Benchmark: 399300 SH300 (98% similar to 000001)

1. validation of these four factors: net income (top 3 in descending), cash flow (top 3 in descending), PB (top 3 in ascending), PEG (top 3 in ascending), which means we select the growth factors (NI&CF) with the highest 3 values and the value factors (PB&PEG) with the lowest 3 values.

2. It turns out that growth factors have about 12 times multiple at the end and the top and value factors have over 15 times multiple at the end and 20 times multiple at the top. Because we wait until all the companies in the market released their financial reports, yet these growth factors usually are reflected ahead before individual releases.

3. Construct a double-level model with 8 combinations: first level of either of the growth factors and second level of either of the value factors and vice versa.

4. run selection and investing codes and get the best combination with the highest net value.

5. statistic analysis with EViews: test the net value with all the factors and get their F-values and t-values.

6. timing strategy: if one of the stocks falls under the 60-days-moving-average, we sell all the stocks, otherwise we buy all the stocks.