MF796 Final Project Proposal
Momentum Trading on Cryptocurrencies

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Objective

Portfolio Creation using momentum and other factors. We plan to test different sizes of cryptocurrency in a portfolio to maximize portfolio returns.

Structural Steps

Momentum Portfolio

1. Divide and choose , Large Cap and Mid Cap cryptocurrency.
2. Rank the cryptocurrency in Large Cap return in the last 12 months(returns are monthly).
3. Equal Weight allocation among the specific size of portfolio or based on volatility.
4. Test the hypothesis across the size of portfolio basis per month returns and take the portfolio having maximum per month returns.
5. Similar steps for Mid Cap
6. Test the return for Mid Cap and Large Cap and invest accordingly.

Regression Momentum Portfolio

7. Rank the market cap in Large Cap basis return in the last 12 months(returns are monthly).
8. Test for regression models using machine learning between rank and return for the last 12 month.

Resource

https://www.wiley.com/en-us/Quantitative+Momentum%3A+A+Practitioner%27s+Guide+to+Building+a+Momentum+Based+Stock+Selection+System-p-9781119237198

https://www.diva-portal.org/smash/get/diva2:142131/FULLTEXT01.pdf

https://binance-docs.github.io/apidocs/spot/cn/#185368440e