LUND UNIVERSITY | LUND UNIVERSITY LIBRARIES

LUP Student Papers
LUND UNIVERSITY LIBRARIES

Register publications | Statistics | Marked list 0 | Saved searches 0

Home Publications Departments Advanced search

Value Investing and The Magic Formula - a method for successful stock investments

Goumas, Andreas LU and Källström, Peter
(2010) NEKK01 20101
Department of Economics

Mark

Abstract
With this thesis we want to prove that by using a single formula for picking stocks, Joel Greenblatt's ''Magic Formula'', it is possible to achieve returns higher than those achieved by a related index. To prove this, we will construct a portfolio, according to "The Magic Formula", and backtest the portfolio in the Swedish stock market. The test period will be March 1999 to January 2010 and we will compare the results with indexes such as OMX SPI and OMX S30. In order to measure our portfolios performance in relation to the overall market and the risk taken, we will use Fama's and French's "Three Factor Model", Sharpe-ratio and Treynor-ratio as measurements. When we tested the ''The Magic Formula'' portfolio with Fama's and French's "Three... (More)

Please use this url to cite or link to this publication: https://lup.lub.lu.se/student-papers/record/1604111

Open Access | PDF

Details BibTeX

author	Goumas, Andreas LU and Källström, Peter
supervisor	Hossein Asgharian LU
organization	Department of Economics
course	NEKK01 20101
year	2010
type	M2 - Bachelor Degree
subject	Business and Economics
keywords	Stock Market, Magic Formula, Joel Greenblatt, Value Investing
language	Swedish
id	1604111
date added to LUP	2010-05-17 11:42:26
date last changed	2010-05-17 11:42:26

Links

Document download statistics

Built with LibreCat

User guide | About accessibility | Contact