

Volatility-Managed Stocks

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Abstract

I examine whether managing volatility improves stock returns as well as portfolio returns.

JEL codes: G12. G14.

Keywords: Volatility timing.

References

Moreira, A. and Muir, T. (2017). Volatility-managed portfolios. *Journal of Finance*, 72(4):1611–1644.

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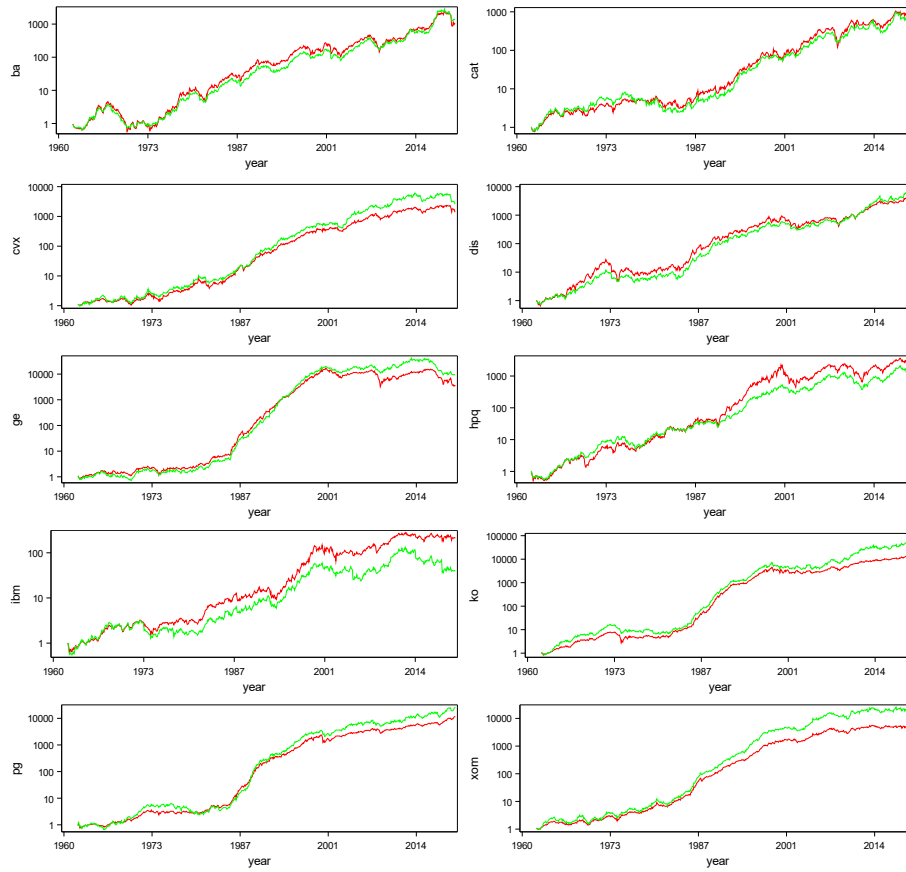


Figure 1: Cumulative returns to the volatility-managed stock returns

I mimic Figure 3 of Moreira and Muir (2017) using stocks instead of portfolios.

Table 1: Volatility-managed stock alphas

I mimic Table I of Moreira and Muir (2017) using stocks instead of portfolios.

ID	Alpha	tAlpha	Beta	tBeta
BA	1.75	(1.35)	0.77	(33.09)
CAT	0.30	(0.21)	0.86	(26.11)
CVX	1.70	(1.39)	0.97	(27.34)
DIS	2.19	(1.59)	0.83	(29.82)
GE	2.80	(1.77)	0.91	(27.32)
HPQ	0.83	(0.60)	0.71	(32.84)
IBM	-1.96	(-1.21)	1.00	(24.27)
KO	2.40	(1.66)	1.06	(26.74)
PG	-0.05	(-0.03)	1.23	(23.08)
XOM	1.17	(1.01)	1.20	(28.70)
	1.71	(3.59)	0.90	(81.56)