

- Considering the main industry pair of Capital Goods (HON-ETN) – Honeywell & Eaton.

After trading for 3 months directly after pair formation period, the performance is as follows:

Performance	
Total Profit	258.686314
Loss Trades	1
Profitable Trades	2
Net Average Profit (USD)	81.78
Return	16.36%

(Removing Transaction Costs)

Portfolio Beta – 1.052

Using Risk Free Rate of 2.6% and Market Return of 7.1% (ICOC & IMRP USA Jan 2019)

Treynor Ratio	0.131
Jensen's Alpha	0.090

- Considering the main & related industry pair of Capital Goods and Power (HON-ES) – Honeywell & Eversource.

After trading for 3 months directly after pair formation period, the performance is as follows:

Output	
Total Profit	486.632996
Loss Trades	1
Profitable Trades	2
Net Average Profit (USD)	157.76
Return	31.55%

Portfolio Beta – 0.352

Using Risk Free Rate of 2.6% and Market Return of 7.1% (ICOC & IMRP USA Jan 2019)

Treynor Ratio	0.823
Jensen's Alpha	0.274