

INVESTMENT STRATEGY REPORT: KTY.WA

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Simulation Start Date: 01.12.2015
Initial Capital: 2 000,00 PLN
Generated On: 05.01.2026 17:23

1. EXECUTIVE SUMMARY & METHODOLOGY

This algorithmic trading simulation engine evaluates the historical performance of three distinct investment strategies. The system processes historical market data to calculate risk-adjusted returns, maximum drawdown, and capital appreciation.

- SMA Trend Following: Enters positions when price exceeds the moving average.
- RSI Mean Reversion: Capitalizes on overbought/oversold conditions.
- Buy & Hold: Benchmark strategy representing baseline market performance.

2. PERFORMANCE METRICS

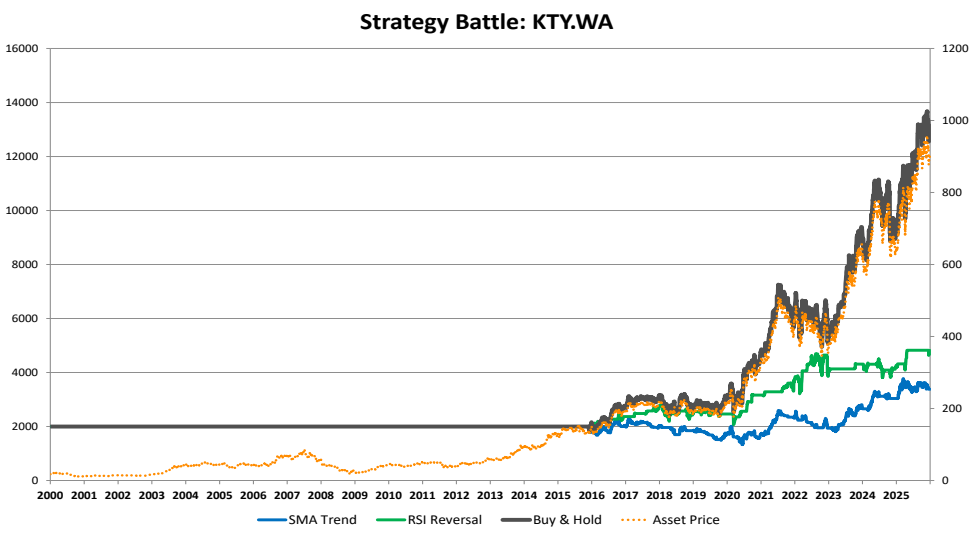
Strategy Name	Final Equity (PLN)	Total Return (ROI)	Max Risk (Drawdown)
SMA Trend Following	3 378,52	68,93%	42,14%
RSI Mean Reversion	4 812,12	140,61%	27,24%
Buy & Hold (Benchmark)	13 035,98	551,80%	31,76%

AI MARKET SENTIMENT:

Negative (Bearish) (-0,4)

Poland stocks lower at close of trade; WIG30 down 1.04% - Investing.com...

3. STRATEGY PERFORMANCE CHART



4. ORACLE RECOMMENDATION & VERDICT

A) TECHNICAL ANALYSIS (MATH & STRATEGY)

--- ORACLE INSIGHTS ---
Ticker: KTY.WA | Current Price: 911,00
Start Date: 01.12.2015
Start Price: 139,74 (Change: +551,9%)

1. HISTORICAL PERFORMANCE:
(Based on 2 000 PLN capital)
SMA Trend: 3 379 (+68,9%)
RSI Swing: 4 812 (+140,6%)
Buy&Hold: 13 036 (+551,8%)

2. RISK METRICS:
Max Drawdown (B&H): 31,8% [HIGH]
Volatility (Annual): 28,8% [MODERATE]
Sharpe Ratio: 19,05 [EXCELLENT]

3. FINAL VERDICT (05.01):

[TREND ANALYSIS]

SIGNAL: UNCERTAIN / DOWN

REASON: Trying to trade the trend earned LESS than just holding. The price is moving up and down without clear direction.

ADVICE: Don't trade actively. Just hold or wait.

[VALUE ANALYSIS]

SIGNAL: NEUTRAL

REASON: Buying the price drops is NOT making extra money right now. No special discount found.

B) AI MARKET SENTIMENT (NEWS & MEDIA)

Sentiment: Negative (Bearish)

Score: -0.40

News: Poland stocks lower at close of trade; WIG30 down 1.04% - Investing.com...

EDUCATIONAL GLOSSARY & GUIDE

1. UNDERSTANDING THE STRATEGIES (HOW WE TRADE)

SMA Trend Following	What is it? A strategy that follows the direction of the market. How it works: It calculates the average price over the last 50 days. If the current price is HIGHER than the average, it assumes the trend is UP and buys. If lower, it sells. Philosophy: 'The trend is your friend.' It aims to catch big market moves but may react slowly to sudden changes.
RSI Mean Reversion	What is it? A strategy that bets on price corrections (bouncing back). How it works: It uses the Relative Strength Index (RSI). If RSI < 30, the asset is considered 'Oversold' (too cheap, price dropped too fast) -> We BUY. If RSI > 70, it is 'Overbought' -> We SELL. Philosophy: 'Buy low, sell high.' It tries to profit from market overreactions.
Buy & Hold (Benchmark)	What is it? The passive approach. How it works: We buy the asset on the very first day of the simulation and never sell it, regardless of crashes or news. Why compare?: This is our baseline. If our active strategies (SMA/RSI) cannot beat Buy & Hold, it means we are better off doing nothing.

2. MEASURING SUCCESS & RISK (THE NUMBERS)

Equity (Final Balance)	The total value of your portfolio at the end of the simulation. It includes both the Cash you hold and the market value of any Shares you own.
ROI (Return on Investment)	The total percentage profit or loss. Formula: $(\text{Final Money} - \text{Initial Money}) / \text{Initial Money}$ Example: If you start with 10,000 and end with 15,000, your ROI is +50%.
Max Drawdown (MDD)	CRITICAL RISK METRIC. It measures the 'Pain Factor'. Definition: The largest percentage drop from a historical peak to a subsequent trough. Example: If your account goes up to \$20,000 and then crashes to \$10,000, your Drawdown is -50%. Why it matters: High ROI with High Drawdown is dangerous. It tests if you would panic and sell during a crash.
Volatility (Risk)	Measures how wildly the price swings. Low volatility (<20%) means a stable, boring stock. High volatility (>40%) means a rollercoaster ride.
Sharpe Ratio	The 'Efficiency Score'. It calculates profit per unit of risk. Formula: $(\text{Return} - \text{RiskFreeRate}) / \text{Volatility}$ Above 1.0 is great (high profit, low stress). Below 0.5 is poor (not worth the risk).

3. MARKET TERMINOLOGY USED IN REPORT

Bullish / Bull Market	A market condition where prices are rising or are expected to rise. (Symbol: UP because a bull attacks by thrusting horns upward).
Bearish / Bear Market	A market condition where prices are falling. (Symbol: DOWN because a bear attacks by swiping paws downward).
Spread & Commission	The hidden costs of trading included in this simulation. Commission: The fee paid to the broker for every trade. Spread: The difference between the buying and selling price. These costs make the simulation realistic.