Bachelor Thesis

Generating Excess Returns with Public Information on the Swiss Stock Market

Fundamental Theory - Empirical Analysis

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by

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Abstract

This study analyses the possibility of generating excess returns on the Swiss stock market with public information in the examination period from 2010 to 2017. The empirical analysis builds on stock information of firms contained in the Swiss Market Index to contribute empirical evidence from the Swiss stock market perspective. The Swiss Market Index includes the 20 biggest companies in terms of market capitalization of various sectors. For the empirical examination, portfolios are formed on the basis of two simply measured firm-specific key figures which are freely available for all market participants: market capitalization and book-to-market ratio. Holding periods of the portfolios vary between six and twelve months. The three-factor model by Fama and French (1993, 1996) is used to show the explanatory power of these two variables for excess returns. The results reveal indications of generating excess returns and are similar to recent studies in other countries.