

## Econ 442B: Jack Bernstein's DSI

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Trade Strategy: Using the Kalman Filter on the DSI to develop a tradable strategy using the Japanese Yen

We established trade positions by indicating a long position when the Kalman Filter was less than the DSI and developed a short position when the Kalman Filter was greater than the DSI.

Below are the evaluation metrics and Equity Curve:

	Strategy
<b>Sharpe</b>	0.16
<b>Average Annual Return</b>	0.67%
<b>Market Beta</b>	0.02
<b>Monthly Alpha</b>	0.19%
<b>Correlation with S&amp;P</b>	0.03
<b>Max Drawdown</b>	-6.61%
<b>% of Winning Mo.</b>	52.54%
<b>Gini</b>	0.414
<b>Forecast Accuracy</b>	NaN
<b>Up Alpha</b>	0.89%
<b>Down Alpha</b>	0.03%
<b>Up Beta</b>	-0.15
<b>Down Beta</b>	0.06
<b>Highest Monthly Return</b>	7.11
<b>Lowest Monthly Return</b>	-6.61
<b>Annualized STD of Returns</b>	7.64%

