# FINS5542 Assignment 1

Date Due: 11pm Friday 7 October, with electronic submission (pdf file) via the course website

1. Find a time period (approximately 9 to 12 months and avoiding stock split events) from one of the following assets aan1, aan2, aan3, aan4, aan5, aan16, aan17, aan18 and aan19 (see over page) in which the technical indicator of when a 15 day moving average crosses a 75 day moving average was a strong indicator of the future movement in the asset price. You should aim for 4 to 5 strong correct signals and incorrect signals can weaken your answer, especially if they are of substantial magnitude. You should evaluate the signal 5 trading days after the signal occurs.

Display a graph to demonstrate your findings, in addition to describing your findings. One should also print out the Ox computer code used to solve this problem.

[10 marks]

2. Find a time period (approximately 18 to 24 months and avoiding stock split events) from one of the following assets aan6, aan7, aan8, aan9, aan10, aan11, aan12, aan13, aan14 and aan15 (see over page) in which the technical indicator of when a 42 day moving average crosses a 240 day moving average was a strong indicator of the future movement in the asset price. You should aim for 2 to 3 strong correct signals and incorrect signals can weaken your answer, especially if they are of substantial magnitude. You should evaluate the signal 10 trading days after the signal occurs.

Display a graph to demonstrate your findings, in addition to describing your findings. One should also print out the Ox computer code used to solve this problem.

[10 marks]

| Variable | Name |
|----------|------|
| aan1 | CISCO SYSTEMS INC |
| aan2 | MICROSOFT CORP |
| aan3 | INTEL CORP |
| aan4 | TEXAS INSTRUMENTS INC |
| aan5 | SPRINT CORP |
| aan6 | AMGEN INC |
| aan7 | INTERPUBLIC GROUP COS INC |
| aan8 | MELLON BANK CORP |
| aan9 | WARNER LAMBERT CO |
| aan10 | BRISTOL MYERS SQUIBB CO |
| aan11 | ENRON CORP |
| aan12 | GENERAL ELECTRIC CO |
| aan13 | TIME WARNER INC |
| aan14 | EXXON CORP |
| aan15 | DELL COMPUTER CORP |
| aan16 | AMERICAN EXPRESS CO |
| aan17 | SUN MICROSYSTEMS INC |
| aan18 | CORNING INC |
| aan19 | FORD MOTOR CO DEL |