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Study Program & Session: MS (2021-2023)

Assignment Portfolio Management

- You have to select two stocks from the website of the Pakistan Stock Exchange. The stocks can be from the same sector and can be from different sectors.
- Download the daily data for the two stocks selected and the market, the KSE 100 index, from the website of the Pakistan Stock Exchange. The daily data must be from 01 April 2021 to 31 July 2021.
- The selected stocks must be different for each student.
- After downloading the daily data estimate and interpret the following for the two selected stocks and the market:
    - The average daily return.
    - Annualized daily return.
    - Daily standard deviation.
    - Annualized standard deviation.
    - The portfolio return for each of the selected stocks and the market, where each of the selected stocks and the market have equal weights in the portfolio separately.
    - The portfolio standard deviation for each of the selected stocks and the market separately.
    - The correlation between each of the two selected stocks and the market separately.
    - The beta.
    - The Sharpe ratio.
    - The Treynor's ratio.
    - The Jensen's alpha.
- Use the risk-free rate as mentioned by the State Bank of Pakistan.
- Submission date 26 August 2021.
- Hard copy of the assignment must be submitted.