

1 Data Collection

1.1 Data Origin

For this project, we decided to use real market stock data collected from the Yahoo Finance website. Below are a list of conditions imposed on the data and their justification.

1. 2008-2012
 - data was collected *daily* for the period of Jan 2008 to Dec 2012
 - data would be fail to incorporate any large financial shocks (2008 financial crisis), thus the returns should have relatively low variance
2. Stocks by Sector
 - stocks were organized into the following sectors: Basic Materials, Conglomerates, Consumer Goods, Financial, Healthcare, Industrial Goods, Services, Technology and Utilities according to Yahoo Finance classification