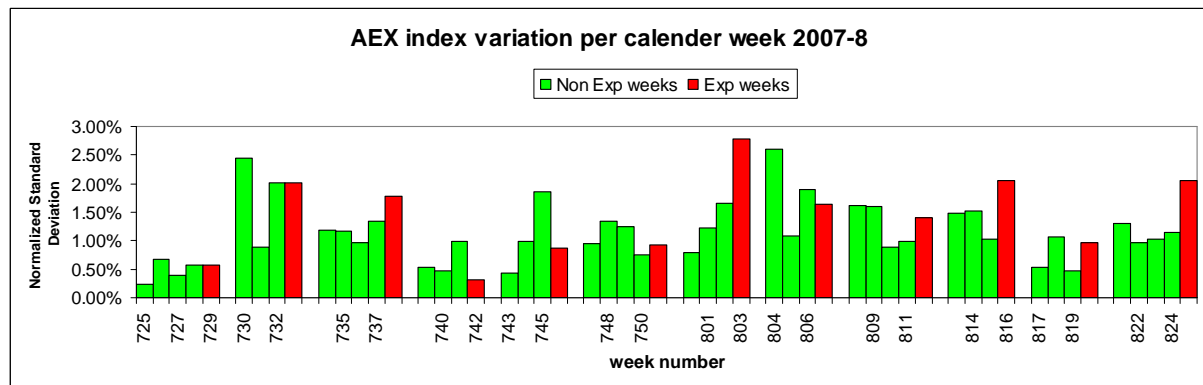


Exit before the expiration week?

The statement is that it's better to exit the week before expiration. During this last week the stock market is supposed to be manipulated by professionals who have to close their positions. If so, it would be better to avoid the risk of hitting the stoploss and exit with loss instead of profit. Furthermore, it is stated that the last week contributes marginal to the maximum profit. This statement is doubtful and will be discussed in a separate study.

We have investigated this hypothesis by calculating the standard deviations of the AEX index per week in order to see if there is a significant difference. This has been done for the period 2007-2008.



The graph clearly shows that there is no significant difference between the standard deviations of the weeks of expiration and their previous weeks. Therefore for the SOT system we have chosen for an exit at expiration date. This will also increase the maximum profit with ~20%.