

Traders @ SMU Homework 2

The stocks chosen were:

- XOM: ExxonMobil (Energy) - 0.198123
- CVX: Chevron Corporation (Energy) - 0.196335
- JNJ: Johnson & Johnson (Healthcare) - 0.166214
- PFE: Pfizer Inc. (Pharmaceuticals) - 0.224275
- MSFT: Microsoft Corporation (Technology) - 0.213947
- AAPL: Apple Inc. (Technology) - 0.239167
- PG: Procter & Gamble (Consumer Staples) - 0.163914
- KO: The Coca-Cola Company (Consumer Staples) - 0.149483
- JPM: JPMorgan Chase & Co. (Financials) - 0.250089
- DUK: Duke Energy (Utilities) - 0.165958

The top 5 are as follows:

- JPMorgan Chase & Co.: JPM (0.250089)
- Apple Inc.: AAPL (0.239167)
- Pfizer Inc.: PFE (0.224275)
- Microsoft Corporation: MSFT (0.213947)
- ExxonMobil: XOM (0.198123)

The performance of the Bollinger Bands strategy for each stock(Top five)

The Bollinger Bands strategy provided consistent results where each stock provided consistent returns but they were out performed by the market. Our strategy for JPMorgan Chase & Co (JPM) had consistent positive returns which were notable steep abrupt increases in returns however our strategy was out performed by the market which had a lot higher returns. Our strategy for Apple remained consistent with mostly positive returns. It is noticeable that our strategy's returns had less deficit than the market. However, the market out performed our strategy most of the way. Our strategy for Pfizer was characterized as losing less than the market but returning less than the market. The only difference between our strategy and the market's is that the magnitudes were different. Our strategy for Microsoft was more stable than the market again with noticeably less return but also noticeably less losses. Our strategy for ExxonMobil was again more stable than the market. For this stock however the market and our strategies at time had different direction where one is in the negative and the other is in the positive.

c. Any observations or insights from the Visualization(s)

The upper and the lower Bollinger Bands encapsulate the stock price nearly 100% of the time. The stock price frequently crosses over the SMA. It is interesting to see that the difference between the upper and the lower Bollinger Bands is also fluctuating.