

# Macroeconomic stock project

[Literature](#), [Russian Literature](#)



Macroeconomic Stock Project The investment portfolio is made up of more than six stocks. Typically the only securities invested in are shares of various companies. The stocks that were invested and traded in the first three weeks majorly included Freddie Mac (FMCC), China Cache International holdings (CCIH), SouFun Holdings, and SOHU. COM Incorporation. This is a mix of online business, foreign businesses and financial services companies. The famous investment strategy used in the stocks invested is buy when the stock price is low and sell when the stock prices goes up.

Moreover, the period of investment is just over a few months so for the portfolio to get a suitable yield, numerous purchases and selling of different stock are done on daily basis or within a short time period within a week. For example, the purchase of 1363 SouFun Holding (SFUN) share at \$74. 28 on 2/24/14 leads to a total sale of the same shares on 2/26/14 at \$76. 31. Essentially a capital gain of \$2. 03 per share is made in the process. Hence the strategy of buy low and sell when high works in this scenario.

The various stocks mentioned above helps in portfolio diversification by reducing the specific risks of each stock invested. Investment in XUE stocks was stable at \$5. 79 hence no gain was realized on this particular stock. This can be accounted by very little business acquisition and activity by this company during this period during the trading period. Vipshops holdings (VIPS), however, is bullish, Goldman Sachs involvement in upgrading this company's business activity has elevated the share price.

Above is a time series graph of VIPS (Vipshops Holding) share price being bullish over a three month period of trading. Therefore, this led to a profit (Capital gain in the portfolio)

Weibo Hu analysis has projected a market growth of 0.5% in VIPS apparel subsidiary in China and the credibility of the company signifies potential positive growth in the future. If the portfolio had stocks that had their prices rarely fluctuating within the two days of trading, the trading position is closed. The same was done for stocks that were making capital gains. Just like any real diversified investment portfolio, the well performing stocks like VIPS and SFUN offset the short term capital losses made by bearish stocks like XUE (Xuenda Education) and CCIH (China Cache International).

Above is CCIH (China Cache International Holdings) share price being bearish over a three month period of trading. This led to slight losses in the portfolio considering the shares were never held longer than a week.

ZEN (Zendek incorporation) stock price rose substantially after the initial public offering. The share traded above the \$10 mark, but this portfolio however did not realize substantial capital gains on the stock. Considering Zen had a positive performance after the IPO, holding its shares a little bit longer would give better yields than the other stocks in the portfolio.

Considering it's a tech firm and the information on the market is driving its stock prices stable and bullish it is a good pick for the portfolio only as a long term strategy. Generally, the portfolio has been well diversified and the overall return is positive at the end of the trading.

#### Works Cited

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