Transformed traditional factors for stocks model

This project focuses on building a factor-based stock selection model using several classic factors, such as market value, price momentum, and turnover. The goal is to systematically identify stocks with favorable characteristics that are more likely to deliver excess returns compared to the market benchmark. Traditional stock picking often relies on subjective judgment, which can introduce biases and inconsistencies. By transforming well-established factors into quantifiable signals, this project provides a more structured and evidence-based framework for equity selection.

This problem matters because in today’s highly competitive financial markets, investors need reliable methods to generate consistent alpha. A factor-driven approach not only improves transparency and repeatability in the investment process, but also helps investors better manage risk by diversifying across different styles of factors. Ultimately, the project seeks to demonstrate how classic financial indicators can be transformed into a systematic model that enhances decision-making and creates tangible value for investment strategies.