

**Title:** Fractal-Based Predictive Analytics for Financial Markets (FPA)

**Product description:** Fractal-Based Predictive Analytics for Financial Markets (FPA) is a cutting-edge platform meticulously designed to transform stock market prediction through advanced Information and Communication Technology (ICT) methodologies. Rooted in the Fractal Market Hypothesis (FMH), FPA utilizes sophisticated fractal interpolation functions and the autoregressive integrated moving average (ARIMA) model, demonstrating a robust technical foundation for market analysis and forecasting.

Using fractal interpolation functions for stock market prediction requires careful consideration and a critical approach. While it holds potential for capturing complex patterns and non-linear relationships, its limitations and dependence on data quality and parameter choice should not be underestimated. Combining fractal analysis with other methods and fundamental analysis can provide a more comprehensive and reliable approach to market prediction.

The autoregressive integrated moving average (ARIMA) is a short-term time series forecasting model, which has been increasingly utilized since the development of powerful statistical software packages. This model has been developed using the mathematical approach in order to describe and analyze the variations on the time series. Furthermore, it is designed in such a way to minimize the difference between the observed and estimated values near zero.

FPA's core strength lies in its capacity to reconstruct historical market data with unparalleled precision, employing advanced fractal interpolation functions. Going beyond conventional methods, FPA excels in presenting detailed predictive analytics for the upcoming seven days. Central to this process is the intricate utilization of ICT, optimizing and streamlining every aspect of the forecasting process.

# KEY FEATURES

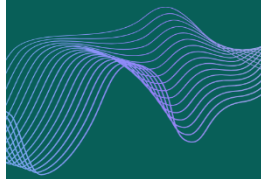
- 1 Fractal Market Hypothesis
- 2 ICT - Powered Predictive Analytics
- 3 Profit potential through Informed Decision-Making
- 4 Chaos, Solitons and Fractals (Q1, WoS)

## METHODOLOGY

1. Past 20 days from Nifty Stock Market

2. Plot corresponding data into fractal version using Fractal Interpolation Functions

3. Prediction for the next 7 days using ARIMA model



The fractal interpolation function is constructed using the following affine transformations

$$w_j(x) = \begin{cases} \frac{1}{2}x + \frac{1}{2} & \text{if } x \in [0, 1] \\ \frac{1}{2}x + \frac{1}{2} & \text{if } x \in [1, 2] \\ \frac{1}{2}x + \frac{1}{2} & \text{if } x \in [2, 3] \\ \frac{1}{2}x + \frac{1}{2} & \text{if } x \in [3, 4] \end{cases} \quad (1)$$

utilizing the pre-specified conditions  $w_j(0) = 0, w_j(1) = 1, w_j(2) = 2, w_j(3) = 3, w_j(4) = 4$  for  $j = 1, 2, 3, 4$  where  $a_j, b_j, c_j, d_j$  and  $g_j$  are real parameters. If  $F_j$  is a probability density function in the domain  $[0, 4]$  with pre-specified conditions, then it provides a unique solution for (1). Therefore, for  $j = 1, 2, 3, 4$ , the constraints  $a_j, b_j, c_j, d_j, g_j$  can be obtained uniquely as follows:

$$a_j = \frac{1}{2}, b_j = \frac{1}{2}, c_j = \frac{1}{2}, d_j = \frac{1}{2}, g_j = \frac{1}{2}$$

The free parameter  $\lambda_j \in [0, 1]$  is called the vertical scaling factor. In this study, we typically assumed  $\lambda_j$  as

$$\lambda_j = \frac{1}{2} \quad \text{for } j = 1, 2, 3, 4$$

