READ ME

Nikolas Lippmann Pareschi – nikolaslippmann@gmail.com

Version of Python: 2.7.13 Version of Spyder: 3.23

Description: In this program we use the k-means algorithm to detect 3 environments of volatility. We expect to achieve higher risk adjusted returns in low end medium volatility environments. This is a source of alpha publicized by academic papers and in the book High Returns from Low Risk: A Remarkable Stock Market Paradox.

Installation: Please install on your pc the latest version of Anaconda with Python 2.7 and the lates version of Spyder. The program was run in Windows 10 but it should work also if you use a Mac PC or a Linux distribution.

One can download the Anaconda / Python 2.7 / Spyder here:

https://www.anaconda.com/download/

Packages Used:

The following packages should be installed by the anaconda environment or via through pip install package in anaconda prompt: Pandas, Numpy , MatPlotlib, Sklearn.