Data of PINS stock

**Question 1. implement a ”buy-and-hold” strategy for year 2 - you invest $100 on the first trading day (at the opening price) and sell at the last trading day at the (adjusted) closing price.**

**Answer:**

If I invest $100 on the first trading day (at the opening price) and sell at the last trading day at the (adjusted) closing price, according to the graph above, the closing price is about 40 percent lower than the opening price, so “buy-and-hold policy” will make me loss about 40$

**Question 2. implement a trading strategy based on your labels for year 2 and compare the performance with the ”buy-and-hold” strategy. Which strategy results in a larger amount at the end of the year?**

**Answer:**

If I buy it on the opening day, still 100$, there is a high value on February,2021, so at that time we can sell it, on February 15, the closed price is about 121% of the opening price, at that time, we can win about 121$, and then wait the lower point. When time goes to March, 2021, there is a lower point, we can buy on March 29,2021, the opening price on that day is 68.84$, buy about 221$, then the new high point is coming in April, so we can sell it on April 5, 2021, the closed price is 85.53%, 24% higher that the opening price, so we can win about 53.04$, so the amount comes to the 274.04$. Then we can also wait for the lower point. The remaining trend is decreasing, so we can buy it util it come to the lowest. We can buy it on July 25,2022, the opening price is 18.17%, and sell it on September 5, 2022, the closing price is about 40% higher than the opening price of July 25, 2022, so we can win about 109.6$ if we buy about 274.04$. And finally we will get about 383.7$. Compared to the “buy-and-hold”, The strategy I given can get more amount.