

FIE401 - Second assignment
Is momentum priced in the Norwegian stock market?

Group 08

2022-10-11

Abstract

Exploratory analysis

Table 1: Summary statistics size portfolios

Statistic	Min	Pctl(25)	Mean	Pctl(75)	Max	St. Dev.
Small.size.1	-0.267	-0.007	0.044	0.070	1.007	0.103
SIZE 2	-0.121	-0.011	0.037	0.067	0.371	0.076
SIZE 3	-0.263	-0.011	0.028	0.058	0.403	0.076
SIZE 4	-0.212	-0.012	0.026	0.057	0.332	0.072
SIZE 5	-0.170	-0.014	0.027	0.060	0.359	0.068
SIZE 6	-0.158	-0.009	0.030	0.064	0.797	0.077
SIZE 7	-0.234	-0.015	0.025	0.058	0.381	0.070
SIZE 8	-0.211	-0.016	0.023	0.062	0.554	0.070
SIZE 9	-0.250	-0.019	0.019	0.059	0.252	0.073
Large.size.10	-0.279	-0.020	0.015	0.054	0.219	0.064

Figure 1: Density plot returns of small and large size portfolios

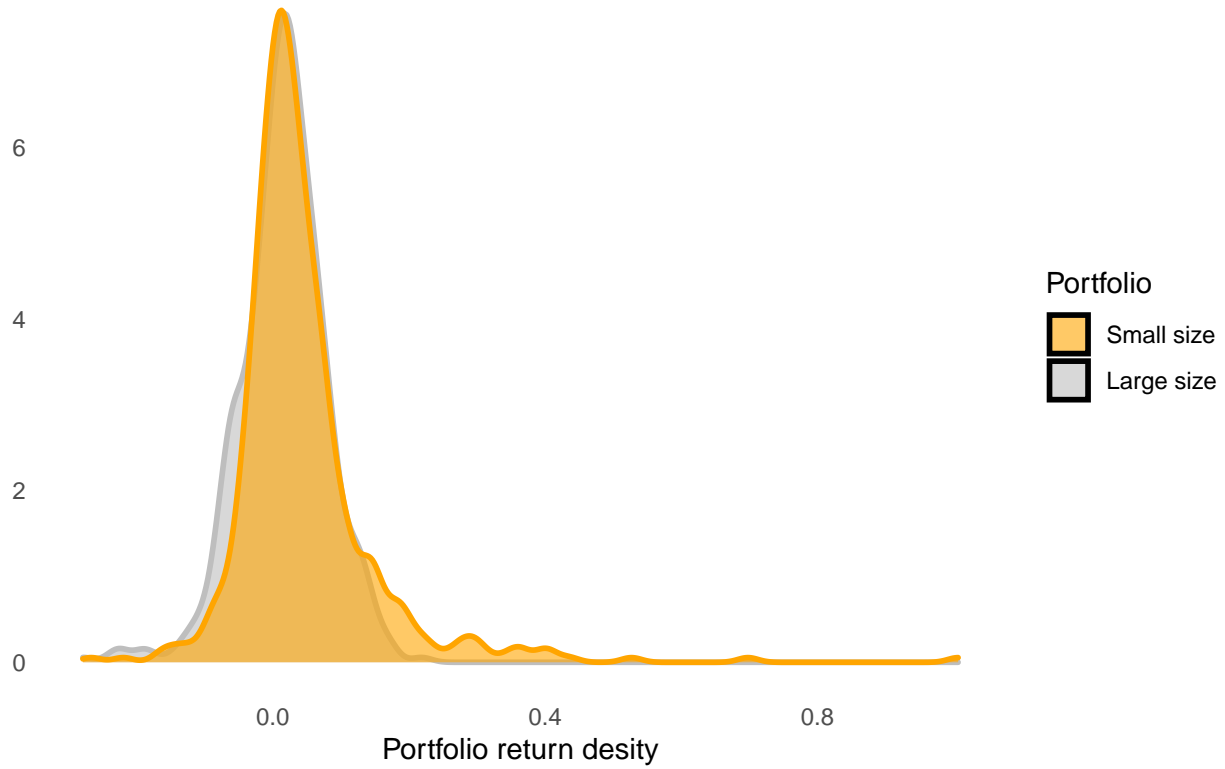


Table 2: Summary statistics book-to-market portfolios

Statistic	Min	Pctl(25)	Mean	Pctl(75)	Max	St. Dev.
Low.bm.1	-0.265	-0.023	0.021	0.063	0.666	0.082
BM 2	-0.331	-0.028	0.023	0.060	0.884	0.100
BM 3	-0.344	-0.025	0.015	0.056	0.311	0.076
BM 4	-0.269	-0.022	0.020	0.057	0.270	0.074
BM 5	-0.285	-0.027	0.018	0.063	0.302	0.079
BM 6	-0.316	-0.029	0.019	0.061	0.524	0.081
BM 7	-0.294	-0.025	0.022	0.069	0.312	0.081
BM 8	-0.285	-0.020	0.023	0.070	0.461	0.089
BM 9	-0.264	-0.018	0.027	0.064	0.852	0.093
High.bm.10	-0.254	-0.021	0.027	0.070	0.333	0.086

Figure 2: Density plot returns of low and high BM portfolios

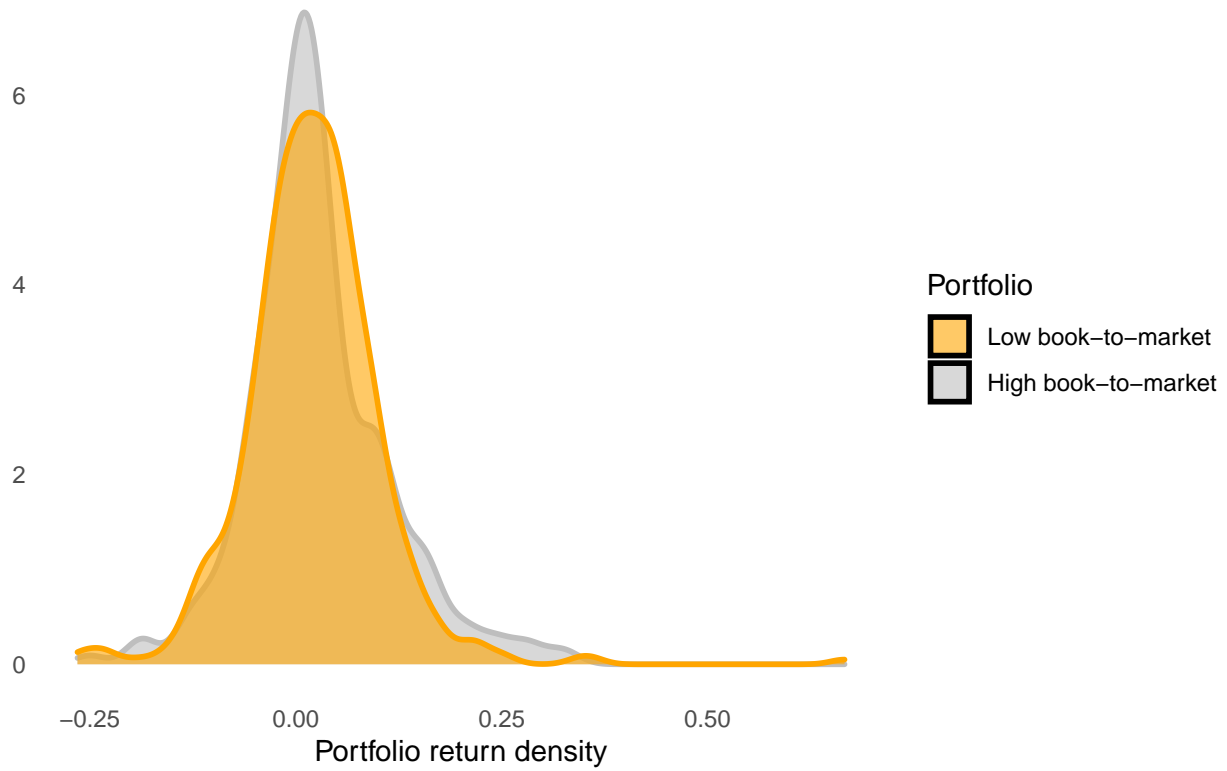


Table 3: Summary statistics momentum portfolio

Statistic	Min	Pctl(25)	Mean	Pctl(75)	Max	St. Dev.
SMB	-0.288	-0.018	0.012	0.038	0.289	0.049
HML	-0.281	-0.025	0.003	0.035	0.228	0.057
PR1YR	-0.184	-0.012	0.017	0.048	0.236	0.054
UMD	-0.277	-0.020	0.013	0.049	0.224	0.062

Figure 3: Size portfolio, momentum betas and returns

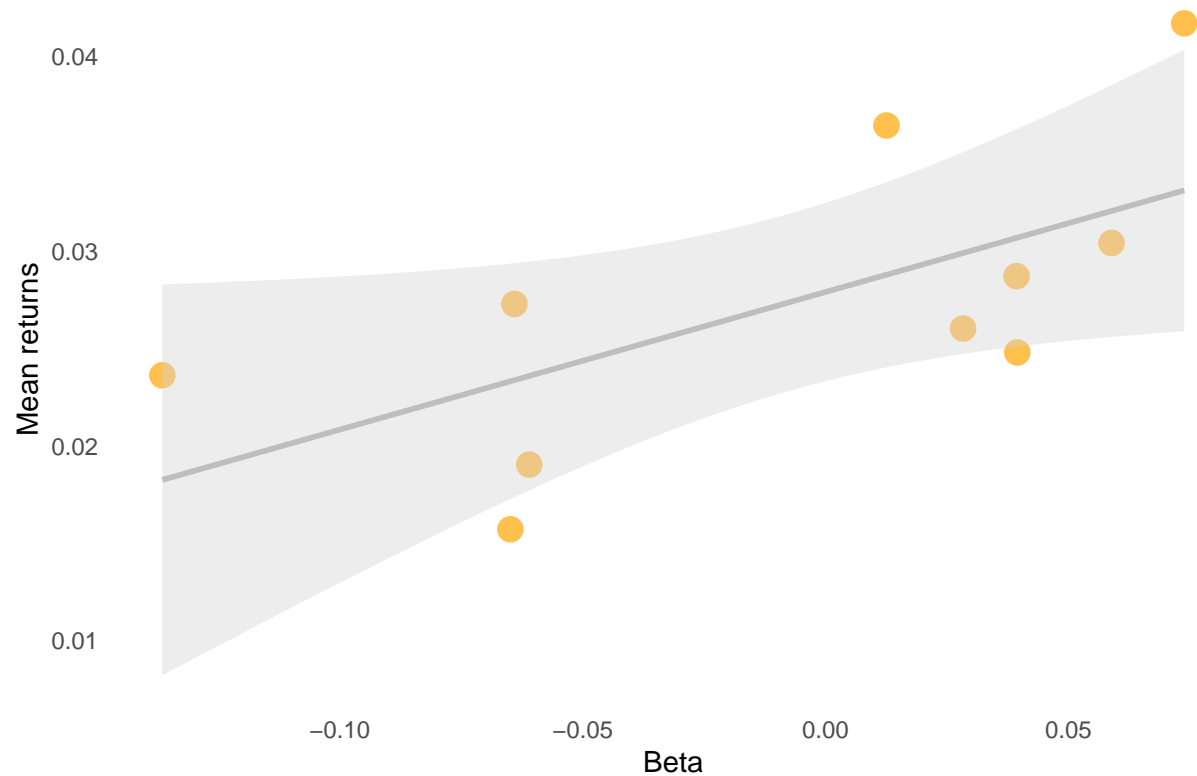


Table 4: Gamma significance test: Size

estimate	statistic	p.value	parameter	conf.low	conf.high	method	alternative
-0.0261579	-1.945091	0.9738244	477	-0.0483212	Inf	One Sample t-test	greater

Figure 4: BM portfolios, momentum betas and returns

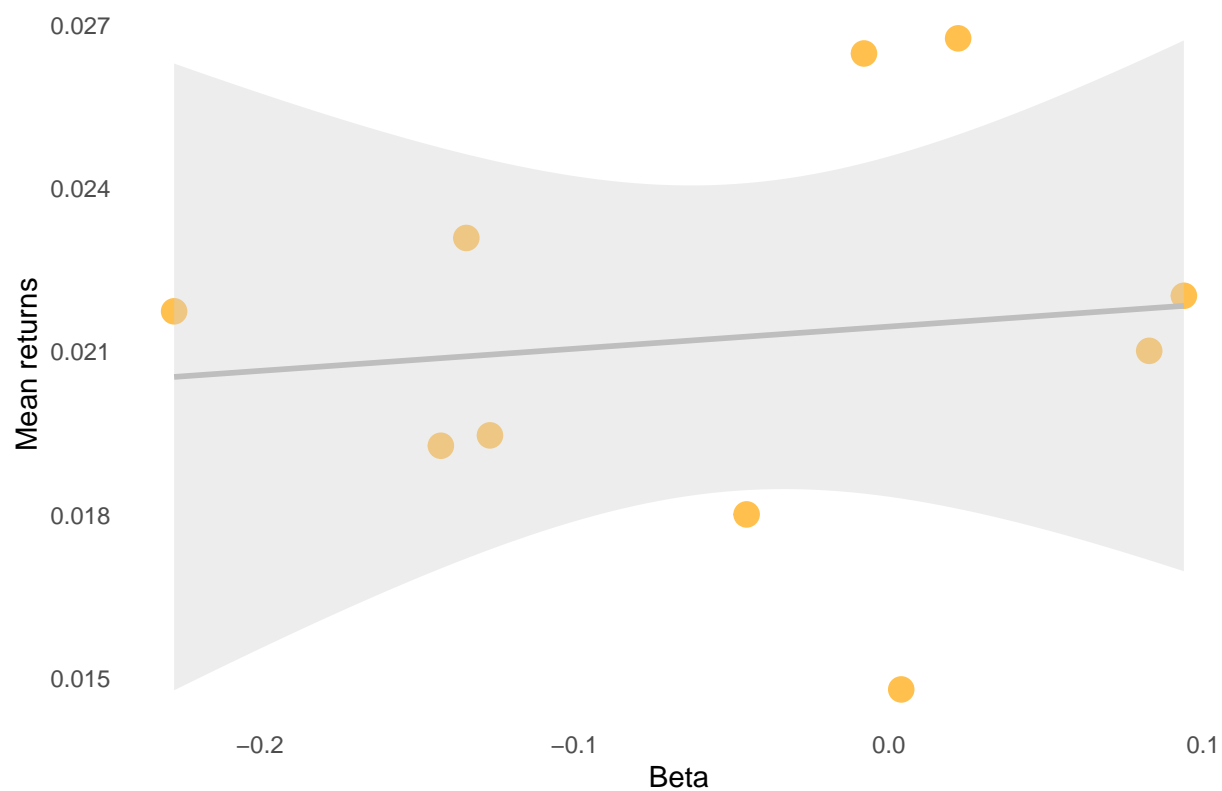


Table 5: Gamma significance test: Book-to-market

estimate	statistic	p.value	parameter	conf.low	conf.high	method	alternative
0.0040689	0.4275285	0.3345937	477	-0.0116161	Inf	One Sample t-test	greater