Bitcoin Prediction

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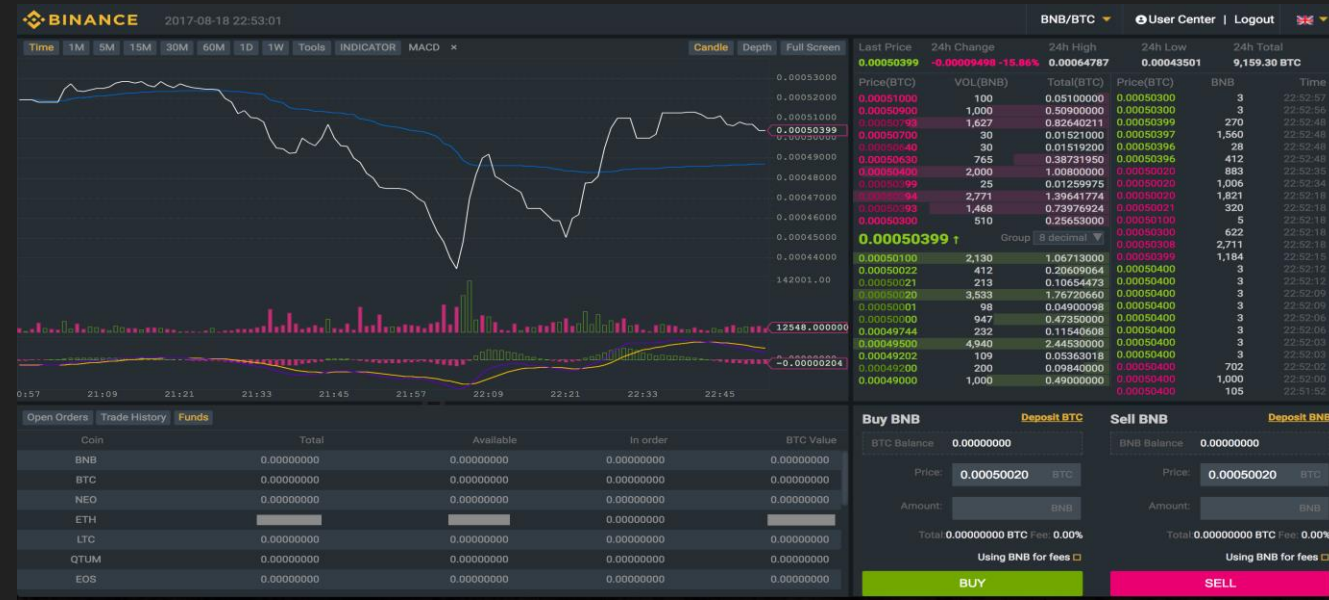
Intro to Data Science

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Why?

- I hate Bitcoin → but it is the most popular

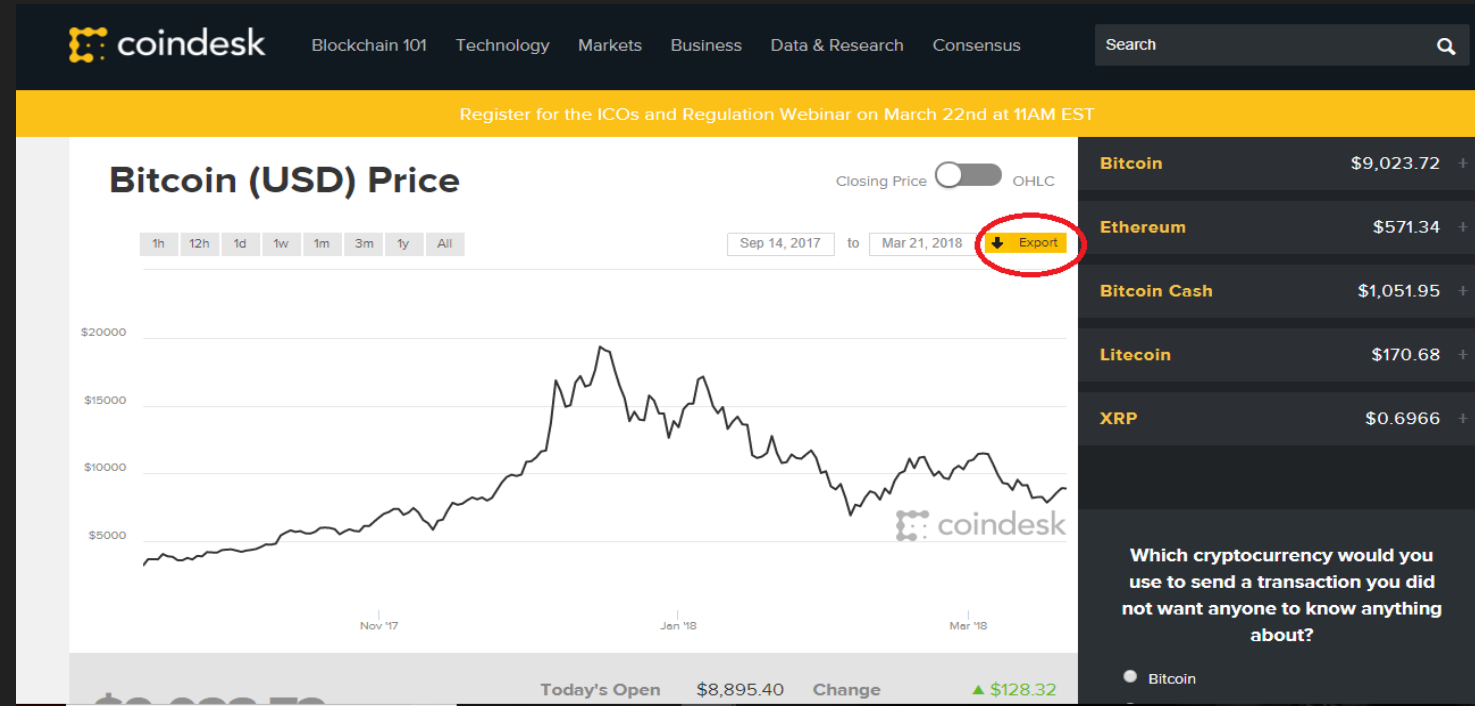- Everyone knows bitcoin = Lamborghini's

Business Problem

- Bitcoin is as volatile as it gets
- Financial institutions and Hedge funds are still trying to profit
  - Day trading analysis with candlesticks, Fibonacci retracement, etc.
- Goal: Predict future price of Bitcoin using regression

Variables & Data Source

- Variables
  - Daily Closing Price of Bitcoin starting now
  - Data crawling for daily total "bitcoin" tweets
- Data Sources
  - CoinDesk
  - Twitter Search API

Approach

- Create and combine bitcoin tweets and price data set
  - X1= daily tweet total
  - X2= daily closing price
  - Y= Tomorrow's price
- Split training and test
- Nonlinear regression
- Output
  - Buy if price will go up
  - Sell if price will go down