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DEPARTMENT OF STATISTICS AND ACTUARIAL SCIENCE
THE UNIVERSITY OF HONG KONG

Seminar for Confirmation of Candidature

Mr. LU Renjie

Department of Statistics and Actuarial Science
The University of Hong Kong

will give a talk

entitled

CAN A PORTFOLIO BE COINTEGRATED AND MARKET NEUTRAL?

Abstract

Paired/basket trading is one of the popular trading strategies. Typically, the first step of the basket trading is to identify cointegrated portfolios. However such cointegrated portfolios by construction are not necessarily market neutral. In this talk, methods of constructing cointegrated and market neutral (COINMAN) portfolio are proposed. When there are a large number of assets in the portfolio, most of the portfolio weights will become very small and hence it is more reasonable to develop a sparse version of the COINMAN portfolio. Simulation and empirical studies of the proposed methodologies will be considered.

on

Thursday, August 27, 2015

10:30 a.m. – 11:30 a.m.

at

Room 301, Run Run Shaw Building

All interested are welcome