

Management Development Programme

on

**“Predictive Models for Developing
Successful Stock Trading Strategies”**

December 1st – 2nd, 2018



Programme Directors:

Prof. Kakali Kanjilal
Prof. R K Arora



International Management Institute
New Delhi

INTRODUCTION

“What gives a trader an edge?” The answer is Predictive Models.

Stock markets are generally believed to be unpredictable. The ‘Random Walk Hypothesis (RWH)’ is a financial theory which states that stock prices move in a random fashion, and hence they are unpredictable. Critics of RWH, however, believe that the markets are predictable as the stock prices exhibit some trends over a period of time. The tests of validity of RWH have mainly relied on testing linear dependence between successive past stock prices. However, many researchers and market practitioners have shown that the non-linearity is found in volatility of stock returns. The non-linear dependence of stock-returns enables short term forecasting of such returns and development of trading strategies accordingly.

In the literature of time series models, predictive models like Holt-Winter, ARIMA-MSARIMA, ARMAX, ARCH-GARCH, Vector Autoregression (VAR) and Cointegration techniques among others are used widely to forecast the stock price movements in financial markets. ARIMA-MSARIMA is used to forecast the short-term mean returns whereas ARCH-GARCH models are used to forecast the volatility of stock returns. The volatility models address the non-linear movements in stock returns to a great extent. These models are found to be quite successful in forecasting the direction of stock prices. Cointegration and VAR tools, on the other hand, help in developing PAIR TRADING strategies which help in building optimal portfolios. In most cases, COINTEGRATION technique outperforms CORRELATION in medium to long-term strategies of entry and exit points for equity investments. All these models have extensive applications in the areas of finance and power trading.

OBJECTIVE

This two-day programme on building a successful stock trading strategy using predictive models is designed to provide hands-on practical lessons on predicting the future stock returns with least errors and developing the most appropriate strategies accordingly.

CONTENTS

- ARIMA-MSARIMA
- ARCH, GARCH and EGARCH
- PAIR TRADING with Cointegration

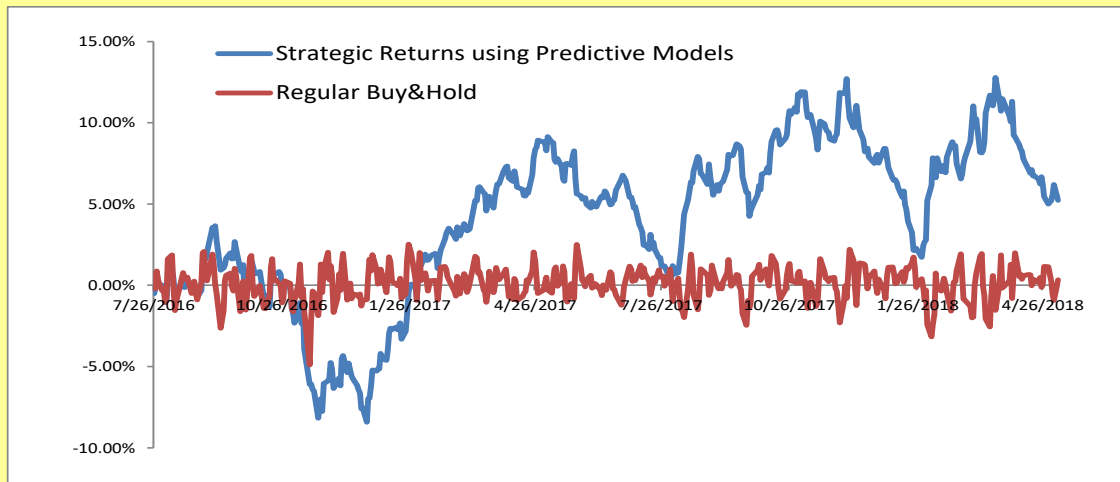
SAMPLE RESULTS

The Table below presents the results of the application of predictive models on NSE-Nifty 50 over the period July 2017 to May 2018. These results pertain to 21 trades performed based on the predictions made by the models.

Performance of Predictive Models on NSE-NIFTY50 from July'17 to May'18	
Positive Trades (PT)	16
Negative Trades (NT)	5
Hit Ratio (PT/PT+NT)	76.2%
Positive Returns	20.9%
Negative returns	-4.3%
Net Return	16.6%
Average Returns	0.8%

¹ From Quandl Blog

The following graph presents the returns generated using the predictive models vis-à-vis the returns from a simple buy and hold strategy.



PEDAGOGY

The pedagogy will be a blend of interactive lectures and practical case studies. Actual data from financial markets will be used to teach the application of predictive models using excel and statistical software E-views. Participants are expected to bring their laptops to the class.

WHO SHOULD ATTEND

Executives of Investment Consulting and Brokerage Firms, Mutual Fund Professionals, Relationship Managers, Trading Professionals in Power Trading Companies and Academicians.

FACULTY AND RESOURCE PERSONS

Eminent IMI core faculty and senior practicing professionals from the corporate world will also be invited for sharing their wealth of knowledge with the participants.

PROGRAMME DIRECTORS

Prof. Kakali Kanjilal

Prof. R K Arora

BRIEF PROFILES

Dr. Kakali Kanjilal, M. Sc (Statistics) and Ph. D (Economics & Finance) is an Associate Professor in the area of Quantitative Methods and Operations (OQM), at International Management Institute, New Delhi. She is an associate editor of Global Business Review (GBR), one of the top rated management journals of Asia. She has almost two decades of industry, teaching and research experience in the domain of applied econometrics & time series models, debt market and credit risk management. She has published many research articles in several international refereed journals of reputed publication house. She has held many training programmes in American Express (India) Pvt Ltd. in the area of customer management and authorizations services for the credit card verticals of the company. She can be reached at kakali@imi.edu .

Dr. Ravinder Kumar Arora, MBA and Ph.D in Finance, is a Professor of Finance and Accounting at International Management Institute, New Delhi. He has been a member of the U.P. Stock Exchange, Kanpur for a number of years. He is also a fellow member of The Institute of Cost Accounts of India and The Institute of Company Secretaries of India. He has about three decades of industry, teaching and research experience in the areas of managerial accounting, corporate finance, investments and risk management. He has published a number of research papers in reputed journals and conducted training programmes for many companies. He can be reached at rkarora@imi.edu.

ADMINISTRATIVE DETAILS

Dates:

December 1st -2nd, 2018

Venue:

International Management Institute
B-10, Qutub Institutional Area
New Delhi 110016

FEE

Non-residential: Rs. 18,000/- per participant (plus 18% GST as applicable) covering professional fee, programme kit and lunch

Residential: Rs. 25,000/- per participant (plus 18% GST as applicable) covering professional fee, programme kit and boarding/lodging (airconditioned single room) from noon of **November 30th 2018** till noon of **December 3rd, 2018** at IMI Campus.

Group Discounts

- 10% discount on fee amount is available in case an organization nominates 2 or more participants to the programme.
- 20% discount on fee amount is available in case an organization nominates 4 or more participants to the programme.

Fee is payable in advance by way of local cheque/DD in favor of **"International Management Institute"** payable at New Delhi or through direct electronic fund transfer to IMI Bank Account, as per following details:

Allahabad Bank Account Number: 50084979288
MICR Code: 110010007, IFSC Code: ALLA0211083
Pan No. AAAT10972K; GST No. AAAT10972KIZJ

Please mention the programme name while making payment through electronic fund transfer.

REGISTRATION

The registration form duly filled in along with the programme fee should reach us at least 7 days before the commencement date of the programme. In case of subsequent withdrawal or cancellation of registration no refund of fee will be allowed. However, substitute(s) may be permitted with prior intimation.

CERTIFICATE OF PARTICIPATION

A certificate of successful participation by International Management Institute (IMI) will be issued to each delegate at the culmination of the program.

ABOUT IMI

IMI International Management Institute Nestled in Qutab Institutional Area, International Management Institute (IMI), New Delhi was established in 1981 in collaboration with IMI Geneva (now IMD Lausanne). IMI's flagship two-year Post-Graduate Diploma in Management (PGDM) programmes (launched in 1993) has Student Exchange programmes with leading International Schools. These include ESC Rennes, France, Montpellier Business School, France, Frankfurt School of Finance and Management, Germany, Grenoble Ecole de Management, France, Louvain School of Management, Belgium, Sichuan Academy of Social Sciences, China, KEDGE Business School, France, University of Guelph, Canada to name a few. Besides its regular PGDM programme, IMI New Delhi runs a two-year PGDM programme in Human Resource Management (PGDMHRM) launched in 2006, a two-year PGDM programme in Banking and Financial Services (PGDM B&FS) launched in 2014, a 15-month Executive PGDM for mid-career executives (Executive PGDM) launched in 1984 and a Fellow Programme in Management (FPM) launched in 2011.

In addition, IMI New Delhi also offers ITEC (Indian Technical and Economic Cooperation) Programmes, as it is one of the few empanelled Institutes of the Ministry of External Affairs, Government of India. Under the aegis of MEA organised special Commonwealth Assistance Programmes, 15 international students are selected into the Executive PGDM Programme. These ITEC programmes are targeted at various developing countries from the Afro-Asian, South American and SAARC region. Another distinguishing feature of IMI Delhi is its strong Alumni network of over 5000+ professionals at senior management levels in leading corporate houses.

All IMI New Delhi's long term programmes are approved by AICTE, Ministry of HRD, and Government of India. IMI New Delhi is internationally accredited by Association of MBAs (AMBA), UK. IMI's diverse and experienced resource pool of faculty resources having a rich combination of academic rigor and corporate exposure is one of the institute's distinct strengths. This vast and enriched pool has a special focus on delivering management education, training, research and consultancy. IMI contributes significantly to the growth and development of management as a discipline in India.

IMI conducts a large numbers of Management Development Programmes (MDPs) every year, which include Open Programmes, specially designed In-company programmes and Online programmes in different functional areas. These programmes are aimed at capability building of senior-level and top-level managers and executives to help them in updating their concepts and enhancing leadership and managerial skills.

IMI's strength across diverse management disciplines, backed by an excellent team of faculty and the strong network with eminent organizations, helps deliver its commitment towards its vision of being a premier global management school.

For registration/any other information, please contact:

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&

Ms Vijaya, Deputy Manager

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