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**Sentiment Analysis on Stock Market using Twitter Data**

Project proposal

Class: CSCE 5290 Section 002

Group #5

**Team Members**

Sweety Makwana

Gopi Krishna Sure

Gayathri Katukojwala

Nikhil Rangineni

GitHub Repository: <https://github.com/Smakwana30/CSCE-5290-NLP-Project/blob/main/Project%20Proposal%20-%20Sentiment%20Analysis%20on%20Stock%20Market%20using%20Tweets.pdf>

**Motivation**

Twitter is a very well-known place where traders tweet about stocks and financial instruments they care about. Their tweets reveal their sentiment about the stocks they are tweeting. Which can help decide overall trend for the particular stock if analyzed correctly. The stock market which is seen relatively high volatile in recent years could provide chances for making money or losing money. There are various factors that affects the direction of the stock market, or a single stock as follows:

* fundamental of the publicly traded company
* technical indicators
* news and media release for the company
* public sentiment - social media posts such as Twitter, Facebook, etc.

While the field of AI has grew tremendously in recent times, an AI engineer could take advantage of available AI technologies to help predict the trend of stock market by analyzing sentiment of traders from twitter.

**Significance**

As Abraham Lincoln said, “With public sentiment nothing can fail. Without it, nothing can succeed.” This also applies to the stock market. If public sentiment is positive about the stock market it means the stock market is expected to trend in a bullish manner, else if the public sentiment is negative, once could expect the stock market to trend in a bearish manner. If the sentiment is neutral, then stock market may not see much volatility and may trend neutral. Twitter data is linguistic and unstructured data which can be translated into structured and meaningful data using NLP models. Public sentiment could be classified into three categories as: positive, negative and neutral via text classification and text summarization tools available under the umbrella of Machine Learning field. Without the help of NLP model, the trader needs to read each and every tweet about the particular stock, analyze them manually and then decide the trend of the stock based on the sentiment score he/she comes up with. Not to forget here, the stock market data is constantly changing and so public sentiment about it. It is a very tedious process for anyone to manually keep track of all the tweets and analyze them constantly to help predict the stock prices.

**Objectives**

To overcome the problems faced by traders and help them decide the trend of a particular stock price using twitter data, our team would like to propose a project to build an NLP based model to derive public sentiment from tweets. Which would help traders to decide the trend of the stock and prevent financial losses. We would acquire pre-labeled Twitter data for a particular financial instrument such as, Apple (AAPL), Tesla (TSLA), Amazon (AMZN), or S&P500 index from Kaggle to train and validate the NLP model. We would obtain historical data for an interested stock from Yahoo Finance to observe possible co-relation between the tweet sentiment analysis and stock prices. The historical data for stock would include daily price for Open, High, Low, Close, Volume and the date. We would yet to incorporate a type of the classifier to classify twitter data. We may integrate appropriate neural network such as long Short-term Memory (LSTM) or Self Organizing Fuzzy Neural Networks (SOFNN).

**Workflow**

Neutral

Bearish

Neutral

Negative

Test NLP Model

Classification

Feature Extraction

Preprocessing

Train NLP Model

Sentiment Analysis

**Stock Twitter Data**

Positive

Stock Market Data

Bullish

First, we would collect our datasets and visualize it. By using Google Colab platform, we would start implementing data preprocessing and building NLP model to derive sentiments via stock twitter data. Following train, test, and validation the NLP model should be able to detect sentiment of a particular stock or indexes and associated price prediction as such if the sentiment is positive, the stock is poised to be bullish; sentiment is negative, the stock is poised to be bearish; and if the sentiment is neutral, the stock would experience zero or low volatility in short to medium term.

**Features**:

* Visualize Twitter data
* Preprocess and classify Tweets using NLP model: Positive, Negative, Neutral
* Predict price for a particular stock using public (Tweet) sentiments
* Provide speed and scalability for financial decision to make profit and minimize losses
* Accuracy
* Visualize stock price chart along with Twitter Sentiment Polarity to predict the trend of the stock

**Project Increment**

**Background**

One of the most significant areas of study in academic and professional circles is stock price prediction. Various data mining techniques are often used in research. But the machine learning/deep learning technique gives a more accurate, precise and easier way to solve such stock and market price questions.

Now-a-days, information about public opinions is vastly available on social media. This is acting as a platform where public shares their emotional ideas and feelings which can potentially impact overall stock market and/or particular individual stock price. Users of the microblogging service Twitter can follow and comment on the ideas of other users and express their own opinions in real time. More than a million users send more than 140 million tweets every day. Estimation investigation of twitter information and sentiment classification is the assignment of judging conclusion in a chunk of content as positive, negative or unbiased.

In this project a method for predicting stock prices is developed using Twitter tweets about various companies. There are many scholarly research done in this are to predict sentiment of mass people using their public posts from Twitter and other social media. To name a couple of these research articles:

1. Go, Alec, Lei Huang, and Richa Bhayani. "Twitter sentiment analysis." *Entropy* 17 (2009): 252.  
   This paper was presented in 2009 when Twitter was a new microblogging platform where users share their sentiments on any related topics including stock prices. They developed a machine learning algorithm to classify tweets for marketers and reviews for the company.
2. Kouloumpis, Efthymios, Theresa Wilson, and Johanna Moore. "Twitter sentiment analysis: The good the bad and the omg!." *Proceedings of the international AAAI conference on web and social media*. Vol. 5. No. 1. 2011.  
   This paper investigates usefulness of sentiment analysis on Twitter data as being inspired from other domains where strong link has been found between part-of-speech tagging and sentiment lexicons in other domains.

**Dataset:**

We are using the Twitter API to collect our datasets for the purpose of categorizing the tweets into positive, neutral, and negative tweets later using the NLP models we build along the process. We have taken the keys to access the twitter APIs and then search the tweets based on specific keywords and then add them to a text file to feed into our model for pre-processing and perform sentimental analysis.

In the dataset, we have searched the keywords ‘Tesla’, ‘#TSLA’, and combination of the words ‘YahooFinance and tesla’. As we have seen that there are different types of tweets related to the Tesla stock, so we filtered the tweets based on the above keywords.

We have stored the filtered tweets in a text file to perform analysis and pre-processing later which is used to feed the model with the processed data.

As seen in Fig. 1 below, 3 code cells are used to fetch the tweets from the twitter, we have set the limit of 1000 and then used the ‘search\_tweets’ method of the twitter to fetch the API and passed the parameter to the items method. Later it converted to the cursor object to iterate over the tweets. Later we have opened a file and written the tweets into the file line by line and after finishing we closed the file object.

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*Fig. 1: Codes for Data Collection*

Below images Fig. 2. shows the snapshot of our datasets as originally abstracted tweets (twitter.txt) on Tesla company.

Graphical user interface, application

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*Fig. 2: Snapshot of raw data collected in ‘twitter.txt’ file*

The image below, Fig. 3. shows the snapshot of partially processed data from ‘processed.txt’ file, where we have removed special characters, URLs, Links and separated the sentences.

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*Fig. 3: Partially Pre-processed data saved in to ‘processed.txt’ file*

**Detail Design of Features**

* Collect the dataset based on specific keywords related to a stock company from Twitter API
* Preprocess the data to remove special characters, URLs, links, stopwords, lemmatize, etc.
* Visualize and analyze Twitter data using “WordCloud”, Histogram, Unique words search, etc.
* Build NLP model for sentiment analysis
* classify Tweets using NLP model: Positive, Negative, Neutral
* Predict price for a particular stock using public (Tweet) sentiments *(To be implemented in next increment)*
* Provide speed and scalability for financial decision to make profit and minimize losses
* Accuracy *(To be implemented in next increment)*
* Visualize stock price chart along with Twitter Sentiment Polarity to predict the trend of the stock *(To be implemented in next increment)*

**Analysis**

In the analysis part we have visualized the text in different formats and did some calculations to get the frequency of most occurred words and the frequency of the length of sentences in the over Train data.

1. In the below screenshot Fig. 4., we have imported the ‘WordCloud’ class, which is used to display the highest frequency words in different color and words with high frequency have larger size than the lower frequency words. In the below screenshot we have filtered the Positive sentiment words to form a word cloud that are repeated more number of times.

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*Fig. 4: Analysing positive unique words from dataset*

1. In the below Fig. 5., we have formed the word cloud by filtering the negative sentiment tweets and displayed the words with more frequency with white background.

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*Fig. 5: Analysing Negative unique words from Dataset*

1. In the below Fig. 6., we have displayed the word cloud with neutral sentiment text and displayed the words with more frequency and white back ground.Text

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*Fig. 6: Analysing Neutral unique words from Dataset*

1. In the below Fig. 7., we have plotted a bar chart where it shows the frequency of the length of sentences in the whole training corpus. Using the for loop we have found the length of each sentence and then stored them in a dictionary, later the dictionary is ordered to sort the dictionary based on the items values. Finally using the ‘plt.bar’ method we have displayed the frequency and length of sentences.

**Chart, histogram

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*Fig. 7: Analysing length of sentences using Histogram*

1. In the below Fig. 8., we found the most occurred words and displayed the count and word name. We have downloaded the stopwords and the iterated over the corpus to form the corpus into list of words, later used the counter method to get the counts of the words and used the most\_common method to get the frequent occurred words and plotted them into a horizontal bar type graph.

**Chart

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*Fig. 8: Analysing Frequency of Unique words*

**Implementation**

Installed the Tweepy package that is required to get the Tweets from twitter. (Fig.. 9)

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*Fig. 8*

*In the below Fig. 9,* In the first cell Imported the required packages.

In the second cell, copied the keys that are required to access the Twitter API to get the tweets.

In the third cell, Passed the keys for the authentication and created a API object to access the twitter API.

Text, application

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*Fig. 9*

In the below 3 cells (Fig. 10), Fetched the tweets that are related to the TESLA by passing the 3 types of arguments that are related to the tesla stock. After getting the tweets, the tweets are written into a file called twitter.txt and then later after the tweets are written into the file, the file object is closed. Given 10000 as parameter to fetch the tweets of that count.

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*Fig.10*

In the below cell (Fig. 11) created a new text file with name processed.txt that contains the tweets from the twitter.txt after processing. All the special characters and the links are removed in this cell and then written into the processed.txt.

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*Fig. 11*

In the below cells (Fig. 12), the processed text is changed into the list format and then added to the test variable which needs to be classified.

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*Fig. 12*

In the first cell (Fig. 13), the text is tokenized using the word tokenize method and then removed the stop words and then finally appened the remaining words into a sentence and then added back to the test\_data.

In the second cell removed all the duplicate tweets if there are any to avoid the wrong results.

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*Fig. 13*

As seen in Fig. 14, to train the model we have collected 2 different sets from the Kaggle and then merged the 2 data sets.One is All-data.csv and other is stock\_data.csv. Merged the 2 datasets to form a dataset of size 10K. Collected the text into the Train\_X and then copied the sentiment to the Train\_Y variables to train the model. For one dataset changed the sentiment values from 1 to positive and -1 to negative.

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*Fig. 14*

In the below cell (Fig. 15) cleaned the Train\_X tweets by removing the stopwords, first downloaded the stopwords and then compared with the tokens in the text, if they are matched the tokens are removed and then appended to form a sentence and then added to the Train\_X variable.

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*Fig. 15*

As seen in Fig. 16 below, the model is built with the pipeline having vector inputs as parameters and multinomial classification. And then the model is trained by using the Train\_X and Train\_Y variables. After training the model the Test data is passed which we collected from the twitter API and then the labels are predicted which can classified as Positive, Negative and Neutral.

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*Fig. 16*

**Preliminary Results:**

The below screenshot (Fig. 17) gives us the overall stock direction after the classification, but we also need to perform the sentiment analysis to get the accurate results of the project.

The Labels are converted to the list and then count is collected for each class. Using those values, a bar graph is displayed which shows the count of each class of the tweets that are collected from the twitter API.Chart

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*Fig. 17*

**Project Management and Responsibility**

To manage this project, we have divided our responsibilities amongst four team members as mentioned earlier in this project document. We communicated in person as well as via online medium such as WhatsApp and Zoom to cooperate with one another. We broke down the project into smaller tasks and worked on each task as assigned primarily. Each task was peer reviewed by all four of us as mentioned below in Fig. 18

|  |  |  |  |
| --- | --- | --- | --- |
| **Task Description** | **Primary Responsible (First Name)** | **% Of work done as Primary Responsible member** | **Peer Reviewed by (First Name)** |
| Brain Storming Ideas | Gopi, Sweety, Nikhil, Gayathri | 25% each member | Gopi, Sweety, Nikhil, Gayathri |
| Data Collection | Sweety, Gopi, Nikhil, Gayathri | 25% each member | Nikhil, Gayatri |
| Topic Research and Related work | Gopi, Sweety, Nikhil, | 34% each member | Gopi, Sweety, Nikhil |
| Workflow and Project Outline | Sweety, Gopi, Nikhil | 34% each member | Gopi, Nikhil, Sweety |
| Feature Selection | Gopi, Nikhil, Sweety | 34% each member | Gayathri |
| Data Analysis | Gopi, Sweety, Nikhil, Gayathri | 25% each member | Gopi, Sweety, Nikhil, Gayathri |
| Implementation | Gopi, Sweety, Nikhil, Gayathri | 25% each member | Gopi, Sweety, Nikhil |
| Results | Gopi, Sweety, Nikhil | 34% each member | Gopi, Sweety, Nikhil, Gayathri |

*Fig. 18*

**Future Work:**

We have completed the Data analysis, preprocessing and the classification part for the NLP model. We need to complete the Sentimental analysis part and the stock prediction which we will complete in the final increment part of the project. Also, we will include some more analysis related to the test and train data of the tweets. We all the four members will coordinate the tasks for future work and report it in the next increment proportionately.

**Demos:**

Video 1: Gopi Krishna Sure

[*https://drive.google.com/file/d/1\_joq2kKPsiqaeSe3H\_pzCqPk1A\_iGQQB/view?usp=share\_link*](https://drive.google.com/file/d/1_joq2kKPsiqaeSe3H_pzCqPk1A_iGQQB/view?usp=share_link)

Video 2: Sweety Makwana

[*https://drive.google.com/file/d/1lAxt2agXdiEwk3kLAbPOl5BfFCxDIeAS/view?usp=sharing*](https://drive.google.com/file/d/1lAxt2agXdiEwk3kLAbPOl5BfFCxDIeAS/view?usp=sharing)

Video 3: Nikhil Rangineni

[*https://drive.google.com/file/d/1I9Pj7yAeoZ-a79H7a61\_DYm5S57XbNnX/view?usp=share\_link*](https://drive.google.com/file/d/1I9Pj7yAeoZ-a79H7a61_DYm5S57XbNnX/view?usp=share_link)

Video 4: Gayathri Katukojwala

[*https://drive.google.com/file/d/1xrTqE6RCz5t-Eai1uIyz\_\_7RYQpwdiNB/view*](https://drive.google.com/file/d/1xrTqE6RCz5t-Eai1uIyz__7RYQpwdiNB/view)

**Google Colab:**

1. Ipynb file <https://drive.google.com/file/d/1rDRb_TPlAnqMVb-PRzOPww9XAWsZMU3j/view?usp=share_link>
2. Pdf file <https://drive.google.com/file/d/1pMDfsF0vagwyC5D59mpx22MnEBuhxlH8/view?usp=share_link>

**References:**

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* <https://www.kaggle.com/datasets/ankurzing/sentiment-analysis-for-financial-news>
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* Go, Alec, Lei Huang, and Richa Bhayani. "Twitter sentiment analysis." *Entropy* 17 (2009): 252.
* Kouloumpis, Efthymios, Theresa Wilson, and Johanna Moore. "Twitter sentiment analysis: The good the bad and the omg!." *Proceedings of the international AAAI conference on web and social media*. Vol. 5. No. 1. 2011.
* <https://www.nltk.org/>
* <https://developer.twitter.com/en/docs/twitter-api>