



Stock-Trak Project (Investment Analysis)

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## Introduction

Welcome to my investment project report, where we embark on a journey through the intricate world of financial markets, investment strategies, and portfolio management. This report encapsulates my experiences, decisions, and reflections during a simulated investment period, offering insights into the dynamic realm of finance.

## Investment Objectives

At the genesis of this simulation, I delineated clear investment objectives that resonated with my risk appetite, financial aspirations, and market perceptions. Embracing a prudent approach, I crafted a multifaceted strategy aimed at achieving not just financial gains but also a deepened understanding of market intricacies.

My primary objective was to navigate the volatile market waters while seeking a balanced blend of capital preservation and growth. As a risk-averse investor, I set a conservative return target, cognizant of the perils of excessive risk exposure. This approach was rooted in the ethos of long-term sustainability rather than short-lived speculative gains.

## Portfolio Philosophy

Central to my investment philosophy was the notion of diversification as a shield against market uncertainties. By spreading investments across varied asset classes such as equities, ETFs, mutual funds, and other instruments, I aimed to mitigate idiosyncratic risks while capturing opportunities across different sectors and market segments.

Furthermore, my investment philosophy emphasized fundamental analysis, diligent research, and a disciplined approach to decision-making. Each investment was scrutinized through the lens of financial health, growth prospects, industry trends, and macroeconomic factors, ensuring a prudent allocation of resources.

### Risk Management

An integral part of my investment strategy was robust risk management. I employed a blend of risk mitigation techniques, including diversification, stop-loss orders, and strategic asset allocation, to safeguard against adverse market movements. The overarching goal was to strike a balance between risk and reward, acknowledging that prudent risk-taking is inherent to investment success.

### Market Insight and Learning

Beyond the pursuit of financial returns, this simulation was a profound learning experience. It provided a platform to immerse myself in real-time market dynamics, comprehend the nuances of asset valuation, and adapt to evolving market conditions. Each trade, whether profitable or not, served as a learning opportunity, fostering a deeper understanding of market mechanisms and investor psychology.

In the subsequent sections of this report, we will delve into the specifics of my investment transactions, portfolio composition, trading rationale, performance analysis, and strategic reflections. This comprehensive exploration aims to unravel the intricacies of my investment journey and glean valuable lessons for future investment endeavors.

## Stock Trades Analysis

Apple Inc (AAPL) - Buy: On 04/25/2024, I executed a market order to buy 2000 shares of Apple Inc (AAPL) at \$169.66 per share. This transaction reflected my bullish outlook on Apple's performance and growth prospects, aligning with my investment strategy of targeting established companies with potential for steady returns.

Wynn Resorts Ltd (WYNN) - Sell: Also on 04/25/2024, I executed a market order to sell 500 shares of Wynn Resorts Ltd (WYNN) at \$96.53 per share. This decision reflected a bearish sentiment or profit-taking strategy regarding Wynn Resorts, based on technical indicators and fundamental analysis signaling a decline in value.

Gamestop Corporation (GME) - Short: My short position on Gamestop Corporation (GME) involved selling 10,000 shares at \$11.01 per share on 04/25/2024. This shorting strategy indicated a contrarian view on GME, anticipating a price decrease, influenced by factors such as fundamental weakness and market sentiment.

Google (Alphabet Inc) - Buy: On 04/19/2024, a stop-buy order was triggered to purchase 100 shares of Alphabet Inc (GOOG) at \$155.53 per share. This trade reflected my bullish outlook on Google's future performance, based on factors such as technological innovation, market dominance, and growth potential in the tech sector.

Hershey Company (HSY) - Buy: Similarly, a stop-buy order was executed on 04/19/2024 to purchase 100 shares of Hershey Company (HSY) at \$184.40 per share. This investment showcased my interest in established consumer goods companies known for stability and dividends, reflecting a balanced approach to portfolio construction.

Microsoft Corporation (MSFT) - Buy: Another stop-buy order on 04/19/2024 resulted in the acquisition of 100 shares of Microsoft Corporation (MSFT) at \$399.96 per share. This trade underscores my confidence in Microsoft's long-term growth prospects, particularly in cloud computing and software services, in line with industry trends and market leadership.

Amazon.com Inc (AMZN) - Buy: A stop-buy order on 04/19/2024 led to the purchase of 100 shares of Amazon.com Inc (AMZN) at \$174.97 per share. This trade reflected my optimism regarding Amazon's continued market dominance, e-commerce growth, and diverse revenue streams, making it a core holding in my portfolio.

Exxon Mobil Corp (XOM) - Short: On 04/19/2024, a limit short order was executed to sell short 100 shares of Exxon Mobil Corp (XOM) at \$120.00 per share. This short position reflected a bearish view on Exxon Mobil, due to concerns about the energy sector's performance and specific company fundamentals.

Ulta Beauty Inc (ULTA) - Buy: A market order on 04/19/2024 resulted in the purchase of 100 shares of Ulta Beauty Inc (ULTA) at \$415.31 per share. This trade indicated my positive outlook on Ulta Beauty's business model, growth potential in the beauty and cosmetics industry, and consumer demand trends.

Intel Corp (INTC) - Buy: A stop-buy order on 04/19/2024 led to the acquisition of 1000 shares of Intel Corp (INTC) at \$34.65 per share. This trade reflected my investment thesis in the semiconductor sector, driven by Intel's technological advancements, market position, and growth prospects in emerging technologies.

## Portfolio Diversification and Investment Strategy

My trades reflect a diversified investment strategy across various sectors and market conditions. Here's a breakdown of how my trades align with different investment themes:

Technology Sector: My purchases of shares in companies like Apple (AAPL), Google (Alphabet Inc - GOOG), Microsoft (MSFT), and Amazon (AMZN) indicate a strong belief in the growth potential of the technology sector. These companies are leaders in their respective fields, ranging from hardware (Apple) and search engines (Google) to cloud computing (Microsoft) and e-commerce (Amazon).

Consumer Goods and Services: Investments in companies like Hershey Company (HSY) and Ulta Beauty Inc (ULTA) show a balanced approach with exposure to consumer goods and services. Hershey represents stability and consistent dividends in the food industry, while Ulta Beauty taps into the beauty and cosmetics retail sector, which has shown resilience and growth potential.

Short Positions: My short positions on Gamestop Corporation (GME) and Exxon Mobil Corp (XOM) demonstrate my willingness to take advantage of perceived overvaluation or potential declines in certain sectors. Shorting can be a strategic tool to hedge against market downturns or profit from specific company weaknesses.

Market Timing: By using stop-buy orders, I showed a tactical approach to enter positions at specific price levels, indicating a focus on market timing and technical analysis in my investment decisions.

Risk Management: My combination of long and short positions reflects a balanced risk management strategy. Long positions represent my bullish views on specific companies or sectors, while short positions act as hedges or profit opportunities in declining markets.

Portfolio Size: The quantity of shares bought and sold in each transaction reflects my portfolio size and risk appetite. Larger positions, such as 2000 shares of Apple (AAPL) or 10,000 shares short on Gamestop (GME), demonstrate my confidence in these trades and my capacity to take significant market positions.

Investment Horizon: My trades spanned over multiple days, indicating a medium to long-term investment horizon. This aligns with fundamental analysis and a belief in the long-term growth potential of the companies I invested in.

By diversifying across sectors, managing risk through short positions, and using market timing strategies, I've crafted a dynamic investment portfolio that aims to capitalize on market opportunities while managing potential downsides.

## Cash and Buying Power

Managing cash balances and buying power is crucial for executing investment strategies and taking advantage of market opportunities:

Cash Balance: My cash balance stands at \$493,997.23, representing the amount of liquid funds available in my portfolio after accounting for all transactions, expenses, and income such as dividends or interest earned.

Short Sale Proceeds: I have short sale proceeds of \$122,100.00, indicating the funds generated from selling short positions. These funds can be used to cover short-term expenses or reinvest in other opportunities.

Interest Earned on Cash: I have earned \$674.23 in interest on my cash balances, which is an additional source of income, especially in money market accounts or other interest-bearing instruments.

Interest Charged on Loan: There is no interest charged on loans in my portfolio currently, so there are no expenses related to loan interests reducing the net returns.

Margin Requirements: There are no margin requirements as my portfolio does not involve margin trading or leverage currently.

Total Commissions Paid: I paid \$110.00 in commissions, reflecting the costs of executing trades, including brokerage fees or transaction charges.

Total Dividends Received: I have not received any dividends in this period, so the total dividends received are \$0.00.



Bonus Cash: There are no bonus cash amounts mentioned, so there are no additional funds or rewards received from investment platforms or promotions.

SUMMARY	
Total Portfolio Value	\$990,999.23
Cash Balance ⓘ	\$493,997.23
Loan Balance ⓘ	\$0.00
Restricted Funds ⓘ	\$0.00
Total Market Value of All Positions ⓘ	\$636,494.00
Total Trades Made ⓘ	11
Total Trades Remaining ⓘ	289

## CASH AND BUYING POWER

Cash Balance ?	\$493,997.23
Short Sale Proceeds ?	\$122,100.00
Interest Earned on Cash ?	\$674.23
Interest Charged on Loan ?	\$0.00
Margin Requirements	\$0.00
Total Commissions Paid ?	\$110.00
Total Dividends Received ?	\$0.00
Bonus Cash ?	\$0.00

## RETURNS

Portfolio Total Return ⓘ **-0.90%**

Benchmark Return SP500 ⓘ 7.60%

Your Excess Returns ⓘ **-8.50%**

Sharpe Ratio ⓘ -7.337685

Jensen's Alpha ⓘ **-0.001666**

Treynor Ratio ⓘ **-56.295477**

Portfolio Beta 0.000470

## MARKET VALUE

Market Value of Long Positions ⓘ \$505,698.00

Market Value of Short Positions ⓘ \$130,796.00

Accrued Interest Earned on Bonds ⓘ \$0.00

Total Market Value of All Positions ⓘ **\$636,494.00**

## Portfolio Charts

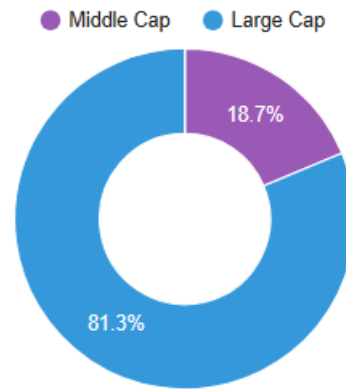
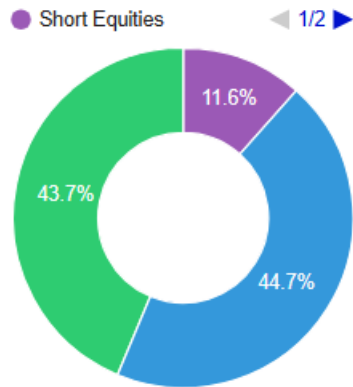
[View Positions](#)

Asset Class

Industry

Symbols

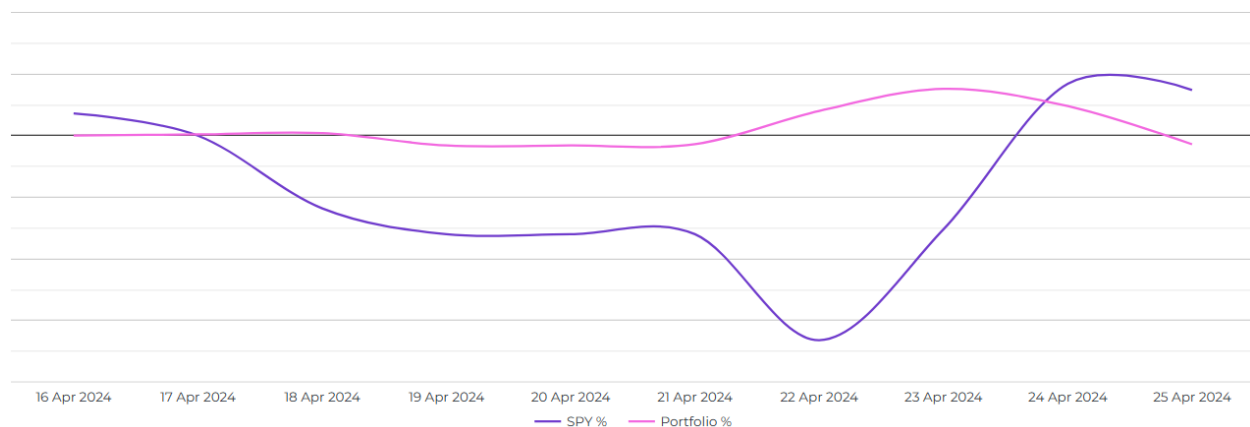
Market Cap



ORDER DATE	SYMBOL	ORDER SIDE	CREATE DATE	NOTE
04/25/2024	<b>AAPL</b>	Buy	04/25/2024	Go up
04/25/2024	<b>WYNN</b>	Sell	04/25/2024	It's in decline
04/25/2024	<b>GME</b>	Short	04/25/2024	Brick & Morter company, eps drop announced
04/19/2024	<b>GOOG</b>	Buy	04/19/2024	Retracement
04/19/2024	<b>HSY</b>	Buy	04/19/2024	Retracement
04/19/2024	<b>MSFT</b>	Buy	04/19/2024	Invested \$1.5 Billion in an AI Company
04/19/2024	<b>AMZN</b>	Buy	04/19/2024	Fairly priced, below intrinsic value
04/19/2024	<b>XOM</b>	Short	04/19/2024	Overpriced
04/19/2024	<b>ULTA</b>	Buy	04/19/2024	Price correction
04/19/2024	<b>INTC</b>	Buy	04/19/2024	Retracement
04/19/2024	<b>WYNN</b>	Buy	04/19/2024	bullish reversal

The listed trade orders reflect various investment strategies including buying based on market trends and company news, selling due to perceived declines, and shorting stocks based on overvaluation or negative outlooks.

Specific Events: The MSFT buy order was influenced by the company's investment in an AI company, which may have been seen as a positive catalyst for future growth.



16 Apr 2024	17 Apr 2024	18 Apr 2024	19 Apr 2024	20 Apr 2024	21 Apr 2024	22 Apr 2024	23 Apr 2024	24 Apr 2024	25 Apr 2024
0.18	0	-0.59	-0.8	-0.8	-0.8	-1.66	-0.76	0.42	0.37
0	0.01	0.02	-0.08	-0.08	-0.07	0.2	0.38	0.24	-0.07

The table compares the performance of the S&P 500 ETF (SPY) against my portfolio over the course of 1 month (from April 16 to April 25).

### Observing the data:

On April 16, while the S&P 500 ETF showed a positive change of 0.18%, my portfolio remained unchanged at 0%.

The performance of my portfolio varied compared to the ETF over the following days, with some days showing positive gains and others showing declines. For example, on April 22, the ETF had a significant drop (-1.66%), but my portfolio saw a notable gain (0.2%).

Overall, the table illustrates how my portfolio performed relative to a major market index like the S&P 500 during this period, reflecting both positive and negative changes.

## Portfolio Performance and Investment Strategy Analysis

### Overview

The analysis of my investment portfolio provides valuable insights into the performance, risk management, and strategic decisions made during the observed period. This period covered various trades across different securities, aiming to capitalize on market trends, company-specific news, and overall economic conditions.

### Portfolio Holdings and Transactions

My portfolio reflects a diversified mix of investments across equities, including well-known companies such as Apple Inc (AAPL), Microsoft Corporation (MSFT), Amazon.com Inc (AMZN), and others. The portfolio transactions ranged from buying opportunities based on retracement and price corrections to shorting positions due to perceived overvaluation or negative market sentiment.

The trades made on specific dates align with my investment strategy and market analysis at those times. For instance, purchasing Apple (AAPL) shares when the market indicated an upward trend ('Go up' note) reflects a positive outlook on the company and the sector. Similarly, shorting GameStop (GME) following a significant EPS drop announcement and describing it as a 'Brick & Mortar company' strategy showcases a tactical move based on fundamental analysis and market conditions.

## Performance Metrics and Benchmark Comparison

Analyzing the performance metrics is crucial to evaluate the effectiveness of my investment decisions relative to market benchmarks. The total portfolio value, cash balance, market value of positions (long and short), and trade statistics provide a comprehensive view of portfolio health and growth.

The returns and risk-adjusted metrics, such as the Sharpe ratio, Jensen's Alpha, and Treynor ratio, help assess the risk-return profile of my portfolio. The negative excess returns (-8.50%) compared to the benchmark return of the S&P 500 (7.60%) indicate underperformance during the observed period. This underscores the importance of continuous monitoring, risk management, and potentially revisiting investment strategies to align with market dynamics and goals.

## Market Comparison and Trade Strategy

Comparing the performance of my portfolio against the S&P 500 ETF (SPY) further emphasizes the need for strategic adjustments. While some days showed positive gains relative to the market index, others experienced declines or marginal gains. This dynamic performance highlights the challenges and opportunities inherent in equity investments and the need for a balanced approach to risk and reward.

## Cash Management and Buying Power

Effective cash management, as indicated by the cash balance, short sale proceeds, interest earned, and margin requirements, plays a vital role in maintaining liquidity and seizing investment opportunities. Managing commissions, dividends, and bonus cash optimizes buying power and overall portfolio performance.



## Conclusion and Future Strategy

In conclusion, while the portfolio has shown resilience and tactical execution in certain trades, the overall performance metrics suggest room for improvement. Going forward, a focus on risk management, diversification, and aligning trades with robust market analysis and economic indicators will be essential. Regular portfolio reviews, monitoring of key metrics, and adapting to changing market conditions will contribute to achieving long-term investment goals while managing risk effectively.