AI-Driven Financial and Real Estate Investment Recommendation Platform

Todorov Denis
Faculty Of Computer Science, HSE, Moscow
datodorov@edu.hse.ru

***Abstract*—Artificial Intelligence has become a key part of the financial markets, powering advanced tools for prediction, risk management, and trading. This project proposes the development of an AI-driven financial advisory platform that utilizes Natural Language Processing to analyze financial news from sources such as Twitter and TradingView. The system aims to provide investment recommendations across various asset classes, including stocks and real estate. Future iterations will integrate Reinforcement Learning to develop an autonomous agent capable of executing investment decisions, transforming the system into a private equity management service. The platform will feature a full-stack development approach, incorporating a Golang backend, a TypeScript-based frontend, and Python for AI model implementation. Evaluation metrics will include model accuracy, sentiment analysis performance, and backtesting of financial predictions against market data [1][2].**

I. Introduction

Artificial Intelligence (AI) is transforming financial markets by automating investment strategies and risk assessment. Recent advancements in Natural Language Processing (NLP) enable the extraction of market sentiment and trends from unstructured financial data, particularly from social media and trading platforms **[3]**. This project aims to develop an AI-driven financial advisory system that provides real-time investment insights by analyzing financial news and user discussions.

The primary challenge addressed by this project is the efficient aggregation and analysis of financial news and market discussions. Traditional investment strategies rely on structured financial reports and historical data, whereas social sentiment and real-time discussions offer a dynamic, forward-looking perspective. The project will develop an NLP-powered platform that processes financial tweets, TradingView discussions, and economic indicators to generate actionable investment insights.

Existing solutions predominantly focus on numerical market data without fully integrating social sentiment analysis. This project builds on prior research in financial NLP and deep learning for sentiment analysis while extending capabilities with reinforcement learning for automated investment decision-making **[4]**. The expected outcome is a web platform where users can access AI-generated investment recommendations, with future iterations enabling an RL-based autonomous trading agent.

This paper is organized as follows: Section II explains important keywords and terminology. Section III reviews literature on AI applications in finance and describes the methodology, including NLP processing, data acquisition, and platform architecture. Section IV discusses anticipated results. Finally, Section V presents conclusions and future directions.

II. Keywords and Terminology

Financial AI refers to the application of artificial intelligence techniques in financial markets to enhance investment strategies, risk management, and market forecasting.

Natural Language Processing (NLP) is a branch of AI that enables machines to analyze and understand human language. In financial applications, NLP is used to process unstructured text data from news sources, analyst reports, and social media to extract meaningful insights.

Sentiment Analysis involves determining the emotional tone of textual data. It is particularly useful in finance, where public sentiment—derived from platforms such as Twitter and TradingView—can influence stock prices and market behavior.

Reinforcement Learning (RL) is a machine learning paradigm where an agent learns to make optimal decisions by interacting with an environment. In this project, RL will be employed to develop AI-driven trading strategies that dynamically adapt to market changes.

Algorithmic Trading refers to the use of automated trading systems that execute orders based on predefined criteria, such as price movements, volume, or AI-generated signals. These systems can significantly enhance trading efficiency and profitability.

Investment Prediction is the process of forecasting asset price movements based on historical data, market trends, and AI-driven insights. Predictive models aim to improve investment decision-making by identifying profitable opportunities.

Market Forecasting involves predicting financial market trends using various data sources, including historical price movements, macroeconomic indicators, and real-time news sentiment.

Deep Learning in Finance encompasses the application of advanced neural networks to financial datasets for tasks such as stock price prediction, risk modeling, and fraud detection. Deep learning enhances the ability of AI models to recognize complex patterns in financial data.

III. Main Body

A. Literature Review

The intersection of AI and financial markets has led to significant advancements in predictive analytics, algorithmic trading, and risk assessment. In particular, Natural Language Processing (NLP) has revolutionized the way financial data is processed by extracting insights from unstructured textual sources such as financial news, earnings reports, and social media discussions.

NLP Applications in Finance: NLP models are extensively used in finance for sentiment analysis, risk detection, and automated financial reporting **[5]**. Recent studies demonstrate that NLP-based models can outperform traditional risk assessment techniques by analyzing corporate disclosures and financial reports. *Wang et al. (2024)* developed an NLP-driven risk detection model that successfully identified market and credit risks with high precision. Additionally, FinBERT, a financial domain-specific adaptation of BERT, has been shown to achieve *98-99% accuracy* in financial classification tasks, significantly improving investment insights **[6]**.

AI-Driven Trading Strategies: Machine learning models, particularly deep learning architectures like Recurrent Neural Networks (RNNs) and Convolutional Neural Networks (CNNs), have become essential in algorithmic trading. A *Deloitte (2023)* survey reported that *70%* of financial firms already employ machine learning in trading, with a growing reliance on deep learning techniques for real-time decision-making **[7]**. Research by *Olorunnimbe and Viktor (2023)* emphasizes the importance of **backtesting** in AI trading models to ensure profitability and robustness before deployment. The study also highlights that financial evaluation metrics, including **Sharpe ratio and volatility**, are critical in assessing the efficiency of AI-driven investment strategies [8].

Sentiment Analysis for Market Prediction: Twitter and TradingView have become crucial platforms for financial discourse. Research confirms that aggregated Twitter sentiment correlates with stock price movements, making social sentiment analysis a valuable tool in financial forecasting **[9]**. *Mokhtari et al. (2023)* found that Twitter-based sentiment indicators improved short-term stock predictions when combined with traditional market signals. TradingView, while lacking a direct API for sentiment extraction, serves as a crowdsourced investor sentiment hub, where traders share market insights that can be aggregated for trend analysis.

Reinforcement Learning in Financial Decision-Making: Deep Reinforcement Learning (DRL) is a promising tool in financial markets, where AI agents learn to make *buy/sell/hold* decisions through trial-and-error. *Liu et al. (2022)* trained a DRL agent that outperformed traditional investment strategies by optimizing portfolio allocation using market signals. Despite promising results, *Pricope (2021)* notes that most RL trading models are **tested in controlled environments** and require further validation under real-world trading conditions **[10]**.

Federated Learning in Financial AI Systems: Data privacy and regulatory constraints in finance have led to the exploration of *Federated Learning (FL)* as a decentralized approach to training AI models while maintaining data privacy. Unlike traditional machine learning techniques that require centralizing financial data, FL enables models to learn from distributed datasets across institutions without sharing raw data **[11]**. *Yang et al. (2023)* developed an FL-based sentiment analysis system that allows multiple financial organizations to collaboratively train NLP models on sensitive financial news while preserving confidentiality. Studies indicate that FL can enhance AI performance in finance while ensuring compliance with data protection regulations such as GDPR and CCPA **[12]**.

Ethical Considerations and Bias in AI-Driven Financial Predictions: While AI-powered financial advisory platforms offer powerful predictive capabilities, they also raise concerns regarding fairness and bias. Algorithmic trading models trained on historical data can inherit biases that reinforce existing inequalities in investment decision-making. Research by *Barocas et al. (2021)* highlights the need for fairness-aware AI models in finance, where biased sentiment analysis or trading algorithms can disproportionately favor certain market participants over others. Mitigating bias through model interpreting power and diverse training datasets is critical for ensuring responsible AI deployment in financial markets **[13]**.

B. Methodology

This section outlines the approach taken to develop the **AI-driven financial advisory system**, focusing on data collection, model architecture, and evaluation criteria

1) Research Design and Hypotheses: The project is designed to investigate the role of **AI-based sentiment analysis and reinforcement learning in financial forecasting**. The following hypotheses will be tested:

- NLP-based sentiment analysis can **enhance financial forecasting accuracy** by extracting investor sentiment from social media
- Reinforcement Learning (RL) agents can **autonomously optimize trading strategies**, outperforming traditional rule-based models
- Combining **NLP-driven sentiment analysis** with **RL-based decision-making** provides good investment strategies

2) Data Collection and Preprocessing: Financial market data will be collected from multiple sources:

- **Twitter API:** Extracts financial tweets, using sentiment classifiers to label them as **bullish, bearish, or neutral [9]**
- **TradingView Data:** Aggregates investor discussions and sentiment indicators from market analysis posts
- **Historical Market Data:** Stock prices, technical indicators, and economic news are sourced from public repositories such as Yahoo Finance and Quandl

Preprocessing steps include:

- **Tokenization and Stopword Removal:** Extracts meaningful words from text data
- **Financial Sentiment Labeling:** Uses a fine-tuned **FinBERT model** for sentiment classification
- **Time-Series Data Normalization:** Standardizes financial indicators for use in ML models

3) Model Architecture and Training: The system can potentially consist of two AI components (the RL agent can be implemented after the core functionality):

- **Sentiment Analysis Module (NLP-based):**
  – Uses **FinBERT** for financial text classification
  – Extracts sentiment trends from financial news and social media
- **Reinforcement Learning (RL) Trading Agent:**
  – Employs **Deep Q-Networks (DQN)** and **Proximal Policy Optimization (PPO)**
  – Optimizes investment decisions by interacting with market environments in simulation

Training involves:

- **Supervised Learning** for sentiment analysis: Trained on labeled financial news datasets
- **Reinforcement Learning** for portfolio optimization: Uses historical market simulations to train an agent

4) Evaluation Metrics: To assess the model's performance, key financial and machine learning metrics are used:

- **Prediction Accuracy:** Evaluates how well models classify financial sentiment **[6]**
- **Sharpe Ratio:** Measures risk-adjusted returns in trading performance **[8]**
- **Backtesting Results:** Simulates trading strategies on historical data **[7]**
- **Prediction Latency:** Ensures AI predictions are generated in real-time for trading execution

5) Tools and Implementation: The platform is developed using:

- **Backend:** Golang (REST API for data processing)
- **Frontend:** TypeScript + React (User Interface)
- **AI Models:** Python (NLP with FinBERT, RL with TensorFlow/PyTorch)
- **Databases:** PostgreSQL for structured financial data

IV. Results

The AI-driven financial advisory platform is expected to enhance financial decision-making by using natural language processing and predictive analytics. The sentiment analysis module, based on NLP techniques, aims to extract meaningful insights from financial news and social media, identifying market trends and potential risks. By integrating sentiment-driven signals into financial forecasting models, the system is anticipated to improve the accuracy of investment recommendations.

The platform's core functionalities—financial data aggregation, sentiment analysis, and predictive modeling—are being developed to equip investors with actionable insights. By processing huge amounts of unstructured text data, the system aims to convert it into structured, meaningful, and easily interpretable information, streamlining financial analysis.

A key component of the platform will be a conversational AI bot, which will serve as the primary user interface. This bot will allow users to receive financial insights and investment recommendations in an intuitive and interactive manner. The bot will be accessible via messaging platforms, enabling users to query financial data, request sentiment analysis on specific stocks or assets, and receive real-time alerts on market trends.

As a future enhancement, a reinforcement learning (RL) trading agent is planned to be integrated into the system. The RL component is expected to automate investment decision-making by learning from market interactions **[10]**. However, its implementation will require extensive testing and validation to ensure its reliability in dynamic financial environments. This phase of development will follow the successful deployment of the platform's core advisory functionalities.

V. Conclusion

Navigating financial markets requires timely and accurate insights, yet the vast amount of unstructured data from news and social media makes it challenging for investors to extract meaningful information. This project aims to bridge that gap by developing an AI-driven financial advisory platform that leverages NLP-based sentiment analysis and predictive modeling.

The proposed system, accessible through an interactive AI bot, will provide real-time financial insights, helping investors make informed decisions. By automating data processing and analysis, the platform seeks to improve investment strategies and risk management. Future enhancements, including reinforcement learning-based trading automation, will further expand its capabilities, making AI-powered financial intelligence more accessible and effective.

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This document has been reviewed with the assistance of an AI tool to ensure clarity and logical consistency. The AI was used to analyze whether someone unfamiliar with the project could understand its core ideas, as well as to refine the presentation of the concept's relevance and significance. Here is the promt itself: "Analyze this text and assess whether a person unfamiliar with this project would understand its key ideas. Check for logical inconsistencies and suggest refinements to enhance clarity, coherence, and impact"