**MAFS 6010Z AI in Fintech - Project 2 Rebuttal**

**Group Members**: WONG Hoi Ming (20641276), WONG Sik Tsun (20038819)

For reviewer 1 (Ni Xianhan),

- The reviewer comments that the report content is too simple. Given that we have adopted the poster format, which is one of the accepted formats for this project, we have to summarize our findings in a one-page PowerPoint slide. In order to include more content, we have already put the figures into another three PowerPoint slides as the appendix. In our poster, we have summarized different parts of the project and we have also highlighted some of our key findings such as the deterioration of R squared overtime.
- The reviewer also comments that the model performance is not good. We agree that and we have discussed some of the reasons in the report, such as the lack of interactions terms and the omission of hyperparameters tuning, which are due to the limitation of computing power.

For reviewer 2 (Yu Xintong),

- The reviewer suggests that we can explain more details about how we set the hyperparameter in the first 10 training. We performed hyperparameters tuning based on the potential values suggested in the paper as well as the recursive performance evaluation scheme. For Elastic Nets and NNs, we omitted hyperparameter tuning when we enlarge the training sample, due to limited computing power. In such cases, we stick to the hyperparameters that performed reasonably well in the first few training sample and assume they will be steady over time.

For reviewer 3 (Zhao Junda),

- The reviewer suggests that it is better to add a heatmap to compare the characteristics importance among different models. We agree that it can help making the presentation clearer.

For meta review,

- The reviewer appreciated on our analysis for the deterioration of R squared overtime and the plausible reason behind the different performance among RF, NN and linear model. We also considered these to be our key findings.