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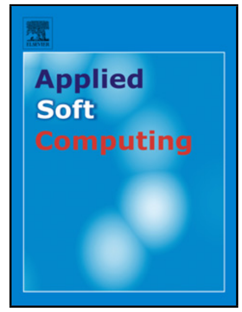

Title: Portfolio rebalancing with respect to market psychology in a fuzzy environment: A case study in Tehran Stock Exchange

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Portfolio rebalancing with respect to market psychology in a fuzzy environment: A case study in Tehran Stock Exchange

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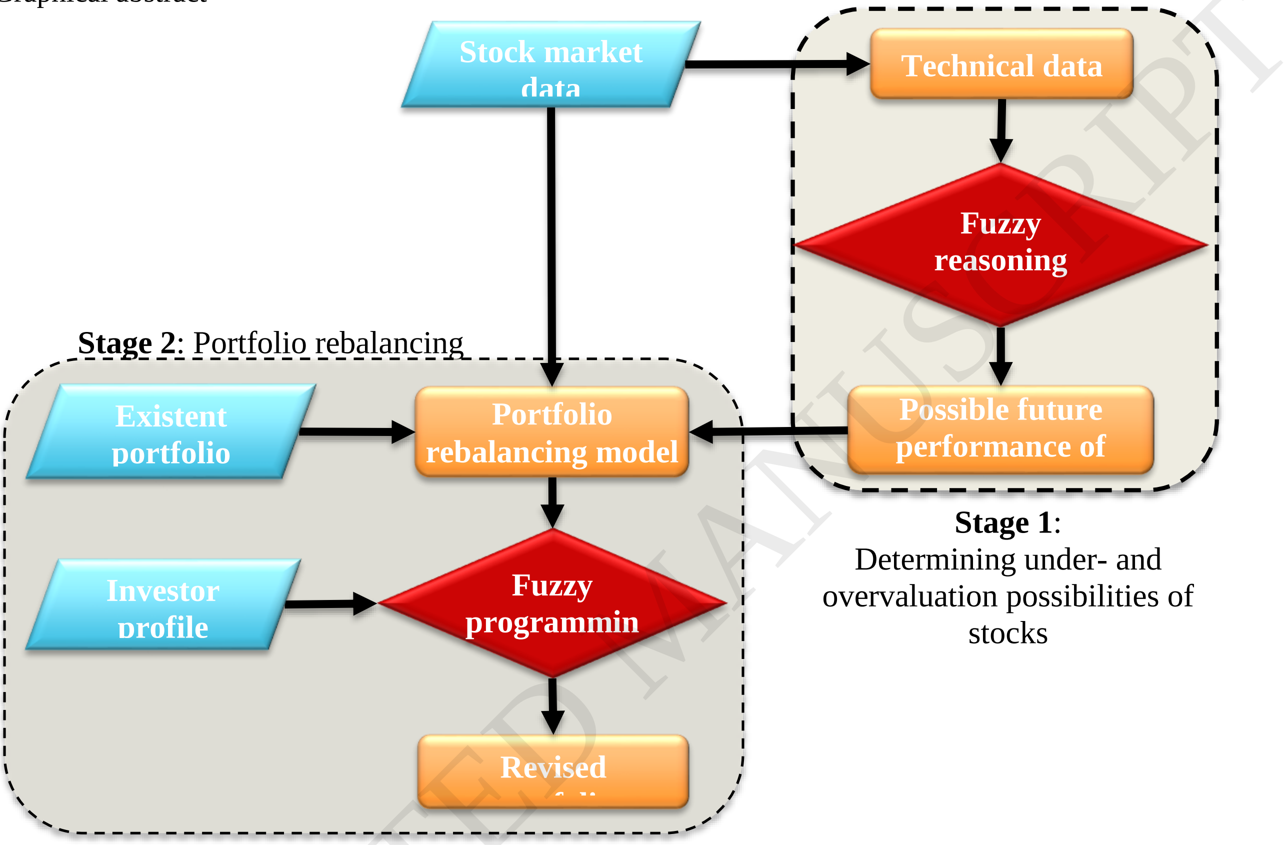
Graphical abstract



Highlights

- This paper presents a novel portfolio management strategy to exploit market misvaluation.
- A fuzzy artificial intelligence is developed to calculate under- and overvaluation possibilities of stocks through simulating the reasoning process used by technical analysts.
- A fuzzy portfolio rebalancing model is proposed to revise an existent portfolio using the calculated possibility degrees.
- The model considers Mean-Variance theory, transaction costs, investor profile, and risk-free rate of return.
- Implementation of the presented method has led to remarkable results in Tehran Stock Exchange.