Master’s Thesis Presentation

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“A Granular Approach: Constructing and Evaluating Financial Factors at High-Frequency Intervals”

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Abstract

Financial factors are pre-determined strategies for buying and selling assets to better understand the behaviors of markets and market participants. Academic literature has predominantly evaluated the returns of such factor-based portfolios using daily prices. We expand this low-frequency approach by assessing factors using fifteen-minute prices collected intraday. This large-scale analysis allows us to study factors and related market phenomena at a granular level. This paper uses seven popular currency futures to analyze “Carry”, a well-tested factor. By composing factor returns at high-frequency intervals, our project aims to expand the knowledge of market behavior across multiple factors and asset classes.