Bibliography Reference

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Abstract

The purpose of this thesis is to analyze and reveal if there is any dependence of index stock return valuation method on index's industry affiliation. The question about profitable strategy to react to valuation method's forecasts is also investigated. I focus on three methods of valuation: technical analysis, time series forecast and combination of rules from both technical and times series forecast rules, and test them on 10 Dow Jones Industrial Indices. Double-or-out strategy is compared to buy-and-hold strategy by estimation of its excess return.

I found no dependence of choice of method on index's industry affiliation. However, the double-or-out strategy was proved to outperform buy-and-hold strategy in all of the industries.

Keywords

Stock Valuation Methods, Trend Prediction Analyses, Technical analysis, Fundamental analysis, Methods of valuation, Time series forecast, Double-or-out strategy

JEL Classification

G11 G12 G14 G17 C22 C51 C52 C55 C58