CONSTRUCTION OFOPTIMUM PORTFOLIO DURING PANDEMIC-WITH REFERENCE TO MUSCAT STOCK EXCHANGE

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ABSTRACT

This research attempts to study "An application of portfolio construction model on stocks in Muscat Security Market during pandemic period" by using Sharpe's single index model which will enable them to construct an optimum portfolio empirically using this model. For the purpose of the research 16 companies were selected from 3 sectors namely; Industrial, Financial and Service sectors. The data was collected for conducting an analytical study for the period, March 2020 to February 2021, to apply Sharpe single index for constructing optimum portfolio. It is done basically by ranking the picked assets based on excess return to beta ratio and then finding out the cut-off point (Ci), thereby the optimal combination of the assets. It is observed that there were three stocks identified from two sectors namely; Industrial and Financial sectors.

KEYWORDS: *Sharpe's Index, Portfolio Construction, Stock Market, Beta, Risk, Cut-Off Point.*

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