



SAVING YOUR ASS-ETS THROUGH INVESTMENT DIVERSIFICATION

MATTHEW DUPREE
PRESENTED : 5/28/2021



INTRODUCTION

Project Goal: To re-think market sector separation using Natural Language Processing (NLP) of earnings call transcripts.

Objectives: To provide new sector separations based on company and investor priorities to new investors to assist them in market diversification.

WHY INVEST?



“In the long run, it’s not just how much money you make that will determine your future prosperity. It’s how much of that money you put to work by saving it and investing it.”

- Peter Lynch

METHODOLOGY

Preliminary Action

- Scrape earnings call transcripts from seekingalpha.com
- Scrape stock data from stockanalysis.com
- Text cleaning

Sector Separation

- Tf-idf Vecortizer
- NMF
- Investment recommendations

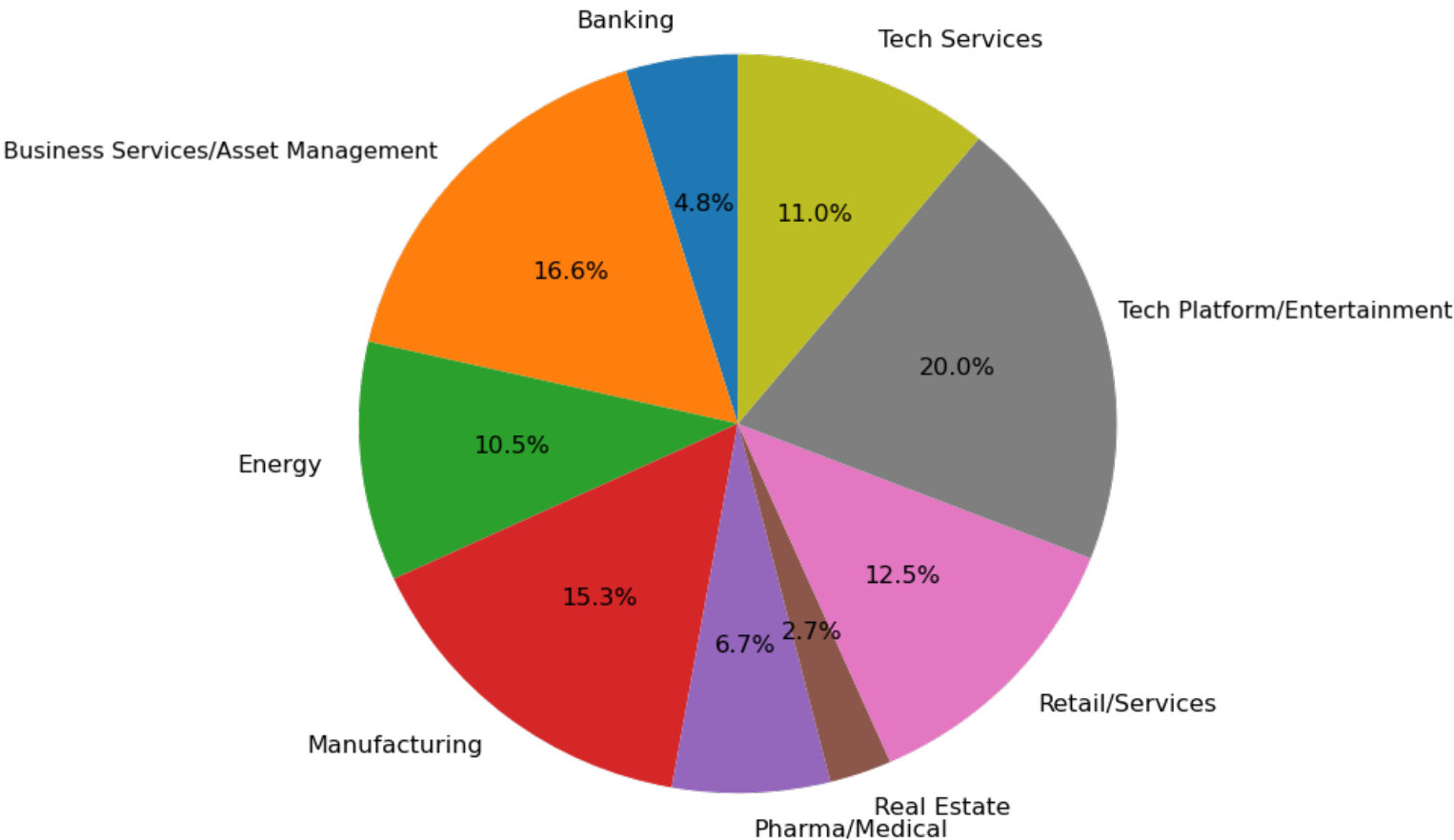
Seeking Alpha^α

 Stock Analysis

SECTOR SEPARATION

9 Sectors:

- Manufacturing
- Pharma/Medical
- Banking
- Energy
- Retail/Services
- Real Estate
- Tech Services
- Business Services
- Tech platforms/Entertainment



SECTORS

Manufacturing

- DuPont
- Ford
- Qualcomm

- 'supply'
- 'products'
- 'orders'

Pharma/Medical

- J&J
- Pfizer
- AMD

- 'patient'
- 'treatment'
- 'trial'

Banking

- JP Morgan
- Bank of America

- 'loan'
- 'mortgage'
- 'credit'

SECTORS

Energy

- Exxon
- Tesla
- Airlines
- 'gas'
- 'energy'
- 'production'

Retail/Services

- TJ Max
- Home Depot
- UPS
- 'store'
- 'brand'
- 'inventory'

Real Estate

- American Campus Communities
- American Tower Corp
- 'tenant'
- 'lease'
- 'occupancy'

SECTORS

Tech Services

- MSFT
- IBM
- Cisco

- 'cloud'
- 'software'
- 'security'

Business Services

- Paypal
- Visa
- Charles Schwab

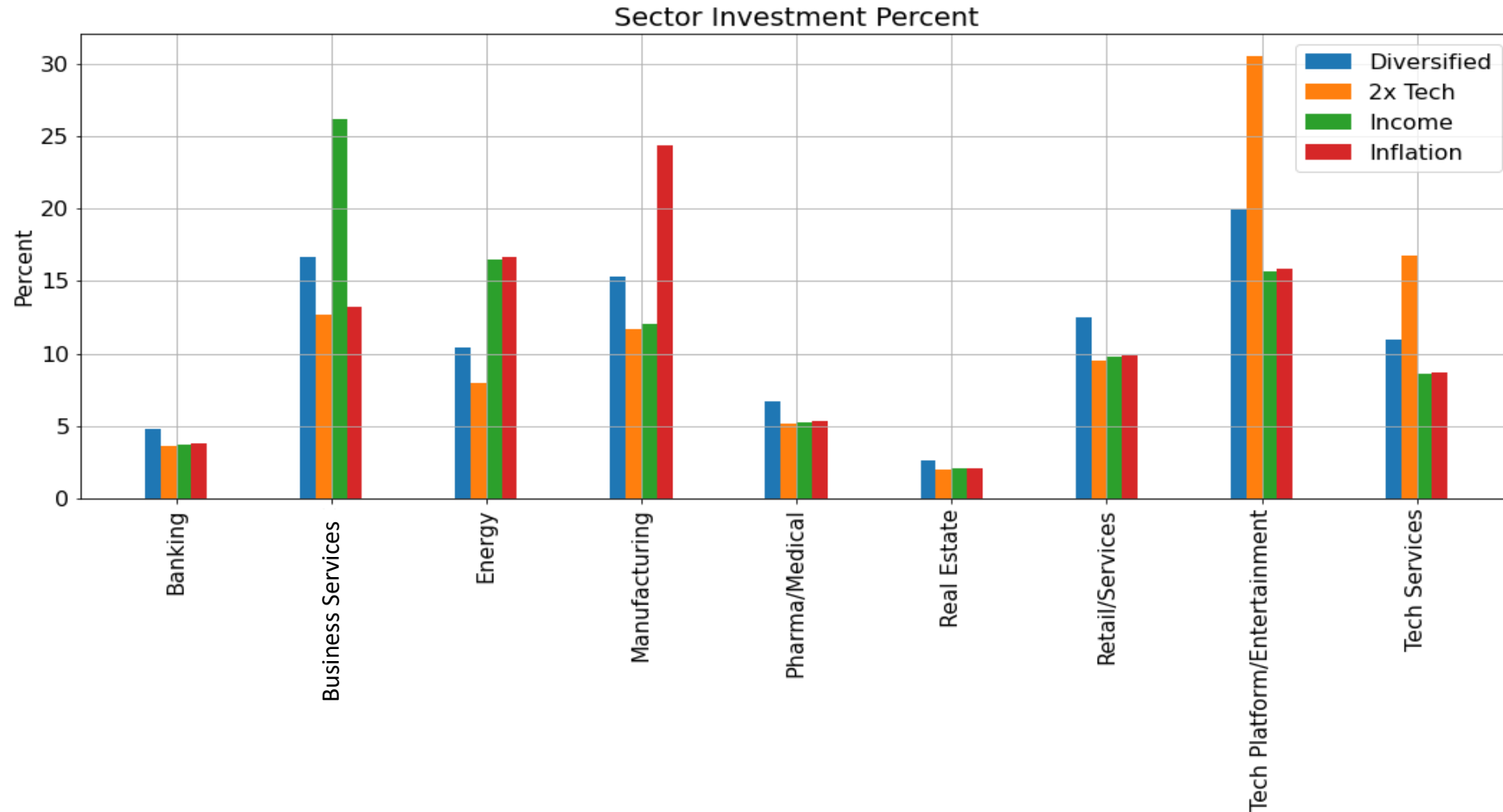
- 'insurance'
- 'client'
- 'services'

Entertainment/Tech

- Apple/Google
- Netflix
- Gaming

- 'content'
- 'streaming'
- 'advertising'

INVESTMENT RECOMMENDATIONS



FUTURE WORK

- Collect more transcripts per company
- Compare sector clusters to real sectors

SECTORS BY PERCENTAGE

Diversified

Sector	
Banking	4.783164
Business Services/Asset Management	16.648856
Energy	10.466008
Manufacturing	15.307302
Pharma/Medical	6.728445
Real Estate	2.659202
Retail/Services	12.471311
Tech Platform/Entertainment	19.969810
Tech Services	10.965903
Name: Market Cap, dtype: float64	

2x Tech

Sector	
Banking	3.653063
Business Services/Asset Management	12.715290
Energy	7.993242
Manufacturing	11.690700
Pharma/Medical	5.138739
Real Estate	2.030922
Retail/Services	9.524759
Tech Platform/Entertainment	30.503229
Tech Services	16.750056
Name: Market Cap, dtype: float64	

SECTORS BY PERCENTAGE

Income

Sector	
Banking	3.762868
Business Services/Asset Management	26.194979
Energy	16.467009
Manufacturing	12.042102
Pharma/Medical	5.293200
Real Estate	2.091968
Retail/Services	9.811056
Tech Platform/Entertainment	15.710051
Tech Services	8.626766
Name: Market Cap, dtype: float64	

Inflation

Sector	
Banking	3.803004
Business Services/Asset Management	13.237193
Energy	16.642653
Manufacturing	24.341097
Pharma/Medical	5.349660
Real Estate	2.114282
Retail/Services	9.915706
Tech Platform/Entertainment	15.877621
Tech Services	8.718783
Name: Market Cap, dtype: float64	

DIVERSIFIED YIELD AND P/E

	Market Cap	weighted_Yield	weighted_P/E
Sector			
Banking	2.674534e+12	2.293586	24.333503
Business Services/Asset Management	9.309304e+12	2.530374	35.696584
Energy	5.852129e+12	2.843179	78.064095
Manufacturing	8.559166e+12	1.656900	33.189827
Pharma/Medical	3.762248e+12	1.852711	91.269922
Real Estate	1.486908e+12	2.461738	56.375043
Retail/Services	6.973405e+12	1.881058	53.128087
Tech Platform/Entertainment	1.116623e+13	0.734370	35.156696
Tech Services	6.131647e+12	0.870790	54.021436