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Breakout Strategy

REVIEW

CODE REVIEW

HISTORY

Meets Specifications

Excellent work 🎉🎉

Your code is excellent and you have clearly demonstrated your understanding of the breakout strategy. I'm impressed and at the same time satisfied with the understanding and grasp of concepts demonstrated in this project.

It was a pleasure reviewing your work, and we look forward to seeing future submissions from you.

keep up the good work and stay udacious

for further reading

- <https://www.tradingwithrayner.com/breakout-trading-guide/>
- <https://www.investopedia.com/articles/trading/08/trading-breakouts.asp>

Generate Signal

The function `get_high_lows_lookback` computes the maximum and minimum of the closing prices over a window of days.

Great job utilizing `.shift` and `.rolling` to get the maxima and minima in the rolling window

The function `get_long_short` computes long and short signals using a breakout strategy.

Excellent work generating the signals that indicate whether to take long or short positions. Casting the return type to `int` is the safest way to handle the output, for ease of use by future functions. Well done!

The function `filter_signals` filters out repeated long or short signals.

Nice job utilizing the `clear_signals` function to effectively screen out the redundant long and short position signals.

The function `get_lookahead_prices` gets the close price days ahead in time.

The function `get_return_lookahead` generates the log price return between the closing price and the lookahead price.

The function `get_signal_return` generates the signal returns.

Evaluate Signal

Correctly answers the question "What do the histograms tell you about the signal returns?"

Yep, those are definitely not normal distributions. The signal does have an extended tail on the right-hand side, so it's skewed to the right.

Outliers

The function `calculate_kstest` calculates the ks and p values.

Nice work using the K-S test to compare the distribution of each ticker's signal returns to the normal distribution.

The function `find_outliers` returns the list of outlying symbols.

Nice job finding the symbols with p-values below the p-value threshold and K-S test statistics above the threshold established for that statistic.

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