



Home Publications Departments

Advanced search



Magic Formula Investing and The Swedish Stock Market

Strömberg, Oskar ^{LU} and Gustavsson, Oscar ^{LU}

(2018) NEKH02 20172

Department of Economics

Mark

Abstract

The purpose of this paper is to contribute to the existing research within the subject of the Magic Formula. The investment strategy will be tested on historical data for companies on the Stockholm stock exchange during the period 2007-04-01 to 2017-03-31. The return will be benchmarked against OMXS30 as an indicator of the market return. In addition to comparisons between the return of the Magic Formula and the market return, risk involved in the investments has also been considered through the use of the Sharpe ratio, CAPM and Fama and French's Three-Factor Model. The Magic Formula portfolio had an average yearly return of 21,25 %, compared to the market return of 5,22 %. Considering the taken risk, the Magic Formula had a Sharpe ratio... [\(More\)](#)

Please use this url to cite or link to this publication: <http://lup.lub.lu.se/student-papers/record/8932178>

Details BibTeX

author Strömberg, Oskar ^{LU} and Gustavsson, Oscar ^{LU}
supervisor Hans Byström ^{LU}
organization Department of Economics
course NEKH02 20172
year 2018
type M2 - Bachelor Degree
subject Business and Economics
keywords Magic Formula, Efficient Market Hypothesis, Fama and French three-factor model, CAPM, Swedish stock market
language English
id 8932178
date added to LUP 2018-02-02 14:48:26
date last changed 2018-02-02 14:48:26



Open Access | PDF

Links

Document download statistics