Twitter Thread by Investmint

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A backtested ■■■■■■ ■■■■■■■■ trading strategy ■ ■

Thread ahead ■

RT to get a free PDF and a link to our beta program in your DM ■

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■ We buy a basket of 5 stocks every Monday and sell them all on Friday.
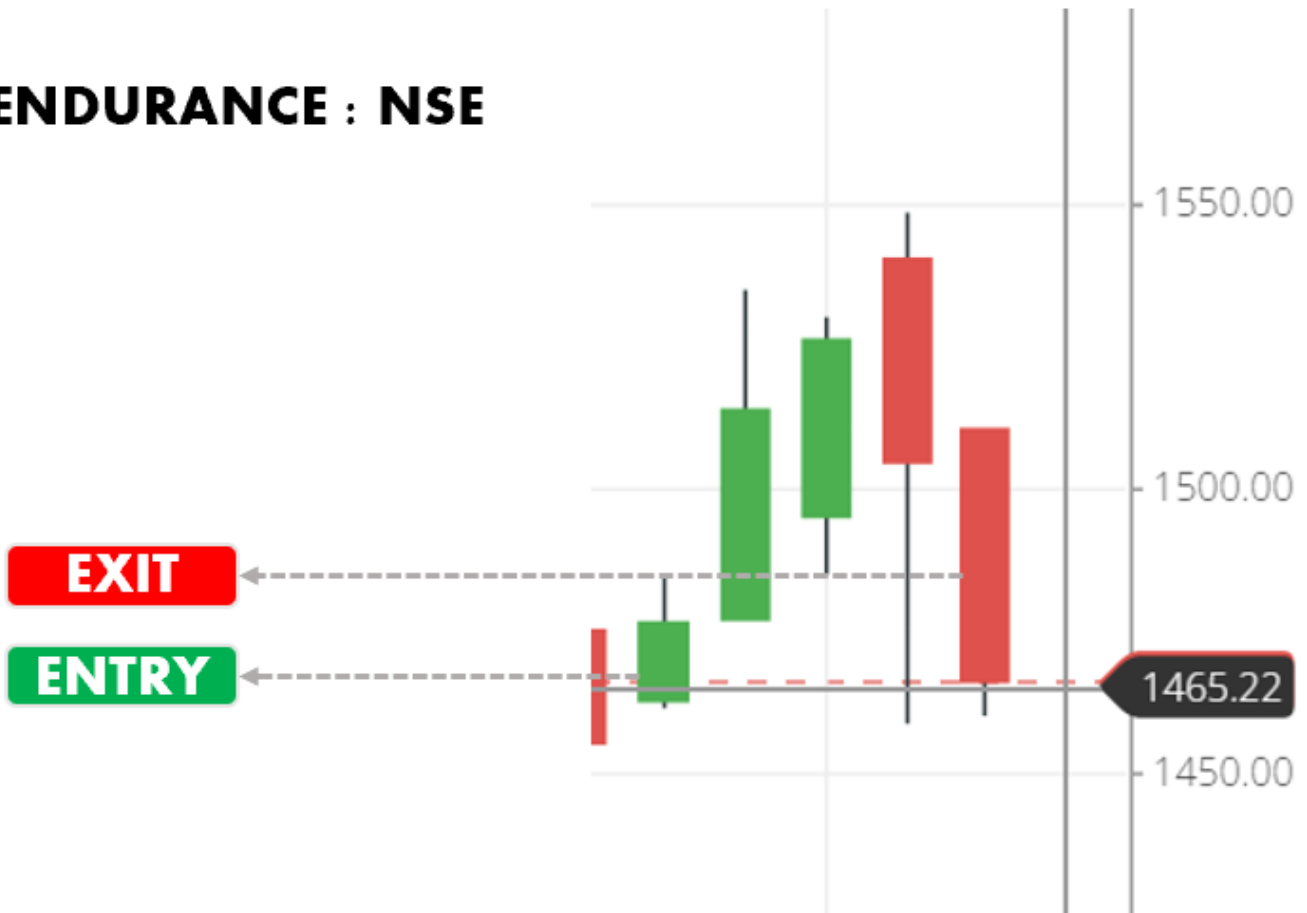
■ Yes, it's that simple.

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■ Stocks in general keep going up & down, no rocket science there.

■ But, interestingly some stocks when they go down considerably, they bounce back to some extent.

■ This model tries to profit from such up moves through a basket of stocks

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ENDURANCE : NSE

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■ Universe - NSE500

1■■ Create a basket of stocks that have the lowest returns in the past.

2■■ Filter the stocks based on turnover to check for liquidity.

3■■ Select stocks with the best odds to go up.

■■ ■■■■■ - Enter anytime during the day on Monday or the first trading day of the week

■■ ■■■■ - Exit anytime during the day on Friday.

■■ ■■■■ ■■■■ - There is no stop loss in this strategy & being a basket strategy with a weekly holding, it offers stable returns with limited downside.

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AAR	12.64%
Win-rate	54.5%
Total number of trades - YTD 2022 - In weeks	37
Average win size	2.03%
Expectancy	0.26%
Sharpe ratio	0.8
Model beta	0.35
Biggest winning week	11.39%
Biggest losing week	10.11%
Max winning streak - in weeks	10
Max losing streak - in weeks	5
Weeks it took to recover from the max losing streak	10 weeks
Max drawdown	31.83%
Weeks it took to recover from the max drawdown	21 weeks
Max streak without signals	52 weeks

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■ Stocks are known to mean revert, meaning if a stock goes down, it tends to move upwards again, this model tries to capture that reversion.

■ This phenomenon is more common and profitable in NIFTY 500 stocks when you have an upward bias.

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■ Works well when the stocks correct for a couple of days to weeks and bounce off from their lows.

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■ In a secular bull market when most of the stocks are in an uptrend with minor or no corrections and in the sideways market, as there won't be any stocks that pass through the model criteria, that's very rare though.

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■ If you have some funds to allocate to a positional model & can take time out just once a week to rebalance the stocks. Then, this is an ideal strategy for you.

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■ Being a positional strategy, it has limited risk and offers a consistent return profile.

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Minimum Recommended Capital	Rs. 150000
Minimum Capital Deployed	Rs. 100000
Action needed	Weekly
Minimum recommended subscription period	1 Year

If you liked this quantitative model and want to see it in action check out the link for our Early Access Program in the bio!■

You can also RT the first tweet to get the link in DM! ■ ■

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