years

Trading Strategies:

* Select stocks based on their returns over the past 1, 2, 3 or 4 quarters and also consider the holding periods that vary from 1-4 quarters
* Total of 16 strategies
* Also look at another 16 stratigies that skil a week between the portfolio formation and the holding period
* Avoid price pressure, bid ask spread ect.