Big Data Asset Pricing

# Exercise 4: Hig-Dimensional Return Predictions

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Statement: I certify with my signature that I have solved the exercise according to the Code of Professional Conduct and Ethics. For example, I have not plagiarized others, but, instead, solved the exercise myself (possibly with allowed collaboration with other students), and I have referenced my sources appropriately.

2024-01

1

Number of stocks per month
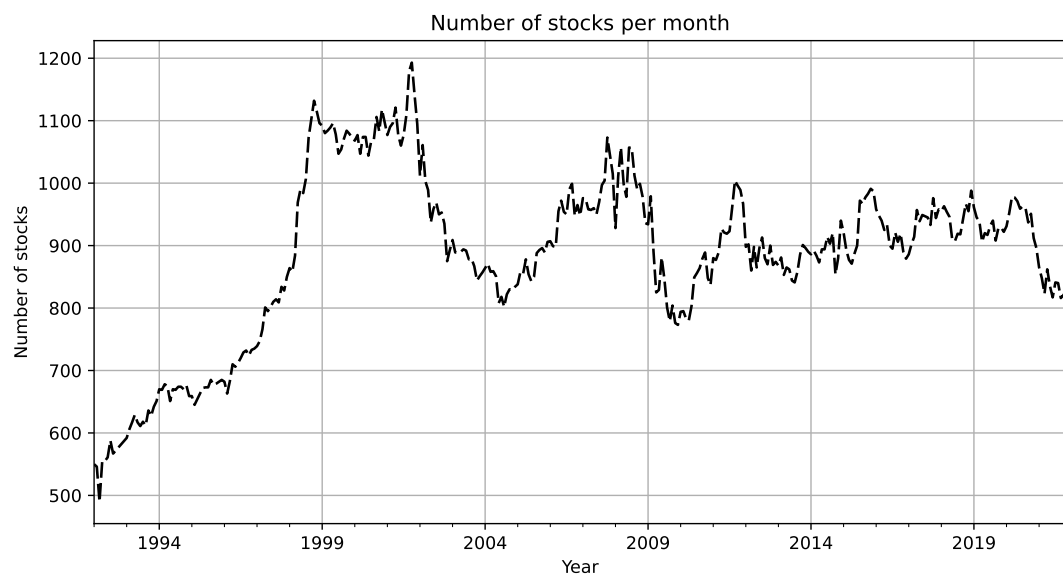
2

2.1

Table 1: The table shows the results of the Fama-Macbeth regression.

	Parameter	Std. Err.	T-stat	P-value	Lower CI	Upper CI
be_me	0.0282	0.0261	1.0822	0.2792	-0.0229	0.0794
ret_12_1	-0.0231	0.0208	-1.1070	0.2683	-0.0639	0.0178
market_equity	-0.0490	0.0260	-1.8887	0.0589	-0.0999	0.0019

Appendix

Here you can find the python code that I used to solve the exercise. Link to the GitHub repository.