

# SYSTEMATIC TRADING STRATEGY: TURKEY DAY

**Team:** Cash Me If You Can  
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**Date Presented:** 12/2/2024  
**Investment Decision:** Invested \$13,500

## INTRODUCTION:

The Turkey Day Momentum Strategy draws inspiration from established research on the effectiveness of price momentum strategies, particularly studies by Jegadeesh and Titman. Our hypothesis is that S&P 500 stocks with durable short-term growth over 3- and 6-month periods are likely to sustain their momentum long enough for us to capture value before rebalancing.

## TRADING STRATEGY DETAILS:

The strategy screening criteria selects stocks from the S&P 500 using a two-step process. First, we identify the top 10% of stocks based on 3-month total returns. From this subset, we then filter for the top 10% based on 6-month total returns. This approach typically generates a portfolio of 5–6 stocks, which is rebalanced quarterly to maintain alignment with the strategy. For the current quarter, we recommend purchasing **Tesla (TSLA)**, **Palantir Technologies (PLTR)**, **Axon Enterprise (AXON)**, **Texas Pacific Land (TPL)**, and **United Airlines (UAL)** due to their strong price momentum and growth potential. Given that the portfolio is market cap-weighted, there may be quarters where certain stocks dominate the allocation, leading to increased concentration risk. While the strategy exhibits higher volatility, consistent performance justifies the increased risk. Its ability to deliver consistent outperformance, even in market downturns, makes it a valuable addition to the portfolio.

## BACKTESTING PERFORMANCE:

The Turkey Day strategy was backtested over 1-year, 3-year, and 10-year periods, consistently outperforming the S&P 500 (SPY) in total returns and risk-adjusted measures. Over the past decade, the strategy achieved a cumulative return of **1,267%** (34.0% annualized), compared to SPY's cumulative return of 239% (14.7% annualized). The strategy also outperformed the SPY in 7 of the last 10 years, with a minimum annual return of 11.1% and no negative years during the testing period.

