# Business Understanding:

This chapter helps to determine whether HDFC Bank stock is the right stock which is one of the datasets under consideration for this capstone project. All relevant data is collected and inferences are made using Fundamental and Technical Analysis of HDFC stock. A similar analysis is made for SBI and KOTAK bank stock which are the other two datasets under consideration for this capstone project.

## Fundamental Analysis of HDFC stock**:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **PARTICULARS** | **JUN 2021** | **SEP 2021** | **DEC 2021** | **MAR 2022** | **JUN 2022** |
| **Quarterly Result (All Figures in Cr.)** | | | | | |
| Net Profit | 7,729.64 | 8,834.31 | 10,342.20 | 10,055.18 | 9,195.99 |
| **Promoters Details** | | | | | |
| Promoters | 25.89 | 25.83 | 25.80 | 25.78 | 25.73 |
| **Investors Details** | | | | | |
| Investors | 74.11 | 74.17 | 74.20 | 74.22 | 74.27 |
| **PARTICULARS** | **MAR 2018** | **MAR 2019** | **MAR 2020** | **MAR 2021** | **MAR 2022** |
| **Profit & Loss (All Figures in Cr. Adjusted EPS in Rs.)** | | | | | |
| Net Profit | 17,486.73 | 21,078.17 | 26,257.32 | 31,116.53 | 36,961.36 |
| Adjusted  EPS (Rs.) | 33.69 | 38.70 | 47.89 | 56.44 | 66.65 |
| **Balance Sheet (All Figures are in Crores.)** | | | | | |
| Total Liabilities | 10,63,934.32 | 12,44,540.69 | 15,30,511.26 | 17,46,870.52 | 20,68,535.05 |
| Total Assets | 10,63,934.32 | 12,44,540.69 | 15,30,511.26 | 17,46,870.52 | 20,68,535.05 |
| **Cashflow (All Figures are in Crores.)** | | | | | |
| Closing Cash | 123,062 | 81,818 | 87,940 | 121,273 | 155,386 |

HDFC Bank’s 52-week high is 1,725 and 52 weeks low is 1,271.60. It is located in India, Bahrain, Hong Kong, and Dubai. It has 6,378 branches,18,620 ATMs and 21,683 banking outlets. It was founded in 1994 and is headquartered in Mumbai, India.

## Fundamental Analysis of KOTAK stock:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **PARTICULARS** | **JUN 2021** | **SEP 2021** | **DEC 2021** | **MAR 2022** | **JUN 2022** |
| **Quarterly Result (All Figures in Cr.)** | | | | | |
| Net Profit | 1,641.92 | 2,032.01 | 2,131.36 | 2,767.40 | 2,071.15 |
| **Promoters Details** | | | | | |
| Promoters | 26.00 | 26.00 | 25.99 | 25.98 | 25.97 |
| **Investors Details** | | | | | |
| Investors | 74.00 | 74.00 | 74.01 | 74.02 | 74.03 |
| **PARTICULARS** | **MAR 2018** | **MAR 2019** | **MAR 2020** | **MAR 2021** | **MAR 2022** |
| **Profit & Loss (All Figures in Cr. Adjusted EPS in Rs.)** | | | | | |
| Net Profit | 4,084.30 | 4,865.33 | 5,947.18 | 6,964.84 | 8,572.69 |
| Adjusted  EPS (Rs.) | 21.43 | 25.49 | 30.88 | 34.94 | 42.99 |
| **Balance Sheet (All Figures are in Crores.)** | | | | | |
| Total Liabilities | 2,64,933.40 | 3,12,172.09 | 3,60,251.68 | 3,83,470.16 | 4,29,428.40 |
| Total Assets | 2,64,933.40 | 3,12,172.09 | 3,60,251.68 | 3,83,470.16 | 4,29,428.40 |
| **Cashflow (All Figures are in Crores.)** | | | | | |
| Closing Cash | 24,401 | 31,264 | 64,080 | 47,717 | 52,665 |

KOTAK Bank’s 52-week high is 2,253 and the 52-week low is 1,631. It is located in India, London, New York, California, Dubai, Abu Dhabi, Mauritius, and Singapore. It has 1,702 branches,2,761 ATMs. It was founded in 1985 and is headquartered in Mumbai, India.

## Fundamental Analysis of SBI stock:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **PARTICULARS** | **JUN 2021** | **SEP 2021** | **DEC 2021** | **MAR 2022** | **JUN 2022** |
| **Quarterly Result (All Figures in Cr.)** | | | | | |
| Net Profit | 6,504 | 7,626.57 | 8,431.88 | 9,113.53 | 6,068.08 |
| **Promoters Details** | | | | | |
| Promoters | 57.62% | 57.62% | 57.60% | 57.59% | 57.57% |
| **Investors Details** | | | | | |
| Investors | 42.38% | 42.38% | 42.40% | 42.41% | 42.43% |
| **PARTICULARS** | **MAR 2018** | **MAR 2019** | **MAR 2020** | **MAR 2021** | **MAR 2022** |
| **Profit & Loss (All Figures in Cr. Adjusted EPS in Rs.)** | | | | | |
| Net Profit | -6,547.45 | 862.23 | 14,488.11 | 20,410.47 | 31,675.98 |
| Adjusted  EPS (Rs.) | -7.34 | 0.97 | 16.23 | 22.87 | 35.49 |
| **Balance Sheet (All Figures are in Crores.)** | | | | | |
| Total Liabilities | 34,54,752 | 36,80,914.25 | 39,51,393.92 | 45,34,429.63 | 49,87,597.41 |
| Total Assets | 34,54,752 | 36,80,914.25 | 39,51,393.92 | 45,34,429.63 | 49,87,597.41 |
| **Cashflow (All Figures are in Crores.)** | | | | | |
| Closing Cash | 195,289 | 225,512 | 254,315 | 347,707 | 398,905 |

State Bank of India’s 52-week high is 578.50 and its 52-week low is 425. It is located in India, Australia, Bangladesh, Belgium, Bhutan, Canada, China, Germany, and Hong Kong. It has 22,266 branches and 65,030 ATMs. It was founded in 1806 and is headquartered in Mumbai, India.

## Relative Comparisons of HDFC, KOTAK, and SBI stock:

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **COMPANY** | **PRICE**  **Rs.** | **MCAP**  **Cr.** | **P/B** | **P/E** | **EPS**  **Rs.** | **ROE%** | **ROA%** | **NET NPA** | **CAR** |
| HDFC | 1,502.60 | 8,36,472.29 | 3.34 | 21.77 | 69.03 | 16.61 | 1.90 | 0.40 | 18.79 |
| KOTAK | 1,929.50 | 3,83,129.42 | 5.18 | 42.56 | 45.34 | 12.47 | 1.87 | 1.21 | 22.26 |
| SBI | 572.25 | 5,10,710.91 | 1.91 | 16.35 | 35.00 | 9.31 | 0.48 | 1.50 | 13.74 |

## Technical Analysis:

Relative Strength Index defines RSI. For 14 days, if RSI is in the range 25-45 it would mean that the stock is trending downwards, RSI between 45-55 will mean that the stock indicates sideways movement. it will be trending upwards if RSI is in the range of 55-75. if RSI is below 25, the stock is oversold and an RSI of more than 75 indicates the stock is overbought.

MACD is defined as Moving Average Convergence Divergence. it is calculated by subtracting 26 days EMA from 12 days EMA. if the MACD is more than 0 and also greater than 9 days EMA, the stock will be trending upwards. if the MACD is less than 0 and also lesser than 9 days EMA, the stock will trend downwards.

For 20 days, the position of the close price for the High-low range will define the Stochastic indicator which determines the momentum in the stock. Stochastic in the range 55-80 will indicate that the stock is trending upwards. Between 45 and 55, it will be in a sideways trend, and in the range 20-45, the stock will indicate trending downwards. Stochastic above 80 would mean that stock is overbought and less than 80 will tell that stock is oversold.

ADX is nothing but the Average Directional Index. We can decide how strongly stock is trending upwards or downwards using ADX. for 14 days, an increasing ADX will indicate stock trending upwards or downwards very strongly. A decreasing ADX means that no strong trend will exist either upwards or downwards.

Bollinger's band is positive and negative standard deviations from SMA. For 20 days, if the close price of the stock moves quite away from a positive standard deviation will mean that the stock is overbought and if the close price of the stock moves away from a negative standard deviation then the HDFC stock will be considered oversold. (moneycontrol, n.d.)**.**

## Technical Analysis of HDFC stock:

Presently RSI is 58.72 meaning that HDFC stock is moving in an upward trend. Currently, MACD is 18.97 indicating that HDFC stock is showing an upward trend. Currently Stochastic is 89.62 which means that HDFC stock is overbought and hence the investor should wait for some time so that the Stochastic indicator gives a lesser value. Currently, HDFC stock ADX is 11.43 meaning it will show a weak upward or downward trend. Currently, the upper band is 1514.69 and the lower band is 1,261.46. The close price of HDFC stock is 1493.05 which means HDFC stock is showing a sideways trend.

## Technical Analysis of KOTAK stock:

Presently RSI is 60.33 meaning that KOTAK stock is moving in an upward trend. Currently, MACD is 25.42 indicating that KOTAK stock is showing an upward trend. Currently Stochastic is 76.32 which means that KOTAK stock is showing an upward trend. Currently, KOTAK stock ADX is **37.66** meaning it will show a strong upward or downward trend. Currently, the upper band is 1,970.16 and the lower band is 1,854.16. The close price of KOTAK stock is 1944.20 which means KOTAK stock is showing a sideways trend but may soon show an upward trend.

## Technical Analysis of SBI stock:

Presently RSI is 69.86 meaning that SBI stock is moving in an upward trend. Currently, MACD is 14.07 indicating that SBI stock is showing an upward trend. Currently Stochastic is 95.02 which means that SBI stock is overbought and hence the investor should wait for some time so that the Stochastic indicator gives a lesser value. Currently, SBI stock ADX is 30.53 meaning it will show a strong upward or downward trend. Currently, the upper band is 582.40 and the lower band is 505.09. The close price of SBI stock is 575.05 which means SBI stock is showing a sideways trend but may soon show an upward trend.

The previous Chapter performed the fundamental and technical analysis of HDFC, KOTAK, and SBI stock. The next chapter explains the Data Understanding section of the CRISP-DM framework. The data Understanding section will get a clear understanding of the dataset before data preparation, process, and analysis.

# Data Understanding:

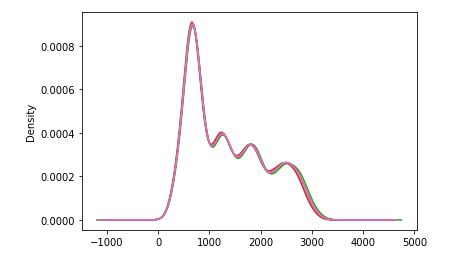


Table1.1: Data Distribution plot of Feature variables and Close price for HDFC Stock

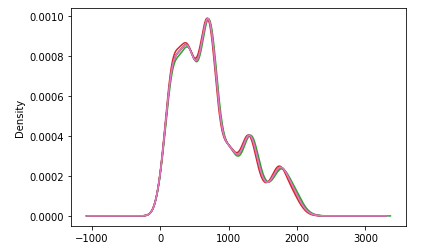


Table1.2: Data Distribution plot of Feature variables and Close price for KOTAK Stock

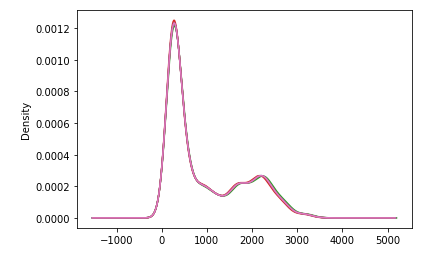


Table1.3: Data Distribution plot of Feature variables and Close price for SBI Stock

The describe() function in pandas is very handy in getting various summary statistics. This function returns the count, mean, standard deviation, minimum and maximum values, and the quantiles of the data.

1. The mean value is greater than the median value of most of the feature variables which is represented by 50%(50th percentile) in the index column meaning Data has a positively skewed distribution.

2. There is notably a large difference between the 75th %tile and max values of most of the feature variables. Thus observations 1 and 2 suggest that there are extreme values-Outliers in our data set.

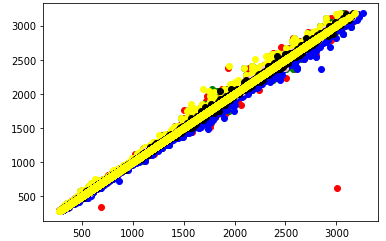


Table2.1: Scatter plot of Feature variables and Close price for HDFC Stock

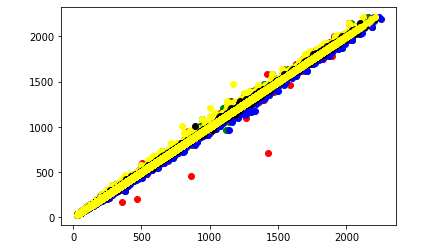


Table2.2: Scatter plot of Feature variables and Close price for KOTAK Stock

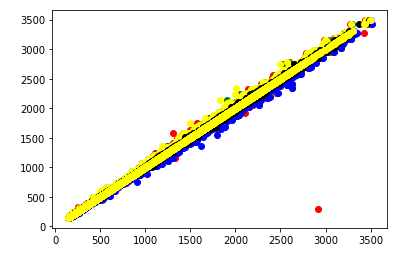


Table2.3: Scatter plot of Feature variables and Close price for SBI Stock

# Data Evaluation

## Data Evaluation for HDFC Stock

### Direction Detection by 6,10,14 days consecutive closing prices split week on the week:

**(0-Negative,1-Neutral,2-Positive)**

#### **Logistic Regression Classifier**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** |
| percentage change between upper-band +0.7% and lower band -.07%- | | | | | |
| 0 | 0.36 | 0.24 | 0.29 | 528 | 0.35 |
| 1 | 0.34 | 0.21 | 0.26 | 584 |
| 2 | 0.35 | 0.60 | 0.44 | 559 |
| percentage change between upper-band +1.0% and lower band -.1.0% | | | | | |
| 0 | 0.00 | 0.00 | 0.00 | 432 | 0.44 |
| 1 | 0.44 | 1.00 | 0.61 | 741 |
| 2 | 0.00 | 0.00 | 0.00 | 498 |
| percentage change between upper-band +1.5% and lower band -.1.5% | | | | | |
| 0 | 0.00 | 0.00 | 0.00 | 294 | 0.61 |
| 1 | 0.61 | 1.00 | 0.76 | 1021 |
| 2 | 0.00 | 0.00 | 0.00 | 356 |

From Table, it can be observed that logistic regression modelling done for percentage change in close price between upper-band +1.5% and lower band -.1.5% has given the highest efficiency in prediction. However, it predicts only a neutral direction with 0.61 precision but it has 0.00 precision for predicting upward or downward trends. Hence, Logistic Regression Modelling results can be ignored.

#### **Decision Tree Classifier**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | recall | f1-score | support | accuracy score |
| percentage change between upper-band +0.7% and lower band -.07% | | | | | |
| 0 | 0.33 | 0.15 | 0.21 | 536 | 0.37 |
| 1 | 0.38 | 0.38 | 0.38 | 543 |
| 2 | 0.38 | 0.56 | 0.45 | 590 |
| percentage change between upper-band +1.0% and lower band -.1.0% | | | | | |
| 0 | 0.75 | 0.01 | 0.01 | 425 | 0.46 |
| 1 | 0.45 | 1.00 | 0.62 | 759 |
| 2 | 0.00 | 0.00 | 0.00 | 487 |
| percentage change between upper-band +1.5% and lower band -.1.5% | | | | | |
| 0 | 0.00 | 0.00 | 0.00 | 234 | 0.69 |
| 1 | 0.69 | 1.00 | 0.82 | 1103 |
| 2 | 0.00 | 0.00 | 0.00 | 253 |

From Table, it can be observed that logistic regression modelling done for percentage change in close price between upper-band +1.5% and lower band -.1.5% has given the highest efficiency in prediction. However, it predicts only a neutral direction with 0.69 precision but it has 0.00 precision for predicting upward or downward trends. Hence, Decision Tree Modelling results can be ignored.

#### **Random Forest Classifier**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** |
| percentage change between upper-band +0.7% and lower band -.07% (6 days consecutive closing prices split week on week) | | | | | |
| **0** | **0.91** | **0.81** | **0.86** | **544** | **0.87** |
| **1** | **0.85** | **0.90** | **0.88** | **580** |
| **2** | **0.85** | **0.89** | **0.87** | **547** |
| percentage change between upper-band +0.7% and lower band -.07%  (10 days consecutive closing prices split week on week) | | | | | |
| **0** | **0.87** | **0.86** | **0.87** | **559** | **0.87** |
| **1** | **0.87** | **0.87** | **0.87** | **550** |
| **2** | **0.87** | **0.88** | **0.87** | **561** |
| percentage change between upper-band +0.7% and lower band -.07%  (14 days consecutive closing prices split week on week) | | | | | |
| **0** | **0.80** | **0.77** | **0.79** | **536** | **0.80** |
| **1** | **0.79** | **0.81** | **0.80** | **543** |
| **2** | **0.80** | **0.81** | **0.80** | **590** |
| percentage change between upper-band +1.0% and lower band -.1.0% | | | | | |
| 0 | 0.90 | 0.09 | 0.16 | 425 | 0.53 |
| 1 | 0.50 | 0.97 | 0.66 | 759 |
| 2 | 0.63 | 0.22 | 0.32 | 487 |
| percentage change between upper-band +1.5% and lower band -.1.5% | | | | | |
| 0 | 1.00 | 0.02 | 0.03 | 234 | 0.70 |
| 1 | 0.70 | 1.00 | 0.82 | 1103 |
| 2 | 0.90 | 0.04 | 0.07 | 253 |

From Table, it can be observed that random forest modelling done for percentage change in close price between upper-band +0.7% and lower band -.0.7% has given considerable efficiency in prediction.

#### **K Neighbours Classifier**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** |
| percentage change between upper-band +0.7% and lower band -.07% | | | | | |
| 0 | 0.38 | 0.37 | 0.38 | 384 | 0.38 |
| 1 | 0.41 | 0.46 | 0.43 | 386 |
| 2 | 0.35 | 0.31 | 0.33 | 344 |
| percentage change between upper-band +1.0% and lower band -.1.0% | | | | | |
| 0 | 0.32 | 0.25 | 0.28 | 313 | 0.42 |
| 1 | 0.50 | 0.67 | 0.57 | 521 |
| 2 | 0.27 | 0.17 | 0.21 | 280 |
| percentage change between upper-band +1.5% and lower band -.1.5% | | | | | |
| 0 | 0.24 | 0.07 | 0.11 | 213 | 0.60 |
| 1 | 0.64 | 0.90 | 0.75 | 704 |
| 2 | 0.30 | 0.11 | 0.16 | 197 |

From Table, it can be observed that logistic regression modelling done for percentage change in close price between upper-band +1.5% and lower band -.1.5% has given the highest efficiency in prediction. However, it predicts only a neutral direction with 0.64 precision but it has negligible precision for predicting upward or downward trends. Hence, K nearest Neighbour Modelling results can be ignored.

#### **XG Boost Classifier**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** |
| percentage change between upper-band +0.7% and lower band -.07% | | | | | |
| 0 | 0.39 | 0.16 | 0.23 | 384 | 0.40 |
| 1 | 0.43 | 0.61 | 0.51 | 386 |
| 2 | 0.35 | 0.42 | 0.38 | 344 |
| percentage change between upper-band +1.0% and lower band -.1.0% | | | | | |
| 0 | 0.40 | 0.08 | 0.13 | 313 | 0.48 |
| 1 | 0.49 | 0.90 | 0.64 | 521 |
| 2 | 0.37 | 0.14 | 0.20 | 280 |
| percentage change between upper-band +1.5% and lower band -.1.5% | | | | | |
| 0 | 0.42 | 0.05 | 0.08 | 213 | 0.64 |
| 1 | 0.65 | 0.98 | 0.78 | 704 |
| 2 | 0.56 | 0.08 | 0.13 | 197 |

From Table, it can be observed that logistic regression modelling done for percentage change in close price between upper-band +1.5% and lower band -.1.5% has given the highest efficiency in prediction. However, it predicts only a neutral direction with 0.65 precision but its precision for predicting upward or downward trend should have been still better. Hence, **XG Boost** Modelling results can be considered but with caution.

### **Go Long Direction Prediction using Technical Indicators**

**(0-Non positive,1-Positive)**

The direction of the close price is estimated as the percentage change of the close price between upper-band +0.5% and lower band -0.5%-if the percentage change of the closing price is more than 0.5%, the direction of the closing price is treated as positive, and suitable for long Trading in the stock market. Otherwise, the direction of the close price is treated as non-positive and not suitable for long Trading in the stock market.

#### **Logistic Regression Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| **0** | **0.90** | **0.99** | **0.94** | **658** | **0.92** | **0.91** |
| **1** | **0.98** | **0.83** | **0.90** | **452** |
| Momentum Indicators as Feature Variables | | | | | |  |
| **0** | **0.79** | **0.84** | **0.81** | **685** | **0.76** | **0.74** |
| **1** | **0.71** | **0.63** | **0.67** | **423** |
| Trend Indicators as Feature Variables | | | | | |  |
| 0 | 0.78 | 0.92 | 0.85 | 679 | 0.80 | 0.76 |
| 1 | 0.83 | 0.59 | 0.69 | 431 |
| volatility Indicators as Feature Variables | | | | | |  |
| 0 | 0.73 | 0.98 | 0.84 | 658 | 0.77 | 0.73 |
| 1 | 0.93 | 0.47 | 0.63 | 452 |

From Table, it can be observed that logistic regression modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given considerably good accuracy score for all technical categories of indicators namely Volume, momentum, trend, and volatility. Precision and f1-score are also satisfactory. Recall can be improved further for trend and volatility indicators. ROC AUC score has been considered satisfactory for all technical indicators.

#### **Decision Tree Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| 0 | 0.75 | 0.87 | 0.81 | 658 | 0.75 | 0.73 |
| 1 | 0.75 | 0.59 | 0.66 | 452 |
| Momentum Indicators as Feature Variables | | | | | |  |
| 0 | 0.75 | 0.82 | 0.78 | 685 | 0.72 | 0.69 |
| 1 | 0.66 | 0.55 | 0.60 | 423 |
| Trend Indicators as Feature Variables | | | | | |  |
| 0 | 0.72 | 0.75 | 0.73 | 679 | 0.66 | 0.64 |
| 1 | 0.57 | 0.53 | 0.55 | 431 |
| volatility Indicators as Feature Variables | | | | | |  |
| 0 | 0.70 | 0.80 | 0.75 | 658 | 0.68 | 0.65 |
| 1 | 0.63 | 0.51 | 0.56 | 452 |

From Table, it can be observed that Decision Tree modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given considerably good accuracy score Volume indicators. Recall and accuracy can be improved further for trend and volatility indicators. ROC AUC score has been more than 50% for all technical indicators.

#### **Random Forest Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| 0 | 0.82 | 0.96 | 0.89 | 658 | 0.85 | 0.83 |
| 1 | 0.93 | 0.69 | 0.79 | 452 |
| Momentum Indicators as Feature Variables | | | | | |  |
| 0 | 0.75 | 0.90 | 0.82 | 685 | 0.75 | 0.70 |
| 1 | 0.76 | 0.51 | 0.61 | 423 |
| Trend Indicators as Feature Variables | | | | | |  |
| 0 | 0.77 | 0.95 | 0.85 | 679 | 0.80 | 0.75 |
| 1 | 0.87 | 0.56 | 0.68 | 431 |
| volatility Indicators as Feature Variables | | | | | |  |
| 0 | 0.75 | 0.97 | 0.84 | 658 | 0.79 | 0.75 |
| 1 | 0.92 | 0.53 | 0.67 | 452 |

From Table, it can be observed that Random Forest modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given considerably good accuracy score for all technical indicators. Recall and accuracy can be improved further for all especially for predicting upward direction trends. ROC AUC score has been considered satisfactory for all technical indicators.

#### **K Neighbours Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| 0 | 0.61 | 0.89 | 0.72 | 658 | 0.60 | 0.83 |
| 1 | 0.51 | 0.17 | 0.26 | 452 |
| Momentum Indicators as Feature Variables | | | | | |  |
| 0 | 0.68 | 0.87 | 0.76 | 685 | 0.67 | 0.70 |
| 1 | 0.62 | 0.34 | 0.43 | 423 |
| Trend Indicators as Feature Variables | | | | | |  |
| 0 | 0.62 | 0.87 | 0.73 | 679 | 0.60 | 0.75 |
| 1 | 0.45 | 0.16 | 0.24 | 431 |
| volatility Indicators as Feature Variables | | | | | |  |
| 0 | 0.60 | 0.88 | 0.71 | 658 | 0.59 | 0.75 |
| 1 | 0.47 | 0.16 | 0.24 | 452 |

From Table, it can be observed that K nearest neighbour modelling is done for percentage change in close price between upper-band +0.5% and lower band -.0.5% can be improved further for accuracy score for all technical indicators. ROC AUC score has been considered satisfactory for all technical indicators.

#### **XG Boost Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| 0 | 0.84 | 0.95 | 0.89 | 658 | 0.86 | 0.83 |
| 1 | 0.90 | 0.73 | 0.81 | 452 |
| Momentum Indicators as Feature Variables | | | | | |  |
| 0 | 0.78 | 0.83 | 0.80 | 685 | 0.75 | 0.70 |
| 1 | 0.70 | 0.61 | 0.65 | 423 |
| Trend Indicators as Feature Variables | | | | | |  |
| **0** | **0.81** | **0.92** | **0.86** | **679** | **0.82** | **0.75** |
| **1** | **0.85** | **0.65** | **0.74** | **431** |
| volatility Indicators as Feature Variables | | | | | |  |
| **0** | **0.81** | **0.91** | **0.86** | **658** | **0.82** | **0.75** |
| **1** | **0.84** | **0.69** | **0.76** | **452** |

From Table, it can be observed that XG Boost modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given considerably good accuracy score for all technical categories of indicators namely Volume, momentum, trend, and volatility. Precision and f1-score are also satisfactory. Recall can be improved further for momentum, trend, and volatility indicators. ROC AUC score has been considered satisfactory for all technical indicators.

### **Go Short Direction Prediction using Technical Indicators**

**(0-Negative,1-non-Negative)**

The direction of the close price is estimated as the percentage change of the close price between upper-band +0.5% and lower band -0.5%-if the percentage change of the closing price is less than -0.5%, the direction of the closing price is treated as Negative and suitable for Short Trading in the stock market. Otherwise, the direction of the close price is treated as non-negative and not suitable for Short Trading in the stock market.

#### **Logistic Regression Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| **0** | **0.97** | **0.83** | **0.90** | **399** | **0.93** | **0.91** |
| **1** | **0.91** | **0.99** | **0.95** | **711** |
| Momentum Indicators as Feature Variables | | | | | |  |
| 0 | 0.70 | 0.59 | 0.64 | 394 | 0.76 | 0.73 |
| 1 | 0.79 | 0.86 | 0.82 | 714 |
| Trend Indicators as Feature Variables | | | | | |  |
| **0** | **0.91** | **0.56** | **0.69** | **414** | **0.81** | **0.76** |
| **1** | **0.79** | **0.97** | **0.87** | **696** |
| volatility Indicators as Feature Variables | | | | | |  |
| 0 | 0.89 | 0.44 | 0.59 | 399 | 0.78 | 0.70 |
| 1 | 0.75 | 0.97 | 0.85 | 711 |

From Table, it can be observed that logistic regression modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given considerably good accuracy score for all technical categories of indicators namely Volume, momentum, trend, and volatility. Precision and f1-score are also satisfactory. Recall can be improved further for trend indicators. ROC AUC score has been considered satisfactory for all technical indicators.

#### **Decision Tree Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| 0 | 0.66 | 0.67 | 0.67 | 399 | 0.76 | 0.74 |
| 1 | 0.81 | 0.81 | 0.81 | 711 |
| Momentum Indicators as Feature Variables | | | | | |  |
| 0 | 0.58 | 0.55 | 0.56 | 394 | 0.70 | 0.66 |
| 1 | 0.76 | 0.78 | 0.77 | 714 |
| Trend Indicators as Feature Variables | | | | | |  |
| 0 | 0.55 | 0.44 | 0.49 | 414 | 0.66 | 0.61 |
| 1 | 0.70 | 0.79 | 0.74 | 696 |
| volatility Indicators as Feature Variables | | | | | |  |
| 0 | 0.56 | 0.43 | 0.49 | 399 | 0.67 | 0.62 |
| 1 | 0.72 | 0.81 | 0.76 | 711 |

From Table, it can be observed that Decision Tree modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given considerably good accuracy score for volume and momentum indicators. Precision for predicting downward trends can be further improved. ROC AUC score has been more than 50% for all technical indicators.

#### **Random Forest Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| 0 | 0.87 | 0.71 | 0.78 | 399 | 0.85 | 0.82 |
| 1 | 0.85 | 0.94 | 0.89 | 711 |
| Momentum Indicators as Feature Variables | | | | | |  |
| 0 | 0.72 | 0.50 | 0.59 | 394 | 0.75 | 0.70 |
| 1 | 0.76 | 0.89 | 0.82 | 714 |
| Trend Indicators as Feature Variables | | | | | |  |
| 0 | 0.87 | 0.46 | 0.60 | 414 | 0.77 | 0.71 |
| 1 | 0.75 | 0.96 | 0.84 | 696 |
| volatility Indicators as Feature Variables | | | | | |  |
| **0** | **0.88** | **0.55** | **0.68** | **399** | **0.81** | **0.76** |
| **1** | **0.79** | **0.96** | **0.87** | **711** |

From Table, it can be observed that Random Forest modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given considerably good accuracy score for all technical indicators. Recall and accuracy can be improved further for all especially for recalling the downward direction trend. ROC AUC score has been considered satisfactory for all technical indicators.

#### **K Neighbours Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| 0 | 0.45 | 0.42 | 0.44 | 399 | 0.61 | 0.82 |
| 1 | 0.69 | 0.71 | 0.70 | 711 |
| Momentum Indicators as Feature Variables | | | | | |  |
| 0 | 0.53 | 0.54 | 0.53 | 394 | 0.66 | 0.70 |
| 1 | 0.74 | 0.73 | 0.74 | 714 |
| Trend Indicators as Feature Variables | | | | | |  |
| 0 | 0.44 | 0.37 | 0.40 | 414 | 0.59 | 0.71 |
| 1 | 0.66 | 0.72 | 0.69 | 696 |
| volatility Indicators as Feature Variables | | | | | |  |
| 0 | 0.44 | 0.43 | 0.43 | 399 | 0.60 | 0.76 |
| 1 | 0.68 | 0.69 | 0.69 | 711 |

From Table, it can be observed that K nearest neighbour modelling is done for percentage change in close price between upper-band +0.5% and lower band -.0.5% can be improved further for accuracy score for all technical indicators. ROC AUC score has been considered satisfactory for all technical indicators.

#### **XG Boost Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| 0 | 0.86 | 0.79 | 0.82 | 399 | 0.88 | 0.82 |
| 1 | 0.89 | 0.93 | 0.91 | 711 |
| Momentum Indicators as Feature Variables | | | | | |  |
| **0** | **0.72** | **0.59** | **0.64** | **394** | **0.77** | **0.70** |
| **1** | **0.79** | **0.87** | **0.83** | **714** |
| Trend Indicators as Feature Variables | | | | | |  |
| 0 | 0.84 | 0.60 | 0.70 | 414 | 0.81 | 0.71 |
| 1 | 0.80 | 0.93 | 0.86 | 696 |
| volatility Indicators as Feature Variables | | | | | |  |
| 0 | 0.79 | 0.64 | 0.71 | 399 | 0.81 | 0.76 |
| 1 | 0.82 | 0.91 | 0.86 | 711 |

From Table, it can be observed that XG Boost modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given considerably good accuracy score for all technical categories of indicators namely Volume, momentum, trend, and volatility. Precision and f1-score are also satisfactory. Recall can be improved further for recalling downward trend direction. ROC AUC score has been considered satisfactory for all technical indicators.

# Data Evaluation for KOTAK Stock

## Direction Detection by 6,10,14 days consecutive closing prices split week on the week:

**(0-Negative,1-Neutral,2-Positive)**

### **Logistic Regression Classifier**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** |
| percentage change between upper-band +0.7% and lower band -.07%- | | | | | |
| 0 | 0.00 | 0.00 | 0.00 | 526 | 0.36 |
| 1 | 0.35 | 0.33 | 0.34 | 493 |
| 2 | 0.37 | 0.74 | 0.49 | 556 |
| percentage change between upper-band +1.0% and lower band -.1.0% | | | | | |
| 0 | 0.00 | 0.00 | 0.00 | 420 | 0.44 |
| 1 | 0.44 | 1.00 | 0.61 | 687 |
| 2 | 0.00 | 0.00 | 0.00 | 468 |
| percentage change between upper-band +1.5% and lower band -.1.5% | | | | | |
| 0 | 0.00 | 0.00 | 0.00 | 327 | 0.58 |
| 1 | 0.58 | 1.00 | 0.74 | 919 |
| 2 | 0.00 | 0.00 | 0.00 | 329 |

From Table, it can be observed that logistic regression modelling done for percentage change in close price between upper-band +1.5% and lower band -.1.5% has given the highest efficiency in prediction. However, it predicts only a neutral direction with 0.58 precision but it has 0.00 precision for predicting upward or downward trends. Hence, Logistic Regression Modelling results can be ignored.

### **Decision Tree Classifier**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** |
| percentage change between upper-band +0.7% and lower band -.07% | | | | | |
| 0 | 0.37 | 0.20 | 0.26 | 506 | 0.37 |
| 1 | 0.40 | 0.47 | 0.43 | 535 |
| 2 | 0.35 | 0.44 | 0.39 | 532 |
| percentage change between upper-band +1.0% and lower band -.1.0% | | | | | |
| 0 | 0.30 | 0.21 | 0.25 | 408 | 0.43 |
| 1 | 0.45 | 0.83 | 0.59 | 681 |
| 2 | 0.44 | 0.05 | 0.09 | 486 |
| percentage change between upper-band +1.5% and lower band -.1.5% | | | | | |
| 0 | 0.29 | 0.01 | 0.01 | 314 | 0.59 |
| 1 | 0.60 | 0.98 | 0.75 | 937 |
| 2 | 0.29 | 0.04 | 0.07 | 324 |

From Table, it can be observed that logistic regression modelling done for percentage change in close price between upper-band +1.5% and lower band -.1.5% has given the highest efficiency in prediction. However, it predicts only a neutral direction with 0.60 precision but it has negligible precision for predicting upward or downward trends. Hence, Decision Tree Modelling results can be ignored.

### **Random Forest Classifier**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** |
| percentage change between upper-band +0.7% and lower band -.07% (6 days consecutive closing prices split week on week) | | | | | |
| **0** | **0.77** | **0.70** | **0.73** | **517** | **0.74** |
| **1** | **0.75** | **0.74** | **0.75** | **532** |
| **2** | **0.71** | **0.79** | **0.75** | **526** |
| percentage change between upper-band +0.7% and lower band -.07%(10 days consecutive closing prices split week on week) | | | | | |
| **0** | **0.86** | **0.81** | **0.83** | **533** | **0.81** |
| **1** | **0.76** | **0.79** | **0.78** | **491** |
| **2** | **0.80** | **0.82** | **0.81** | **550** |
| percentage change between upper-band +0.7% and lower band -.07%(14 days consecutive closing prices split week on week) | | | | | |
| **0** | **0.88** | **0.85** | **0.86** | **506** | **0.86** |
| **1** | **0.87** | **0.87** | **0.87** | **535** |
| **2** | **0.84** | **0.87** | **0.86** | **532** |
| percentage change between upper-band +1.0% and lower band -.1.0% | | | | | |
| 0 | 0.84 | 0.54 | 0.66 | 408 | 0.73 |
| 1 | 0.67 | 0.93 | 0.78 | 681 |
| 2 | 0.83 | 0.62 | 0.71 | 486 |
| percentage change between upper-band +1.5% and lower band -.1.5% | | | | | |
| 0 | 0.82 | 0.18 | 0.30 | 314 | 0.67 |
| 1 | 0.66 | 0.98 | 0.79 | 937 |
| 2 | 0.66 | 0.23 | 0.35 | 324 |

From Table, it can be observed that random forest modelling done for percentage change in close price between upper-band +0.7% and lower band -.0.7% has given considerable efficiency in prediction.

### **K Neighbours Classifier**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** |
| percentage change between upper-band +0.7% and lower band -.07% | | | | | |
| 0 | 0.39 | 0.38 | 0.38 | 363 | 0.37 |
| 1 | 0.37 | 0.47 | 0.41 | 330 |
| 2 | 0.36 | 0.27 | 0.31 | 357 |
| percentage change between upper-band +1.0% and lower band -.1.0% | | | | | |
| 0 | 0.35 | 0.29 | 0.32 | 303 | 0.44 |
| 1 | 0.50 | 0.70 | 0.58 | 451 |
| 2 | 0.33 | 0.18 | 0.24 | 296 |
| percentage change between upper-band +1.5% and lower band -.1.5% | | | | | |
| 0 | 0.36 | 0.15 | 0.21 | 231 | 0.56 |
| 1 | 0.61 | 0.90 | 0.73 | 598 |
| 2 | 0.25 | 0.08 | 0.12 | 221 |

From Table, it can be observed that logistic regression modelling done for percentage change in close price between upper-band +1.5% and lower band -.1.5% has given the highest efficiency in prediction. However, it predicts only a neutral direction with 0.61 precision but it has negligible precision for predicting upward or downward trends. Hence, K nearest Neighbour Modelling results can be ignored.

### **XG Boost Classifier**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** |
| percentage change between upper-band +0.7% and lower  band -.07% | | | | | |
| 0 | 0.41 | 0.29 | 0.34 | 363 | 0.40 |
| 1 | 0.40 | 0.50 | 0.44 | 330 |
| 2 | 0.38 | 0.41 | 0.40 | 357 |
| percentage change between upper-band +1.0% and lower  band -.1.0% | | | | | |
| 0 | 0.36 | 0.16 | 0.22 | 303 | 0.44 |
| 1 | 0.46 | 0.81 | 0.59 | 451 |
| 2 | 0.36 | 0.16 | 0.22 | 296 |
| percentage change between upper-band +1.5% and lower  band -.1.5% | | | | | |
| 0 | 0.38 | 0.06 | 0.10 | 231 | 0.57 |
| 1 | 0.58 | 0.96 | 0.73 | 598 |
| 2 | 0.33 | 0.05 | 0.09 | 221 |

From Table, it can be observed that logistic regression modelling done for percentage change in close price between upper-band +1.5% and lower band -.1.5% has given the highest efficiency in prediction. However, it predicts only a neutral direction with 0.58 precision but its precision for predicting upward or downward trend should have been still better. Hence, **XG Boost** Modelling results can be considered but with caution.

## **Go Long Direction Prediction using Technical Indicators**

**(0-Non positive,1-Positive)**

The direction of the close price is estimated as the percentage change of the close price between upper-band +0.5% and lower band -0.5%-if the percentage change of the closing price is more than 0.5%, the direction of the closing price is treated as positive, and suitable for long Trading in the stock market. Otherwise, the direction of the close price is treated as non-positive and not suitable for long Trading in the stock market.

### **Logistic Regression Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| **0** | **0.96** | **0.99** | **0.98** | **632** | **0.97** | **0.96** |
| **1** | **0.99** | **0.93** | **0.96** | **414** |
| Momentum Indicators as Feature Variables | | | | | |  |
| **0** | **0.77** | **0.85** | **0.81** | **630** | **0.75** | **0.73** |
| **1** | **0.73** | **0.61** | **0.66** | **414** |
| Trend Indicators as Feature Variables | | | | | |  |
| 0 | 0.71 | 0.89 | 0.79 | 619 | 0.72 | 0.69 |
| 1 | 0.76 | 0.48 | 0.59 | 427 |
| volatility Indicators as Feature Variables | | | | | |  |
| 0 | 0.71 | 0.97 | 0.82 | 632 | 0.74 | 0.68 |
| 1 | 0.90 | 0.40 | 0.55 | 414 |

From Table, it can be observed that logistic regression modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given considerably good accuracy score for all technical categories of indicators namely Volume, momentum, trend, and volatility. Precision and f1-score are also satisfactory. Recall can be improved further for momentum, trend, and volatility indicators especially for recalling upward direction trends. ROC AUC score has been considered satisfactory for all technical indicators.

### **Decision Tree Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| 0 | 0.85 | 0.93 | 0.89 | 632 | 0.85 | 0.84 |
| 1 | 0.87 | 0.75 | 0.80 | 414 |
| Momentum Indicators as Feature Variables | | | | | |  |
| 0 | 0.70 | 0.92 | 0.79 | 630 | 0.71 | 0.65 |
| 1 | 0.75 | 0.39 | 0.51 | 414 |
| Trend Indicators as Feature Variables | | | | | |  |
| 0 | 0.66 | 0.76 | 0.71 | 619 | 0.63 | 0.60 |
| 1 | 0.55 | 0.44 | 0.49 | 427 |
| volatility Indicators as Feature Variables | | | | | |  |
| 0 | 0.70 | 0.74 | 0.72 | 632 | 0.65 | 0.63 |
| 1 | 0.56 | 0.52 | 0.54 | 414 |

From Table, it can be observed that Decision Tree modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given considerably good accuracy score for Volume indicators. Recall and accuracy can be improved further for momentum, trend, and volatility indicators. ROC AUC score has been more than 50% for all technical indicators.

### **Random Forest Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| 0 | 0.87 | 0.96 | 0.91 | 632 | 0.89 | 0.87 |
| 1 | 0.92 | 0.79 | 0.85 | 414 |
| Momentum Indicators as Feature Variables | | | | | |  |
| 0 | 0.73 | 0.91 | 0.81 | 630 | 0.75 | 0.70 |
| 1 | 0.78 | 0.50 | 0.61 | 414 |
| Trend Indicators as Feature Variables | | | | | |  |
| 0 | 0.71 | 0.95 | 0.81 | 619 | 0.74 | 0.69 |
| 1 | 0.85 | 0.44 | 0.58 | 427 |
| volatility Indicators as Feature Variables | | | | | |  |
| 0 | 0.75 | 0.96 | 0.84 | 632 | 0.78 | 0.73 |
| 1 | 0.89 | 0.50 | 0.64 | 414 |

From Table, it can be observed that Random Forest modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given considerably good accuracy score for all technical indicators. Recall and accuracy can be improved further for all especially for predicting upward direction trends. ROC AUC score has been considered satisfactory for all technical indicators.

### **K Neighbours Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| 0 | 0.64 | 0.88 | 0.74 | 632 | 0.63 | 0.87 |
| 1 | 0.59 | 0.25 | 0.35 | 414 |
| Momentum Indicators as Feature Variables | | | | | |  |
| 0 | 0.68 | 0.89 | 0.77 | 630 | 0.68 | 0.70 |
| 1 | 0.68 | 0.36 | 0.47 | 414 |
| Trend Indicators as Feature Variables | | | | | |  |
| 0 | 0.61 | 0.85 | 0.71 | 619 | 0.58 | 0.69 |
| 1 | 0.47 | 0.20 | 0.28 | 427 |
| volatility Indicators as Feature Variables | | | | | |  |
| 0 | 0.62 | 0.84 | 0.71 | 632 | 0.58 | 0.73 |
| 1 | 0.45 | 0.20 | 0.28 | 414 |

From Table, it can be observed that K nearest neighbour modelling is done for percentage change in close price between upper-band +0.5% and lower band -.0.5% can be improved further for accuracy score for all technical indicators. ROC AUC score has been considered satisfactory for all technical indicators.

### **XG Boost Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| 0 | 0.92 | 0.95 | 0.94 | 632 | 0.92 | 0.87 |
| 1 | 0.92 | 0.87 | 0.90 | 414 |
| Momentum Indicators as Feature Variables | | | | | |  |
| 0 | 0.76 | 0.86 | 0.81 | 630 | 0.75 | 0.70 |
| 1 | 0.74 | 0.59 | 0.66 | 414 |
| Trend Indicators as Feature Variables | | | | | |  |
| **0** | **0.77** | **0.91** | **0.84** | **619** | **0.79** | **0.69** |
| **1** | **0.82** | **0.61** | **0.70** | **427** |
| volatility Indicators as Feature Variables | | | | | |  |
| **0** | **0.79** | **0.91** | **0.84** | **632** | **0.79** | **0.73** |
| **1** | **0.81** | **0.63** | **0.71** | **414** |

From Table, it can be observed that XG Boost modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given considerably good accuracy score for all technical categories of indicators namely Volume, momentum, trend, and volatility. Precision and f1-score are also satisfactory. Recall can be improved further for momentum, trend, and volatility indicators. ROC AUC score has been considered satisfactory for all technical indicators.

## **Go Short Direction Prediction using Technical Indicators**

**(0-Negative,1-non-Negative)**

The direction of the close price is estimated as the percentage change of the close price between upper-band +0.5% and lower band -0.5%-if the percentage change of the closing price is less than -0.5%, the direction of the closing price is treated as Negative and suitable for Short Trading in the stock market. Otherwise, the direction of the close price is treated as non-negative and not suitable for Short Trading in the stock market.

### **Logistic Regression Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| 0 | 0.99 | 0.87 | 0.92 | 397 | 0.95 | 0.93 |
| 1 | 0.92 | 1.00 | 0.96 | 649 |
| Momentum Indicators as Feature Variables | | | | | |  |
| 0 | 0.66 | 0.57 | 0.61 | 368 | 0.74 | 0.70 |
| 1 | 0.78 | 0.84 | 0.81 | 676 |
| Trend Indicators as Feature Variables | | | | | |  |
| 0 | 0.81 | 0.41 | 0.54 | 394 | 0.74 | 0.68 |
| 1 | 0.73 | 0.94 | 0.82 | 652 |
| volatility Indicators as Feature Variables | | | | | |  |
| 0 | 0.86 | 0.30 | 0.44 | 397 | 0.72 | 0.63 |
| 1 | 0.69 | 0.97 | 0.81 | 649 |

From Table, it can be observed that logistic regression modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given considerably good accuracy score for all technical categories of indicators namely Volume, momentum, trend, and volatility. Precision and f1-score are also satisfactory. Recall can be improved further for momentum, trend, and volatility indicators especially for recalling downward direction trends. ROC AUC score has been considered satisfactory for all technical indicators.

### **Decision Tree Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| 0 | 0.81 | 0.78 | 0.80 | 397 | 0.85 | 0.83 |
| 1 | 0.87 | 0.89 | 0.88 | 649 |
| Momentum Indicators as Feature Variables | | | | | |  |
| 0 | 0.56 | 0.51 | 0.53 | 368 | 0.68 | 0.64 |
| 1 | 0.74 | 0.78 | 0.76 | 676 |
| Trend Indicators as Feature Variables | | | | | |  |
| 0 | 0.56 | 0.59 | 0.57 | 394 | 0.67 | 0.65 |
| 1 | 0.74 | 0.72 | 0.73 | 652 |
| volatility Indicators as Feature Variables | | | | | |  |
| 0 | 0.55 | 0.53 | 0.54 | 397 | 0.65 | 0.63 |
| 1 | 0.72 | 0.73 | 0.72 | 649 |

From Table, it can be observed that Decision Tree modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given considerably good accuracy score for volume indicators. Precision for predicting downward trends can be further improved. ROC AUC score has been more than 50% for all technical indicators.

### **Random Forest Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| 0 | 0.92 | 0.81 | 0.86 | 397 | 0.90 | 0.88 |
| 1 | 0.89 | 0.96 | 0.92 | 649 |
| Momentum Indicators as Feature Variables | | | | | |  |
| 0 | 0.68 | 0.45 | 0.54 | 368 | 0.73 | 0.67 |
| 1 | 0.75 | 0.89 | 0.81 | 676 |
| Trend Indicators as Feature Variables | | | | | |  |
| 0 | 0.91 | 0.43 | 0.59 | 394 | 0.77 | 0.70 |
| 1 | 0.74 | 0.97 | 0.84 | 652 |
| volatility Indicators as Feature Variables | | | | | |  |
| 0 | 0.93 | 0.42 | 0.58 | 397 | 0.77 | 0.70 |
| 1 | 0.73 | 0.98 | 0.84 | 649 |

From Table, it can be observed that Random Forest modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given considerably good accuracy score for all technical indicators. Recall and accuracy can be improved further for momentum, trend, and volatility indicators especially for recalling downward direction trends. ROC AUC score has been considered satisfactory for all technical indicators.

### **K Neighbours Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| 0 | 0.51 | 0.41 | 0.45 | 397 | 0.63 | 0.88 |
| 1 | 0.68 | 0.76 | 0.72 | 649 |
| Momentum Indicators as Feature Variables | | | | | |  |
| 0 | 0.51 | 0.54 | 0.52 | 368 | 0.66 | 0.67 |
| 1 | 0.74 | 0.72 | 0.73 | 676 |
| Trend Indicators as Feature Variables | | | | | |  |
| 0 | 0.43 | 0.32 | 0.37 | 394 | 0.58 | 0.70 |
| 1 | 0.64 | 0.74 | 0.69 | 652 |
| volatility Indicators as Feature Variables | | | | | |  |
| 0 | 0.46 | 0.37 | 0.41 | 397 | 0.59 | 0.70 |
| 1 | 0.65 | 0.73 | 0.69 | 649 |

From Table, it can be observed that K nearest neighbour modelling is done for percentage change in close price between upper-band +0.5% and lower band -.0.5% can be improved further for accuracy score for all technical indicators. ROC AUC score has been considered satisfactory for all technical indicators.

### **XG Boost Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| **0** | **0.92** | **0.85** | **0.88** | **397** | **0.92** | **0.88** |
| **1** | **0.91** | **0.96** | **0.93** | **649** |
| Momentum Indicators as Feature Variables | | | | | |  |
| **0** | **0.67** | **0.55** | **0.60** | **368** | **0.74** | **0.67** |
| **1** | **0.78** | **0.85** | **0.81** | **676** |
| Trend Indicators as Feature Variables | | | | | |  |
| **0** | **0.84** | **0.54** | **0.66** | **394** | **0.79** | **0.70** |
| **1** | **0.77** | **0.94** | **0.85** | **652** |
| volatility Indicators as Feature Variables | | | | | |  |
| **0** | **0.85** | **0.53** | **0.65** | **397** | **0.78** | **0.70** |
| **1** | **0.77** | **0.94** | **0.84** | **649** |

From Table, it can be observed that XG Boost modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given considerably good accuracy score for all technical categories of indicators namely Volume, momentum, trend, and volatility. Precision and f1-score are also satisfactory. Recall can be improved further for recalling downward trend direction for momentum, trend, and volatility indicators. ROC AUC score has been considered satisfactory for all technical indicators.

# Data Evaluation for SBI Stock

## Direction Detection by 6,10,14 days consecutive closing prices split week on the week:

### **Logistic Regression Classifier**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | recall | f1-score | support | accuracy score |
| percentage change between upper-band +0.7% and lower band -.07%- | | | | | |
| 0 | 0.50 | 0.00 | 0.00 | 558 | 0.36 |
| 1 | 0.00 | 0.00 | 0.00 | 506 |
| 2 | 0.36 | 1.00 | 0.53 | 607 |
| percentage change between upper-band +1.0% and lower band -.1.0% | | | | | |
| 0 | 0.00 | 0.00 | 0.00 | 476 | 0.41 |
| 1 | 0.41 | 1.00 | 0.59 | 694 |
| 2 | 0.00 | 0.00 | 0.00 | 501 |
| percentage change between upper-band +1.5% and lower band -.1.5% | | | | | |
| 0 | 0.00 | 0.00 | 0.00 | 345 | 0.57 |
| 1 | 0.57 | 1.00 | 0.72 | 947 |
| 2 | 0.00 | 0.00 | 0.00 | 379 |

From Table, it can be observed that logistic regression modelling done for percentage change in close price between upper-band +1.5% and lower band -.1.5% has given the highest efficiency in prediction. However, it predicts only a neutral direction with 0.57 precision but it has 0.00 precision for predicting upward or downward trends. Hence, Logistic Regression Modelling results can be ignored.

### **Decision Tree Classifier**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | | **f1-score** | **support** | | **accuracy score** |
|  | percentage change between upper-band +0.7% and lower band -.07% | | | | | | |
| 0 | 0.40 | 0.21 | | 0.27 | 571 | | 0.38 |
| 1 | 0.35 | 0.34 | | 0.34 | 508 | |
| 2 | 0.38 | 0.57 | | 0.46 | 591 | |
|  | percentage change between upper-band +1.0% and lower band -.1.0% | | | | | | |
| 0 | 0.00 | 0.00 | 0.00 | | 484 | | 0.41 |
| 1 | 0.45 | 0.77 | 0.56 | | 687 | |
| 2 | 0.34 | 0.33 | 0.33 | | 500 | |
|  | percentage change between upper-band +1.5% and lower band -.1.5% | | | | | | |
| 0 | 0.00 | 0.00 | 0.00 | | | 351 | 0.57 |
| 1 | 0.57 | 1.00 | 0.73 | | | 958 |
| 2 | 0.00 | 0.00 | 0.00 | | | 362 |

From Table, it can be observed that logistic regression modelling done for percentage change in close price between upper-band +1.5% and lower band -.1.5% has given the highest efficiency in prediction. However, it predicts only a neutral direction with 0.57 precision but it has 0.00 precision for predicting upward or downward trends. Hence, Decision Tree Modelling results can be ignored.

### **Random Forest Classifier**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** |
| percentage change between upper-band +0.7% and lower band -.07% (6 days consecutive closing prices split week on week) | | | | | |
| **0** | **0.86** | **0.85** | **0.86** | **597** | **0.85** |
| **1** | **0.85** | **0.80** | **0.83** | **471** |
| **2** | **0.83** | **0.88** | **0.86** | **603** |
| percentage change between upper-band +0.7% and lower band -.07%(10 days consecutive closing prices split week on week) | | | | | |
| **0** | **0.72** | **0.72** | **0.72** | **571** | **0.71** |
| **1** | **0.73** | **0.59** | **0.65** | **508** |
| **2** | **0.69** | **0.80** | **0.74** | **591** |
| percentage change between upper-band +0.7% and lower band -.07%(14 days consecutive closing prices split week on week) | | | | | |
| **0** | **0.73** | **0.76** | **0.75** | **528** | **0.73** |
| **1** | **0.75** | **0.61** | **0.67** | **534** |
| **2** | **0.72** | **0.82** | **0.77** | **607** |
| percentage change between upper-band +1.0% and lower band -.1.0% | | | | | |
| 0 | 0.81 | 0.47 | 0.59 | 484 | 0.66 |
| 1 | 0.60 | 0.93 | 0.73 | 687 |
| 2 | 0.76 | 0.49 | 0.60 | 500 |
| percentage change between upper-band +1.5% and lower band -.1.5% | | | | | |
| 0 | 0.75 | 0.11 | 0.19 | 351 | 0.62 |
| 1 | 0.61 | 0.99 | 0.76 | 958 |
| 2 | 0.80 | 0.16 | 0.27 | 362 |

From Table, it can be observed that random forest modelling done for percentage change in close price between upper-band +0.7% and lower band -.0.7% has given considerable efficiency in prediction.

### **K Neighbours Classifier**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | | **recall** | **f1-score** | | **support** | **accuracy score** | |
| percentage change between upper-band +0.7% and lower band -.07% | | | | | | | | |
| 0 | 0.36 | 0.45 | | 0.40 | 384 | | | 0.35 |
| 1 | 0.32 | 0.36 | | 0.34 | 336 | | |
| 2 | 0.39 | 0.26 | | 0.31 | 394 | | |
| percentage change between upper-band +1.0% and lower band -.1.0% | | | | | | | | |
| 0 | 0.32 | 0.32 | | 0.32 | 316 | | | 0.40 |
| 1 | 0.45 | 0.59 | | 0.51 | 467 | | |
| 2 | 0.38 | 0.20 | | 0.26 | 331 | | |
| percentage change between upper-band +1.5% and lower band -.1.5% | | | | | | | | |
| 0 | 0.28 | 0.19 | | 0.23 | 227 | | | 0.53 |
| 1 | 0.58 | 0.83 | | 0.69 | 627 | | |
| 2 | 0.38 | 0.09 | | 0.15 | 260 | | |

From Table, it can be observed that logistic regression modelling done for percentage change in close price between upper-band +1.5% and lower band -.1.5% has given the highest efficiency in prediction. However, it predicts only a neutral direction with 0.58 precision but it has negligible precision for predicting upward or downward trends. Hence, K nearest Neighbour Modelling results can be ignored.

### **XG Boost Classifier**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** |
| percentage change between upper-band +0.7% and lower band -.07% | | | | | |
| 0 | 0.37 | 0.33 | 0.35 | 384 | 0.37 |
| 1 | 0.36 | 0.31 | 0.33 | 336 |
| 2 | 0.38 | 0.47 | 0.42 | 394 |
| percentage change between upper-band +1.0% and lower band -.1.0% | | | | | |
| 0 | 0.36 | 0.13 | 0.19 | 316 | 0.43 |
| 1 | 0.44 | 0.83 | 0.58 | 467 |
| 2 | 0.40 | 0.15 | 0.22 | 331 |
| percentage change between upper-band +1.5% and lower band -.1.5% | | | | | |
| 0 | 0.43 | 0.03 | 0.05 | 227 | 0.57 |
| 1 | 0.57 | 0.97 | 0.72 | 627 |
| 2 | 0.49 | 0.07 | 0.12 | 260 |

From Table, it can be observed that logistic regression modelling done for percentage change in close price between upper-band +1.5% and lower band -.1.5% has given the highest efficiency in prediction. However, it predicts only a neutral direction with 0.57 precision but its precision for predicting upward or downward trend should have been still better. Hence, **XG Boost** Modelling results can be considered but with caution.

## **Go Long Direction Prediction using Technical Indicators**

**(0-Non positive,1-Positive)**

The direction of the close price is estimated as the percentage change of the close price between upper-band +0.5% and lower band -0.5%-if the percentage change of the closing price is more than 0.5%, the direction of the closing price is treated as positive, and suitable for long Trading in the stock market. Otherwise, the direction of the close price is treated as non-positive and not suitable for long Trading in the stock market.

### **Logistic Regression Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| **0** | **0.88** | **0.96** | **0.92** | **685** | **0.90** | **0.88** |
| **1** | **0.92** | **0.80** | **0.85** | **425** |
| Momentum Indicators as Feature Variables | | | | | |  |
| **0** | **0.76** | **0.82** | **0.79** | **669** | **0.74** | **0.72** |
| **1** | **0.69** | **0.62** | **0.65** | **439** |
| Trend Indicators as Feature Variables | | | | | |  |
| 0 | 0.72 | 0.91 | 0.80 | 659 | 0.74 | 0.70 |
| 1 | 0.78 | 0.49 | 0.61 | 451 |
| volatility Indicators as Feature Variables | | | | | |  |
| 0 | 0.69 | 0.95 | 0.80 | 685 | 0.70 | 0.63 |
| 1 | 0.81 | 0.30 | 0.44 | 425 |

From Table, it can be observed that logistic regression modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given considerably good accuracy score for all technical categories of indicators namely Volume, momentum, trend, and volatility. Precision and f1-score are also satisfactory. Recall can be improved further for momentum, trend, and volatility indicators especially for recalling upward direction trends. ROC AUC score has been considered satisfactory for all technical indicators.

### **Decision Tree Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| 0 | 0.83 | 0.85 | 0.84 | 685 | 0.80 | 0.79 |
| 1 | 0.75 | 0.72 | 0.74 | 425 |
| Momentum Indicators as Feature Variables | | | | | |  |
| 0 | 0.74 | 0.80 | 0.77 | 669 | 0.71 | 0.69 |
| 1 | 0.65 | 0.57 | 0.61 | 439 |
| Trend Indicators as Feature Variables | | | | | |  |
| 0 | 0.68 | 0.81 | 0.74 | 659 | 0.66 | 0.62 |
| 1 | 0.61 | 0.44 | 0.51 | 451 |
| volatility Indicators as Feature Variables | | | | | |  |
| 0 | 0.73 | 0.72 | 0.72 | 685 | 0.66 | 0.64 |
| 1 | 0.55 | 0.56 | 0.56 | 425 |

From Table, it can be observed that Decision Tree modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given considerably good accuracy score for Volume indicators. Recall and accuracy can be improved further for momentum, trend, and volatility indicators. ROC AUC score has been more than 50% for all technical indicators.

### **Random Forest Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| 0 | 0.85 | 0.95 | 0.90 | 685 | 0.86 | 0.84 |
| 1 | 0.90 | 0.73 | 0.80 | 425 |
| Momentum Indicators as Feature Variables | | | | | |  |
| 0 | 0.75 | 0.86 | 0.80 | 669 | 0.74 | 0.71 |
| 1 | 0.72 | 0.55 | 0.63 | 439 |
| Trend Indicators as Feature Variables | | | | | |  |
| 0 | 0.76 | 0.92 | 0.83 | 659 | 0.78 | 0.74 |
| 1 | 0.83 | 0.57 | 0.67 | 451 |
| volatility Indicators as Feature Variables | | | | | |  |
| 0 | 0.79 | 0.93 | 0.85 | 685 | 0.80 | 0.77 |
| 1 | 0.83 | 0.61 | 0.70 | 425 |

From Table, it can be observed that Random Forest modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given considerably good accuracy score for all technical indicators. Recall and accuracy can be improved further for all especially for predicting upward direction trends. ROC AUC score has been considered satisfactory for all technical indicators.

### **K Neighbours Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| 0 | 0.64 | 0.85 | 0.73 | 685 | 0.61 | 0.84 |
| 1 | 0.48 | 0.23 | 0.31 | 425 |
| Momentum Indicators as Feature Variables | | | | | |  |
| 0 | 0.68 | 0.87 | 0.77 | 669 | 0.68 | 0.71 |
| 1 | 0.66 | 0.38 | 0.48 | 439 |
| Trend Indicators as Feature Variables | | | | | |  |
| 0 | 0.60 | 0.86 | 0.71 | 659 | 0.58 | 0.74 |
| 1 | 0.45 | 0.17 | 0.25 | 451 |
| volatility Indicators as Feature Variables | | | | | |  |
| 0 | 0.62 | 0.81 | 0.71 | 685 | 0.58 | 0.77 |
| 1 | 0.41 | 0.20 | 0.27 | 425 |

From Table, it can be observed that K nearest neighbour modelling is done for percentage change in close price between upper-band +0.5% and lower band -.0.5% can be improved further for accuracy score for all technical indicators. ROC AUC score has been considered satisfactory for all technical indicators.

### **XG Boost Classifier**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | | |  |
| 0 | 0.89 | 0.93 | 0.91 | | 685 | 0.89 | 0.84 |
| 1 | 0.88 | 0.82 | 0.85 | | 425 |
| Momentum Indicators as Feature Variables | | | | | | |  |
| 0 | 0.76 | 0.83 | 0.79 | | 669 | 0.74 | 0.71 |
| 1 | 0.70 | 0.59 | 0.64 | | 439 |
| Trend Indicators as Feature Variables | | | | | | |  |
| **0** | **0.80** | **0.91** | **0.85** | | **659** | **0.81** | **0.74** |
| **1** | **0.83** | **0.67** | **0.74** | | **451** |
| volatility Indicators as Feature Variables | | | | | | |  |
| **0** | **0.81** | **0.90** | **0.85** | | **685** | **0.81** | **0.77** |
| **1** | **0.80** | **0.67** | **0.73** | | **425** |

From Table, it can be observed that XG Boost modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given considerably good accuracy score for all technical categories of indicators namely Volume, momentum, trend, and volatility. Precision and f1-score are also satisfactory. Recall can be improved further for momentum indicators. ROC AUC score has been considered satisfactory for all technical indicators.

## **Go Short Direction Prediction using Technical Indicators**

**(0-Negative,1-non-Negative)**

The direction of the close price is estimated as the percentage change of the close price between upper-band +0.5% and lower band -0.5%-if the percentage change of the closing price is less than -0.5%, the direction of the closing price is treated as Negative and suitable for Short Trading in the stock market. Otherwise, the direction of the close price is treated as non-negative and not suitable for Short Trading in the stock market.

### **Logistic Regression Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| **0** | **0.94** | **0.79** | **0.86** | **413** | **0.90** | **0.88** |
| **1** | **0.89** | **0.97** | **0.93** | **697** |
| Momentum Indicators as Feature Variables | | | | | |  |
| **0** | **0.68** | **0.61** | **0.64** | **417** | **0.75** | **0.72** |
| **1** | **0.78** | **0.83** | **0.80** | **691** |
| Trend Indicators as Feature Variables | | | | | |  |
| 0 | 0.79 | 0.48 | 0.60 | 416 | 0.76 | 0.70 |
| 1 | 0.75 | 0.93 | 0.83 | 694 |
| volatility Indicators as Feature Variables | | | | | |  |
| 0 | 0.81 | 0.27 | 0.41 | 413 | 0.71 | 0.62 |
| 1 | 0.69 | 0.96 | 0.80 | 697 |

From Table, it can be observed that logistic regression modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given considerably good accuracy score for all technical categories of indicators namely Volume, momentum, trend, and volatility. Precision and f1-score are also satisfactory. Recall can be improved further for trend and volatility indicators especially for recalling downward direction trends. ROC AUC score has been considered satisfactory for all technical indicators.

### **Decision Tree Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| 0 | 0.76 | 0.63 | 0.69 | 413 | 0.79 | 0.76 |
| 1 | 0.80 | 0.88 | 0.84 | 697 |
| Momentum Indicators as Feature Variables | | | | | |  |
| 0 | 0.62 | 0.56 | 0.59 | 417 | 0.70 | 0.68 |
| 1 | 0.75 | 0.79 | 0.77 | 691 |
| Trend Indicators as Feature Variables | | | | | |  |
| 0 | 0.57 | 0.43 | 0.49 | 416 | 0.67 | 0.62 |
| 1 | 0.70 | 0.81 | 0.75 | 694 |
| volatility Indicators as Feature Variables | | | | | |  |
| 0 | 0.60 | 0.53 | 0.57 | 413 | 0.70 | 0.66 |
| 1 | 0.74 | 0.79 | 0.77 | 697 |

From Table, it can be observed that Decision Tree modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given considerably good accuracy score for volume indicators. Precision for predicting downward trends can be further improved. ROC AUC score has been more than 50% for all technical indicators.

### **Random Forest Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| 0 | 0.89 | 0.71 | 0.79 | 413 | 0.86 | 0.83 |
| 1 | 0.85 | 0.95 | 0.90 | 697 |
| Momentum Indicators as Feature Variables | | | | | |  |
| 0 | 0.71 | 0.52 | 0.60 | 417 | 0.74 | 0.69 |
| 1 | 0.75 | 0.87 | 0.81 | 691 |
| Trend Indicators as Feature Variables | | | | | |  |
| 0 | 0.89 | 0.48 | 0.63 | 416 | 0.78 | 0.72 |
| 1 | 0.76 | 0.97 | 0.85 | 694 |
| volatility Indicators as Feature Variables | | | | | |  |
| 0 | 0.87 | 0.53 | 0.66 | 413 | 0.79 | 0.74 |
| 1 | 0.77 | 0.95 | 0.85 | 697 |

From Table, it can be observed that Random Forest modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given considerably good accuracy score for all technical indicators. Recall and accuracy can be improved further for momentum, trend, and volatility indicators especially for recalling downward direction trends. ROC AUC score has been considered satisfactory for all technical indicators.

### **K Neighbours Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| 0 | 0.48 | 0.47 | 0.48 | 413 | 0.61 | 0.83 |
| 1 | 0.69 | 0.69 | 0.69 | 697 |
| Momentum Indicators as Feature Variables | | | | | |  |
| 0 | 0.58 | 0.58 | 0.58 | 417 | 0.68 | 0.69 |
| 1 | 0.74 | 0.75 | 0.74 | 691 |
| Trend Indicators as Feature Variables | | | | | |  |
| 0 | 0.45 | 0.45 | 0.45 | 416 | 0.59 | 0.72 |
| 1 | 0.67 | 0.67 | 0.67 | 694 |
| volatility Indicators as Feature Variables | | | | | |  |
| 0 | 0.43 | 0.41 | 0.42 | 413 | 0.58 | 0.74 |
| 1 | 0.66 | 0.68 | 0.67 | 697 |

From Table, it can be observed that K nearest neighbour modelling is done for percentage change in close price between upper-band +0.5% and lower band -.0.5% can be improved further for accuracy score for all technical indicators. ROC AUC score has been considered satisfactory for all technical indicators.

### **XG Boost Classifier**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables | | | | | |  |
| 0 | 0.86 | 0.80 | 0.83 | 413 | 0.88 | 0.82 |
| 1 | 0.89 | 0.92 | 0.90 | 697 |
| Momentum Indicators as Feature Variables | | | | | |  |
| 0 | 0.70 | 0.61 | 0.65 | 417 | 0.75 | 0.69 |
| 1 | 0.78 | 0.84 | 0.81 | 691 |
| Trend Indicators as Feature Variables | | | | | |  |
| **0** | **0.84** | **0.60** | **0.70** | **416** | **0.81** | **0.72** |
| **1** | **0.80** | **0.93** | **0.86** | **694** |
| volatility Indicators as Feature Variables | | | | | |  |
| **0** | **0.79** | **0.61** | **0.69** | **413** | **0.80** | **0.74** |
| **1** | **0.80** | **0.91** | **0.85** | **697** |

From Table, it can be observed that XG Boost modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given considerably good accuracy score for all technical categories of indicators namely Volume, momentum, trend, and volatility. Precision and f1-score are also satisfactory. Recall can be improved further for recalling downward trend direction for momentum, trend, and volatility indicators. ROC AUC score has been considered satisfactory for all technical indicators.

# Analysis and Results

## Analysis of HDFC Stock

### Direction Detection by 6,10,14 days consecutive closing prices split week on the week:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** |
| percentage change between upper-band +0.7% and lower band -.07% (6 days consecutive closing prices split week on week) | | | | | |
| **0** | **0.91** | **0.81** | **0.86** | **544** | **0.87** |
| **1** | **0.85** | **0.90** | **0.88** | **580** |
| **2** | **0.85** | **0.89** | **0.87** | **547** |
| percentage change between upper-band +0.7% and lower band -.07%(10 days consecutive closing prices split week on week) | | | | | |
| **0** | **0.87** | **0.86** | **0.87** | **559** | **0.87** |
| **1** | **0.87** | **0.87** | **0.87** | **550** |
| **2** | **0.87** | **0.88** | **0.87** | **561** |
| percentage change between upper-band +0.7% and lower band -.07%(14 days consecutive closing prices split week on week) | | | | | |
| **0** | **0.80** | **0.77** | **0.79** | **536** | **0.80** |
| **1** | **0.79** | **0.81** | **0.80** | **543** |
| **2** | **0.80** | **0.81** | **0.80** | **590** |

From Table, it can be observed that random forest modelling done for percentage change in close price between upper-band +0.7% and lower band -.0.7% has given the highest efficiency in prediction among all Modelling techniques namely logistic regression, decision tree, random forest, k nearest neighbours and XG Boost Modelling. It predicts upward, neutral, and downward trend directions with reasonably good precision. F1-score combining the precision and recall of a classifier into a single metric is also reasonably good. This has been tested and proven with 6,10- and 14-day consecutive closing prices split week on week as 6,10 and 14 feature variables. Hence, Random Forest Modelling provides a reasonably good modelling technique to able to provide optimal prediction performance. For a stop loss of 2.0 reward to risk ratio for RF would be 2\*.87/2\*.13=6.69:1 if 0.7% difference in consecutive day close price for HDFC stock is only 2.0.for higher percentage difference reward to risk ratio would be higher.

### **Go Long Direction Prediction using Technical Indicators**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables for Logistic Regression Classifier | | | | | |  |
| **0** | **0.90** | **0.99** | **0.94** | **658** | **0.92** | **0.91** |
| **1** | **0.98** | **0.83** | **0.90** | **452** |
| Momentum Indicators as Feature Variables for  Logistic Regression Classifier | | | | | |  |
| **0** | **0.79** | **0.84** | **0.81** | **685** | **0.76** | **0.74** |
| **1** | **0.71** | **0.63** | **0.67** | **423** |
| Trend Indicators as Feature Variables for  XG Boost Classifier | | | | | |  |
| **0** | **0.81** | **0.92** | **0.86** | **679** | **0.82** | **0.75** |
| **1** | **0.85** | **0.65** | **0.74** | **431** |
| volatility Indicators as Feature Variables for  XG Boost Classifier | | | | | |  |
| **0** | **0.81** | **0.91** | **0.86** | **658** | **0.82** | **0.75** |
| **1** | **0.84** | **0.69** | **0.76** | **452** |

From Table, it can be observed that logistic regression modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given the highest precision, recall, f1-score, and accuracy score for volume and momentum indicators whereas XG Boost Classifier provided best prediction performance for trend and volatility indicators. For a stop loss of 2.0 reward to risk ratio for LR would be 2\*.92/2\*.08=11.5:1 if 0.5% difference in consecutive day close price for HDFC stock is only 2.0.for higher percentage difference reward to risk ratio would be higher.

### **Go Short Direction Prediction using Technical Indicators**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables for  Logistic Regression Classifier | | | | | |  |
| **0** | **0.97** | **0.83** | **0.90** | **399** | **0.93** | **0.91** |
| **1** | **0.91** | **0.99** | **0.95** | **711** |
| Momentum Indicators as Feature Variables for  XG Boost Classifier | | | | | |  |
| **0** | **0.72** | **0.59** | **0.64** | **394** | **0.77** | **0.70** |
| **1** | **0.79** | **0.87** | **0.83** | **714** |
| Trend Indicators as Feature Variables for  Logistic Regression Classifier | | | | | |  |
| **0** | **0.91** | **0.56** | **0.69** | **414** | **0.81** | **0.76** |
| **1** | **0.79** | **0.97** | **0.87** | **696** |
| volatility Indicators as Feature Variables for  Random Forest Classifier | | | | | |  |
| **0** | **0.88** | **0.55** | **0.68** | **399** | **0.81** | **0.76** |
| **1** | **0.79** | **0.96** | **0.87** | **711** |

From Table, it can be observed that logistic regression modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given the highest precision, recall, f1-score, and accuracy score for volume and trend indicators whereas XG Boost Classifier provided best prediction performance for momentum indicators. Similarly, Random Forest Classifier provided the best predictions for volatility indicators. For a stop loss of 2.0 reward to risk ratio for LR would be 2\*.93/2\*.07=13.29:1 if 0.5% difference in consecutive day close price for HDFC stock is only 2.0.for higher percentage difference reward to risk ratio would be higher.

## Analysis of KOTAK Stock

### Direction Detection by 6,10,14 days consecutive closing prices split week on the week:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | |
| percentage change between upper-band +0.7% and lower band -.07% (6 days consecutive closing prices split  the week on week) | | | | | | |
| **0** | **0.77** | **0.70** | **0.73** | **517** | | **0.74** |
| **1** | **0.75** | **0.74** | **0.75** | **532** | |
| **2** | **0.71** | **0.79** | **0.75** | **526** | |
| percentage change between upper-band +0.7% and lower  band -.07%(10 days consecutive closing prices split  the week on week) | | | | | | |
| **0** | **0.86** | **0.81** | **0.83** | **533** | | **0.81** |
| **1** | **0.76** | **0.79** | **0.78** | **491** | |
| **2** | **0.80** | **0.82** | **0.81** | **550** | |
| percentage change between upper-band +0.7% and lower  band -.07%(14 days consecutive closing prices split  the week on week) | | | | | | |
| **0** | **0.88** | **0.85** | **0.86** | **506** | | **0.86** |
| **1** | **0.87** | **0.87** | **0.87** | **535** | |
| **2** | **0.84** | **0.87** | **0.86** | **532** | |

From Table, it can be observed that random forest modelling done for percentage change in close price between upper-band +0.7% and lower band -.0.7% has given the highest efficiency in prediction among all Modelling techniques namely logistic regression, decision tree, random forest, k nearest neighbours and XG Boost Modelling. It predicts upward, neutral, and downward trend directions with reasonably good precision. F1-score combining the precision and recall of a classifier into a single metric is also reasonably good. This has been tested and proven with 6,10- and 14-day consecutive closing prices split week on week as 6,10 and 14 feature variables. Hence, Random Forest Modelling provides a reasonably good modelling technique to able to provide optimal prediction performance. For a stop loss of 2.0 reward to risk ratio for RF would be 2\*.86/2\*.14=6.14:1 if 0.7% difference in consecutive day close price for KOTAK stock is only 2.0.for higher percentage difference reward to risk ratio would be higher.

### **Go Long Direction Prediction using Technical Indicators**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables for  Logistic Regression Classifier | | | | | |  |
| **0** | **0.96** | **0.99** | **0.98** | **632** | **0.97** | **0.96** |
| **1** | **0.99** | **0.93** | **0.96** | **414** |
| Momentum Indicators as Feature Variables for  Logistic Regression Classifier | | | | | |  |
| **0** | **0.77** | **0.85** | **0.81** | **630** | **0.75** | **0.73** |
| **1** | **0.73** | **0.61** | **0.66** | **414** |
| Trend Indicators as Feature Variables for  XG Boost Classifier | | | | | |  |
| **0** | **0.77** | **0.91** | **0.84** | **619** | **0.79** | **0.69** |
| **1** | **0.82** | **0.61** | **0.70** | **427** |
| volatility Indicators as Feature Variables for  XG Boost Classifier | | | | | |  |
| **0** | **0.79** | **0.91** | **0.84** | **632** | **0.79** | **0.73** |
| **1** | **0.81** | **0.63** | **0.71** | **414** |

From Table, it can be observed that logistic regression modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given the highest precision, recall, f1-score, and accuracy score for volume and momentum indicators whereas XG Boost Classifier provided best prediction performance for trend and volatility indicators. For a stop loss of 2.0 reward to risk ratio for LR would be 2\*.97/2\*.03=32.33:1 if 0.5% difference in consecutive day close price for KOTAK stock is only 2.0.for higher percentage difference reward to risk ratio would be higher.

### **Go Short Direction Prediction using Technical Indicators**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables for  XG Boost Classifier | | | | | |  |
| **0** | **0.92** | **0.85** | **0.88** | **397** | **0.92** | **0.88** |
| **1** | **0.91** | **0.96** | **0.93** | **649** |
| Momentum Indicators as Feature Variables for  XG Boost Classifier | | | | | |  |
| **0** | **0.67** | **0.55** | **0.60** | **368** | **0.74** | **0.67** |
| **1** | **0.78** | **0.85** | **0.81** | **676** |
| Trend Indicators as Feature Variables for  XG Boost Classifier | | | | | |  |
| **0** | **0.84** | **0.54** | **0.66** | **394** | **0.79** | **0.70** |
| **1** | **0.77** | **0.94** | **0.85** | **652** |
| volatility Indicators as Feature Variables for  XG Boost Classifier | | | | | |  |
| **0** | **0.85** | **0.53** | **0.65** | **397** | **0.78** | **0.70** |
| **1** | **0.77** | **0.94** | **0.84** | **649** |

From Table, it can be observed that XG Boost Classifier modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given the highest precision, recall, f1-score, and accuracy score for all technical indicators. For a stop loss of 2.0 reward to risk ratio for LR would be 2\*.92/2\*.08=11.5:1 if 0.5% difference in consecutive day close price for KOTAK stock is only 2.0.for higher percentage difference reward to risk ratio would be higher.

## Analysis of SBI Stock

### Direction Detection by 6,10,14 days consecutive closing prices split week on the week:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** |
| percentage change between upper-band +0.7% and lower band -.07% (6 days consecutive closing prices split week on week) | | | | | |
| **0** | **0.86** | **0.85** | **0.86** | **597** | **0.85** |
| **1** | **0.85** | **0.80** | **0.83** | **471** |
| **2** | **0.83** | **0.88** | **0.86** | **603** |
| percentage change between upper-band +0.7% and lower band -.07%(10 days consecutive closing prices split week on week) | | | | | |
| **0** | **0.72** | **0.72** | **0.72** | **571** | **0.71** |
| **1** | **0.73** | **0.59** | **0.65** | **508** |
| **2** | **0.69** | **0.80** | **0.74** | **591** |
| percentage change between upper-band +0.7% and lower band -.07%(14 days consecutive closing prices split week on week) | | | | | |
| **0** | **0.73** | **0.76** | **0.75** | **528** | **0.73** |
| **1** | **0.75** | **0.61** | **0.67** | **534** |
| **2** | **0.72** | **0.82** | **0.77** | **607** |

From Table, it can be observed that random forest modelling done for percentage change in close price between upper-band +0.7% and lower band -.0.7% has given the highest efficiency in prediction among all Modelling techniques namely logistic regression, decision tree, random forest, k nearest neighbours and XG Boost Modelling. It predicts upward, neutral, and downward trend directions with reasonably good precision. F1-score combining the precision and recall of a classifier into a single metric is also reasonably good. This has been tested and proven with 6,10- and 14-day consecutive closing prices split week on week as 6,10 and 14 feature variables. Hence, Random Forest Modelling provides a reasonably good modelling technique to able to provide optimal prediction performance. For a stop loss of 2.0 reward to risk ratio for RF would be 2\*.85/2\*.15=5.67:1 if 0.7% difference in consecutive day close price for SBI stock is only 2.0.for higher percentage difference reward to risk ratio would be higher.

### **Go Long Direction Prediction using Technical Indicators**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables for  Logistic Regression Classifier | | | | | |  |
| **0** | **0.88** | **0.96** | **0.92** | **685** | **0.90** | **0.88** |
| **1** | **0.92** | **0.80** | **0.85** | **425** |
| Momentum Indicators as Feature Variables for  Logistic Regression Classifier | | | | | |  |
| **0** | **0.76** | **0.82** | **0.79** | **669** | **0.74** | **0.72** |
| **1** | **0.69** | **0.62** | **0.65** | **439** |
| Trend Indicators as Feature Variables for  XG Boost Classifier | | | | | |  |
| **0** | **0.80** | **0.91** | **0.85** | **659** | **0.81** | **0.74** |
| **1** | **0.83** | **0.67** | **0.74** | **451** |
| volatility Indicators as Feature Variables for  XG Boost Classifier | | | | | |  |
| **0** | **0.81** | **0.90** | **0.85** | **685** | **0.81** | **0.77** |
| **1** | **0.80** | **0.67** | **0.73** | **425** |

From Table, it can be observed that logistic regression modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given the highest precision, recall, f1-score, and accuracy score for volume and momentum indicators whereas XG Boost Classifier provided best prediction performance for trend and volatility indicators. For a stop loss of 2.0 reward to risk ratio for LR would be 2\*.90/2\*.1=9:1 if 0.5% difference in consecutive day close price for SBI stock is only 2.0.for higher percentage difference reward to risk ratio would be higher.

### **Go Short Direction Prediction using Technical Indicators**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target Variable** | **precision** | **recall** | **f1-score** | **support** | **accuracy score** | **Roc AUC score** |
| Volume Indicators as Feature Variables for  Logistic Regression Classifier | | | | | |  |
| **0** | **0.94** | **0.79** | **0.86** | **413** | **0.90** | **0.88** |
| **1** | **0.89** | **0.97** | **0.93** | **697** |
| Momentum Indicators as Feature Variables for  Logistic Regression Classifier | | | | | |  |
| **0** | **0.68** | **0.61** | **0.64** | **417** | **0.75** | **0.72** |
| **1** | **0.78** | **0.83** | **0.80** | **691** |
| Trend Indicators as Feature Variables for  XG Boost Classifier | | | | | |  |
| **0** | **0.84** | **0.60** | **0.70** | **416** | **0.81** | **0.72** |
| **1** | **0.80** | **0.93** | **0.86** | **694** |
| volatility Indicators as Feature Variables for  XG Boost Classifier | | | | | |  |
| **0** | **0.79** | **0.61** | **0.69** | **413** | **0.80** | **0.74** |
| **1** | **0.80** | **0.91** | **0.85** | **697** |

From Table, it can be observed that logistic regression modelling done for percentage change in close price between upper-band +0.5% and lower band -.0.5% has given the highest precision, recall, f1-score, and accuracy score for volume and momentum indicators whereas XG Boost Classifier provided best prediction performance for trend and volatility indicators. For a stop loss of 2.0 reward to risk ratio for LR would be 2\*.9/2\*.1=9:1 if 0.5% difference in consecutive day close price for SBI stock is only 2.0.for higher percentage difference reward to risk ratio would be higher.