FIN 5330 I

Tyler J. Brough

February 19, 2019

- Replicate the pairs trading results in the paper *Illuminating the Profitability of Pairs Trading: A Test of the Relative Pricing Efficiency of Markets for Water Utility Stocks.*
- Use the historical data in the accompanying file *WaterStocks.csv*.
- Use the BIC criteria for the number of lags to use in all ADF tests. Consider a max number of lags equal to 10.
- Submit your work as either a Jupyter Notebook with Python code or an R Markdown notebook with R code.