hw1 (indexes)

Learn WRDS!!

Indexes: For the (CRSP) S&P500 with dividends, what was the average arithmetic and geometric historical mean rate of return for daily returns, for monthly returns, for annual returns, and for 5-year returns from 1/1/1973 through 1/1/2015? Do the same for excess rates of return above the prevailing short rate, the 30-day Treasury rate, the 1-year Treasury rate, and the 5-year Treasury rates, respectively. This answers the questions of "how would each of these four self-financed strategies have performed?" (Does overlapping the longer-term series lead to different inference?)

Optional future assignment = how did HML, SMB, XMKT, etc. do in the last 5 / 10 / 20 / 50 years? What was the worst month?

Note: This assignment overlap with one in Bernard Herskovic's course.