

US Equity risk model

The Problem: What's the background and scope of the project idea? What problem are you attempting to address or solve? Who may it matter to?

Create cross-sectional risk model of tradable US stocks:

```
return_i = factor0_return + factor1_return * factor1 + factor2_return * factor2  
+ ...
```

factors are known, factor returns are obtained from fitting the linear regression model

Data: from Bloomberg or public

Goal: create a good risk model, which involves selecting the right features and using the right procedure to fit the model, which should be cross-validated cross-sectionally and across time.