



**Universität
Zürich^{UZH}**

EMPIRICAL ANALYSIS OF MOMENTUM IN THE SWISS
STOCK MARKET:
COMPARATIVE EFFICIENCY OF INTRADAY PRICE
MOVEMENT AND REVERSAL STRATEGIES

MASTER'S THESIS

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Abstract

While there exists a large body of literature about the profitability of momentum strategies for intermediate and long-term time periods, there's a lack of literature focusing on intraday strategies. This thesis will examine the profitability of intraday momentum and reversal strategies in the Swiss stock market. The desired quantitative approach evaluates three intraday threshold strategies and three moving average methodologies on a restricted sample of 100 selected stocks from the Swiss stock market for the years between 2000 and 2017. All strategies are subsequently evaluated in an industry sector and market capitalization context.

The results show significant abnormal returns for the majority of the momentum strategies yielding up to a maximum of 0.2724% return per trade for the Financial sector. Further, this study finds evidence of intraday price reversals in the Swiss stock market on days following significant overnight price developments. This observation can be exploited by applying reversal strategies which results in abnormal returns up to a maximum of 0.1748% per trade for the smallest Swiss companies measured by market capitalization. Although the data shows evidence of significant abnormal returns, the costs accompanied with the implementation of the tested strategies result in economically unprofitable trades for most industry sectors and company size.