



# SKYLINE INVESTMENTS

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**Stock Market Game**

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# TABLE OF CONTENTS

## I. Executive Summary

1

## II. Analysis of Performance

2

### Overview

### Phase 1: Building the Foundation

### Phase 2: Scaling Up

### Phase 3: Bold Execution

## III. Rationale

6

### Research Conducted Prior to Selection of Stocks and Funds

### Strategy Used to Diversify Investment Portfolio

### Description of how Selected Stocks and Funds fit Strategy

## IV. Conclusions and Findings

9

### Explanation of Strategy Effectiveness

### Proposed Changes in Strategy for Future Investments

## V. Charts and Graphs

10

## VI. Bibliography

10



# I. EXECUTIVE SUMMARY

## Overview

From September 9th to December 6th, Skyline Investments participated in the Stock Market Game and applied a focused, **research-based trading strategy**. Throughout the competition, we grew our total equity from an initial **\$100,000 to \$373,921.99**, achieving a return on investment of **235.91%**. This strong performance reflected the effectiveness of our phased approach, which combined strategic stock selection, sector awareness, and well-timed execution to consistently outperform the market.

#8

Ranked

\$273,922

Profit

236%

Above S&P 500

## Research & Trading Framework

C

**Curate** – We created a watchlist by scanning stock screeners and news for unusual action or momentum, focusing on early signs of promising setups

A

**Analyze** – Each stock was evaluated using technical indicators and fundamental metrics to confirm strength and alignment with our strategy.

E

**Strategize** – We outlined entry and exit points, risk controls, and position sizes based on conviction and volatility for every trade.

S

**Execute** – Trades were executed only when setups matched our plan, with discipline and minimal emotional interference.

## Strategic Patterns



### Fundamental Catalyst Acceleration

Stocks surged following clear company-specific catalysts.



### Volatility Hype Reversal

Hype-driven price spikes gave us short setups once momentum faded



### Sector Inflection

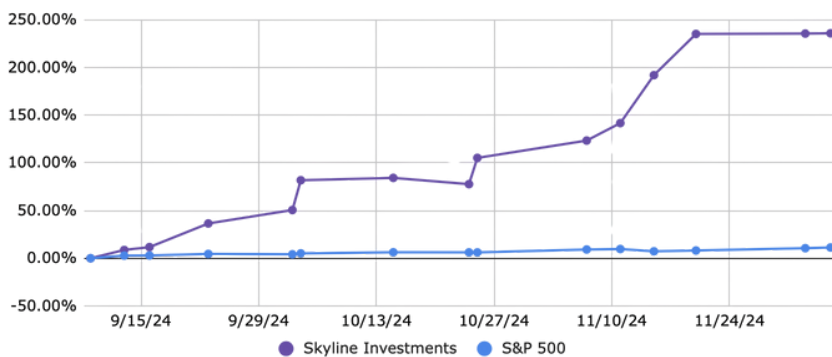
Stocks rose alongside broader market or industry shifts.

## Diversification Strategy

**Sector Diversification** We invested across seven distinct sectors to reduce risk and increase exposure to a variety of market trends. This strategy helped us avoid overconcentration and allowed us to capture gains from strong momentum in areas like technology, industrials, and consumer services.

**Asset Diversification** In addition to stocks, we included lower-risk assets such as bonds and mutual funds to strengthen portfolio stability. This mix helped us manage downside risk while giving us the flexibility to pursue high-growth opportunities.

## Skyline Investments vs. S&P 500



## Conclusions & Future Improvements

Our strategy delivered strong results by combining disciplined execution with structured research and pattern-based trading. We emphasized **consistency, diversification, and the use of our C.A.S.E. method** to identify high-potential trades across seven sectors. Looking ahead, we would focus on scaling high-conviction trades earlier, **improving real-time risk management** with tools like alerts and trailing stops, and maintaining a lower overall risk tolerance. In a real-world setting, we would also **balance our approach by investing more in stable assets** like ETFs, funds, and bonds while continuing to use catalysts for targeted growth.

# II. ANALYSIS OF PERFORMANCE

## Overview

From the start, we recognized that the short timeframe of the competition required calculated risks to quickly maximize gain. Our strategy focused on identifying catalyst-driven opportunities—news events, earnings, or momentum shifts—that could trigger sharp price movements. By balancing short and long positions, we captured both upside potential and overreactions in the market. To manage risk early on, we allocated a portion of our capital to bonds and mutual funds, creating a stable foundation. Through a phased approach, we gradually increased our position sizes as we refined our methods and built confidence, leading to consistent returns and strong performance.

## Phase 1: Building the Foundation

To generate profit, we built a solid foundation by dedicating our first month to study market trends and create reliable strategies through trial and error. These strategies consisted of carefully selected stocks through research as well as **small but frequent** investments. Each investment ranged from **\$10,000 to \$20,000** which lessened the impact of our losses in risky investments and allowed us to generate profit. Rather than concentrating our funds on a few select stocks, we prioritized **diversification**, spreading our investments across a wide range of opportunities. Throughout this phase, we were able to generate consistent profits and steady gains, proving our strategy effective.

Ticker	Type	Initial Investment	Date Bought	Date Sold	Profit/Loss	Percent Return
SMMT	Long	\$18,376.00	09/10/24	09/13/24	\$7,168.00	39.01%
		\$11,350.00	09/11/24	09/13/24	\$4,615.00	40.66%
PLCE	Short	\$20,328.00	09/13/24	09/16/24	\$3,234.00	15.91%
LASE	Long	\$19,350.00	09/17/24	09/23/24	\$27,650.00	142.89%

### Summit Therapeutics Inc (SMMT) Biotechnology



In early September 2024, Summit Therapeutics announced promising late-stage **clinical trial results** for its lung cancer drug, ivonescimab, significantly outperforming Merck’s leading drug, Keytruda. Anticipating investor optimism from this groundbreaking data, we opened **two long positions** on September 10th and 11th at approximately \$22.97 and \$22.70 per share. Following the announcement, Summit’s stock quickly **surged nearly 40%**—reaching approximately \$32—but recognizing this sharp rise could

soon trigger profit-taking and consolidation, we promptly exited our positions on September 13th. By swiftly capitalizing on the **catalyst-driven price jump**, we secured a combined profit of roughly **\$11,783**, achieving returns of around **39-41%**. This trade marked an early success in our strategy of trading impactful clinical trial outcomes.

### Children’s Place Inc (PLCE) Consumer Services

Following a **170% rally** due to an unexpected **earnings beat** and aggressive cost-cutting measures, PLCE appeared significantly **overvalued**. The move was fueled by short-term momentum and a **short squeeze** than by any meaningful fundamental change. We entered a **short position** on September 13th at approximately **\$14.52**, anticipating a pullback as the excitement faded. Over the next few days, the stock dropped to around **\$12.21** on September 16th, where we covered for a **\$3,234** profit to capitalize on the reversal.





accelerated upward, we exited the position on September 23rd, locking in a gain of over **143%** and a profit of **\$27,650**. The trade exemplified our approach of capitalizing on early catalyst momentum before market recognition.

## Phase 2: Scaling Up

To build on our early success, Phase 2 focused on scaling up our strategy with increased confidence and larger position sizes. During this period, we refined our stock selection process, placing greater emphasis on **catalyst-driven opportunities** with high potential for price growth. Investment sizes typically ranged from **\$20,000 to \$40,000**, reflecting our **improved risk tolerance** and conviction in each trade. While we maintained our commitment to diversification, we began to concentrate more capital into **high-confidence opportunities**, balancing calculated risk with potential reward. This phase marked a transition from testing to execution, where our more targeted approach resulted in stronger returns and reinforced the effectiveness of our evolving strategy.

Ticker	Type	Initial Investment	Date Bought	Date Sold	Profit/Loss	Percent Return
FUTU	Long	\$29,755.00	09/18/24	10/04/24	\$34,235.00	115.06%
ANF	Long	\$40,110.00	10/10/24	10/15/24	\$4,757.20	11.86%
TWG	Short	\$19,168.50	10/22/24	10/24/24	-\$7,156.50	-37.33%
		\$30,375.00	10/24/24	10/25/24	\$29,160.00	96.00%

## Futu Holdings Ltd (FUTU) Financials

In mid-September 2024, we identified Futu Holdings as a high-potential long opportunity driven by a favorable **macro shift**. The Chinese government had just announced a wave of **economic stimulus measures** aimed at boosting liquidity in its capital markets—cutting rates, easing regulations, and signaling support for retail investment. As a major online brokerage platform in Hong Kong and mainland China, FUTU stood out as a direct **beneficiary of this policy shift**. Momentum was

already building as trading volumes surged across Chinese equities, and FUTU was **upgraded by multiple analysts**, including a notable price target hike from J.P. Morgan. We entered a long position on September 18th at **\$60.12**, confident that both retail and institutional capital would flow into FUTU as a proxy for the broader rebound in Chinese markets. Over the next two weeks, the stock **nearly doubled**, reaching a high of **\$128.00**. We exited the trade on October 4th with a gain of **\$34,235**—a **115.06%** return. This trade demonstrated our strategy of identifying macro-backed momentum early, validating the power of combining policy analysis with strong entry timing.

