EDHEC BUSINESS SCHOOL

Quantitative Trading

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Assignment 5

A MEAN REVERSION
PREDICTOR

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Instructions for the assignment

- The assignments are to be done in groups of 4 or 5 students.
- Each assignment should be uploaded in Blackboard as a Jupyter file
  - Due date: Feb 16.
- The Jupyter file should include the following (use Markdown):
  - Section “0” with information about your submission:
    - Line 1: QT Assignment n
    - Line 2: Group members: listed alphabetically by last name, where the last name is written in CAPITAL letters
    - Any comments/challenges about the assignment
  - Section “k” where k = {1, 2, . . .}.
    - First type Question k of Assignment n.
    - Then, below the question, provide your answer.
    - Your code should include any packages that need to be imported.

A mean-reversion predictor

The goal of this exercise is to code a simple cross-sectional mean-reversion predictor.
Some useful code and the questions can be found in the attached Notebook.

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