Skiss kex

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Introduction

Portfolio theory, Markowitz, issues and critizism, developments, Bayesian approach, etc.

Methods

Conventional approach

Markowitzs' theory.

Bayesian approaches

Jeffreys and conjugate.
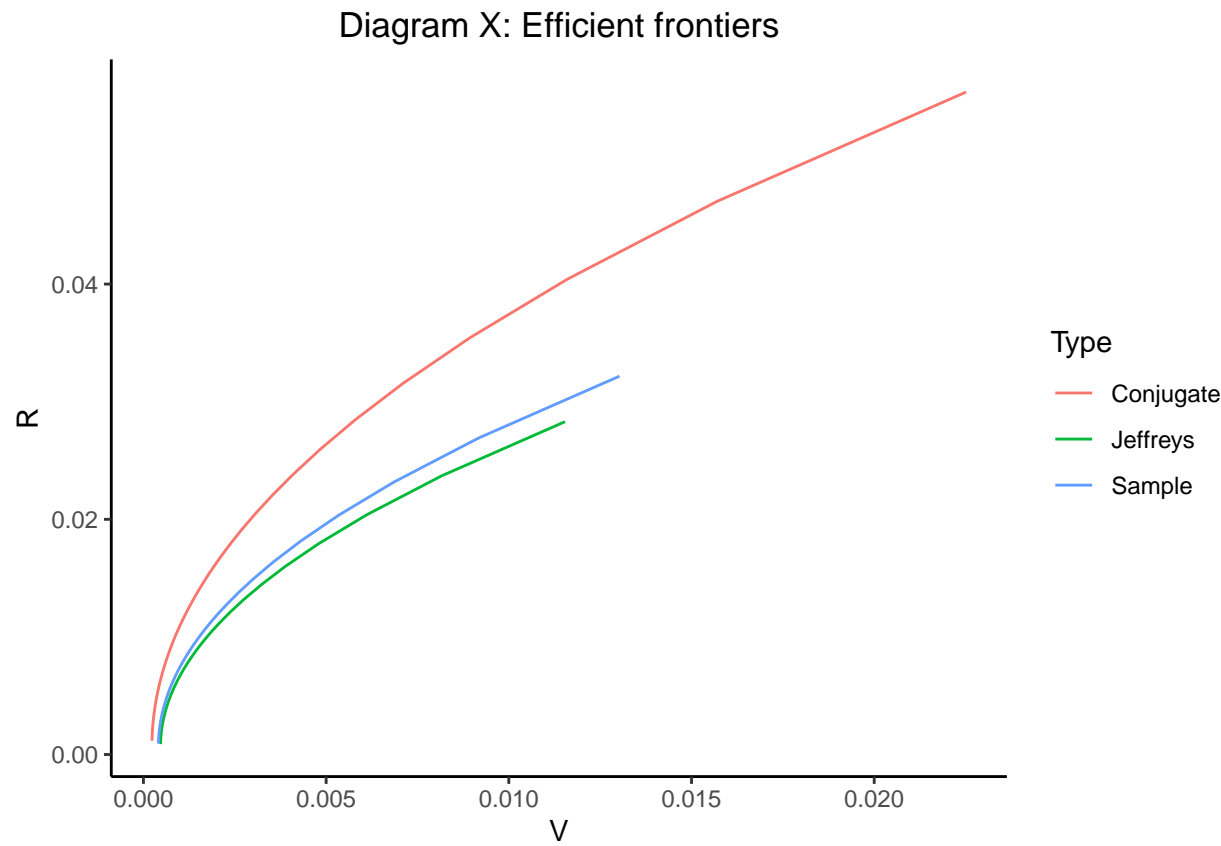
Data

OMXS30 weekly returns 2018-2022. Log returns.

Out-of-sample testing

Rolling sample window.

Simualtion

Results

Efficient frontiers

Diagram X: Efficient frontiers

Out-of-sample results

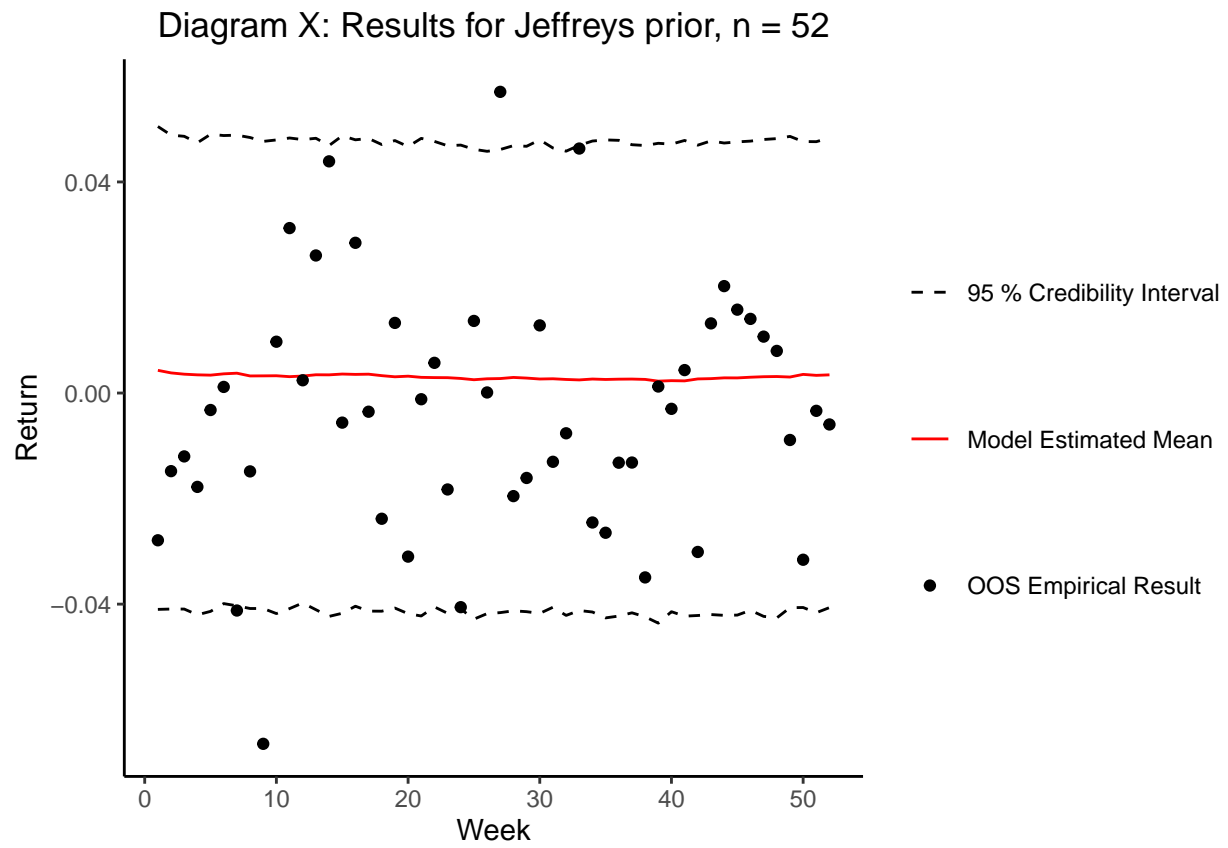Diagram X: Results for Jeffreys prior, n = 52

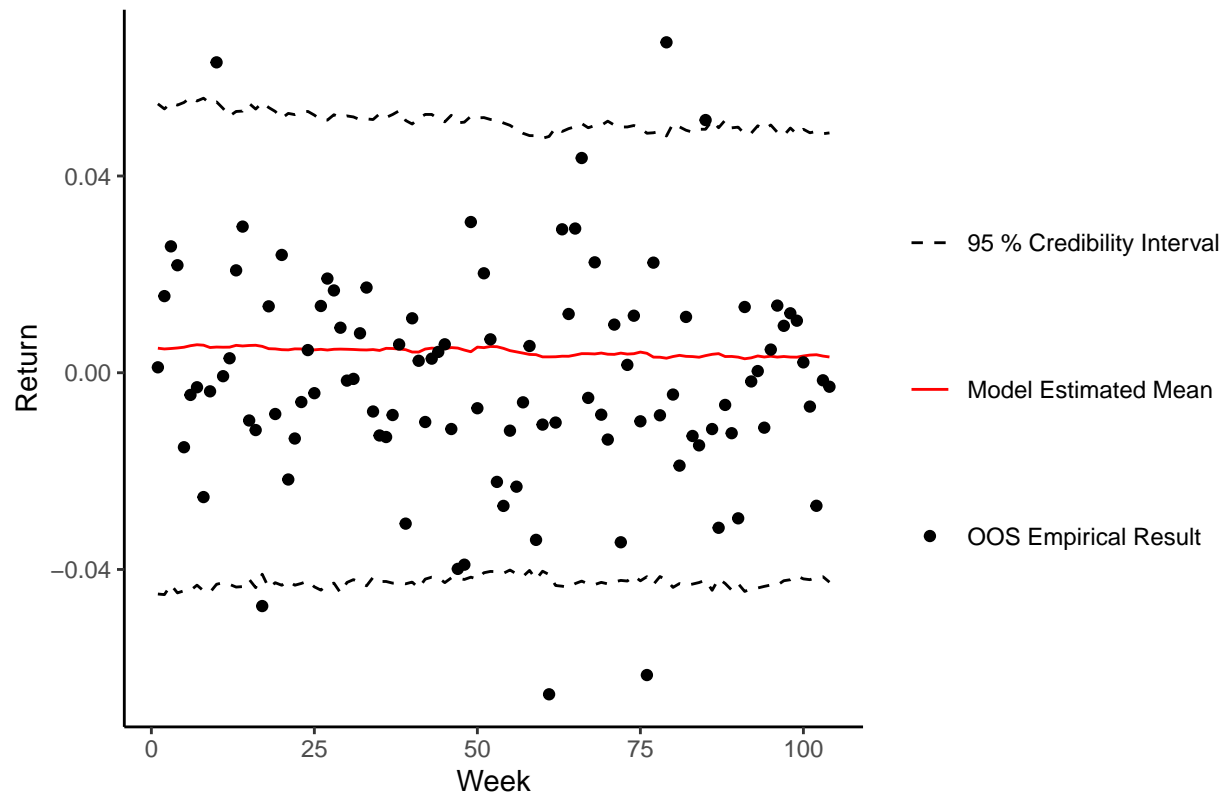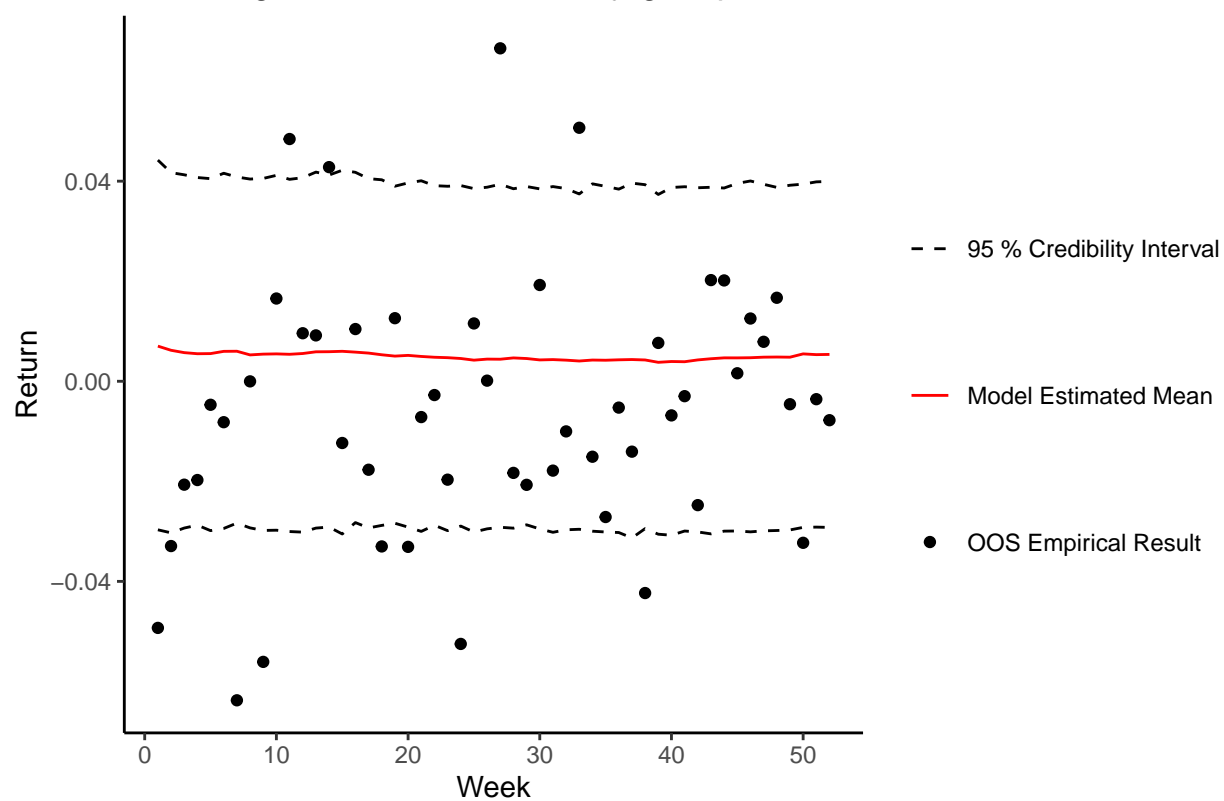Diagram X: Results for Jeffreys prior, n = 104

Diagram X: Results for conjugate prior

Diagram X: Results for sample method