

BQFG Onboarding:

Utilizing EMA and SMA

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Weighing the Strategy

Pros:

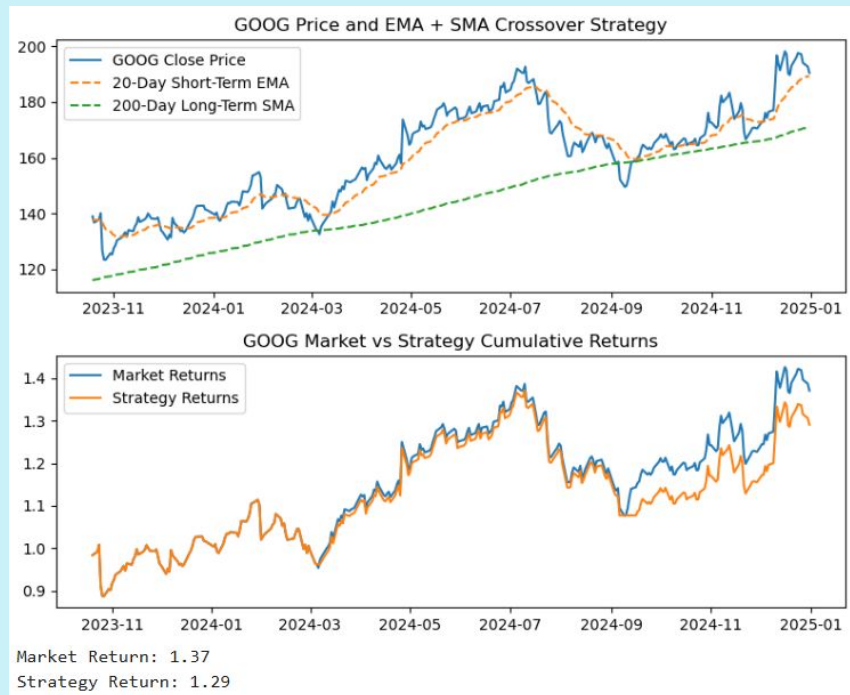
- **EMA gives weight to recent prices**
- **SMA smooths out the price data over a longer period**
- **Both work together to utilize short-term and long-term momentum**

Cons:

- **Both EMA and SMA are lagging indicators, so delayed responses to market**
- **Limited to only historical data**
- **Might have trouble predicting future**

Graphs

- **Used AAPL and GOOG (will only show GOOG for space reasons)**
- **Adjusted length of EMA to see if the weightage of SMA vs. EMA made a difference on the predictions**
- **Will only show graphs of my default lengths (SMA 200 days, EMA 20 days)**



Results and Takeaways

- **Unfortunately, in all trials, my strategy had a worse yield than the market**
- **Results however seemed to be closer to market return as the length of EMA was closer to length of SMA**
- **The main issue might be that they are both lagging indicators**
- **The usage of SMA could potentially be limiting upside as it may make the signal not buy even though the EMA detected a potential short-term spike**