PHASE-1 PRESENTATION

STOCK PRICE PREDICTION

TEAM MEMBERS:

1. **MANIKANDAN B**

2. **KARTHICK M**

3. **MATHAN S**

4. **SHIBIN G**

5. **PRASANNA K M**

Title: Predictive Model for Stock Price Forecasting: A Data-Driven Approach

Introduction

In the ever-evolving world of financial markets, making informed investment decisions is pivotal. Investors seek ways to gain an edge by leveraging data and technology. This essay introduces our comprehensive approach to building a predictive model for stock price forecasting, a tool that assists investors in optimizing their investment strategies. Our approach encompasses data collection, preprocessing, feature engineering, model selection, training, and evaluation, reflecting a meticulous and systematic methodology.

Problem Definition

At the heart of our endeavor lies the problem of stock price forecasting. Our objective is clear: to predict stock prices based on historical market data. This multifaceted challenge necessitates a structured approach to address the intricacies of the financial markets.

Design Thinking Approach

To navigate the complexities of stock price forecasting, we employ a Design Thinking approach. This approach provides a roadmap for developing a robust predictive

model. Each step in the process holds significance, contributing to the overall success of the endeavor.

Data Collection

The foundation of our predictive model is rooted in data. We begin by collecting historical stock market data, comprising crucial attributes such as date, open price, close price, volume, and relevant indicators. The integrity and reliability of this data are paramount, ensuring the accuracy of our predictions.

Data Preprocessing

Cleaning and preprocessing the data are fundamental steps in our approach. We address missing values, converting categorical features into numerical representations. This meticulous data preparation enhances the quality of input for our predictive model.

Feature Engineering

Feature engineering is where the predictive power of our model gains momentum. In addition to the raw data, we create additional features that capture essential market dynamics. This includes moving averages, technical indicators, and lagged variables. These engineered features provide critical insights into price trends and patterns.

Model Selection

Selecting the appropriate forecasting algorithm is a pivotal decision. We consider a range of models, including ARIMA and LSTM, and conduct rigorous experiments to identify the best-performing approach. Ensemble methods are also explored to harness the collective predictive capabilities of multiple models.

Model Training

Training our selected model is a meticulous process. We split the data into training and validation sets, tuning hyperparameters to achieve optimal performance. Rigorous monitoring for overfitting ensures the model's ability to generalize to unseen data.

Evaluation

The model's performance is evaluated using established time series forecasting metrics. Mean Absolute Error (MAE), Root Mean Squared Error (RMSE), and visualizations such as time series plots provide critical insights into the model's accuracy and reliability.

Iteration and Refinement

Continuous improvement is integral to our approach. The dynamic nature of financial markets demands ongoing adaptation. We experiment with different techniques, staying attuned to the latest research, and refining our model to remain effective in changing market conditions.

Deployment

Once our predictive model meets the desired criteria, it is deployed as a valuable tool for investors. Whether through a web application or an API, our model provides investors with timely insights. Robust monitoring and maintenance procedures ensure its continued accuracy.

Conclusion

In conclusion, our data-driven approach to stock price forecasting offers a systematic and effective means for investors to make informed decisions. By adhering to a structured methodology encompassing data collection, preprocessing, feature engineering, model selection, training, and evaluation, we provide a powerful tool for optimizing investment strategies. As financial markets continue to evolve, our commitment to refinement and adaptability remains unwavering, ensuring the enduring relevance and effectiveness of our predictive model.