// Abstract

This thesis examines the controversial prospect of Factor timing. We use Thompson Reuters data that allow us to construct international risk-factors and respective predictive signals and we test the capacity of these signals to time factors using the Kelly Criterion formula to determine the optimal fraction of capital to invest. Concerning the United States market, we showed that among all signals that we used only the Value Spread seems to contain some predictive power for all the factors in the study. All other timing signals were almost uniformly disappointing and were unable to time any of the factors. We further showed that timing strategies performed much better in the intentional setting, often outperforming the passive buy-and-hold approach.

JEL Classification G12, G14, G17, G19
Keywords factors, factor timing, time-series, Kelly criterion, empirical analysis

Title At the right time, in the right factor. Can factors be timed?

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