



# Trust and influence in the financial world: a layered approach for text mining

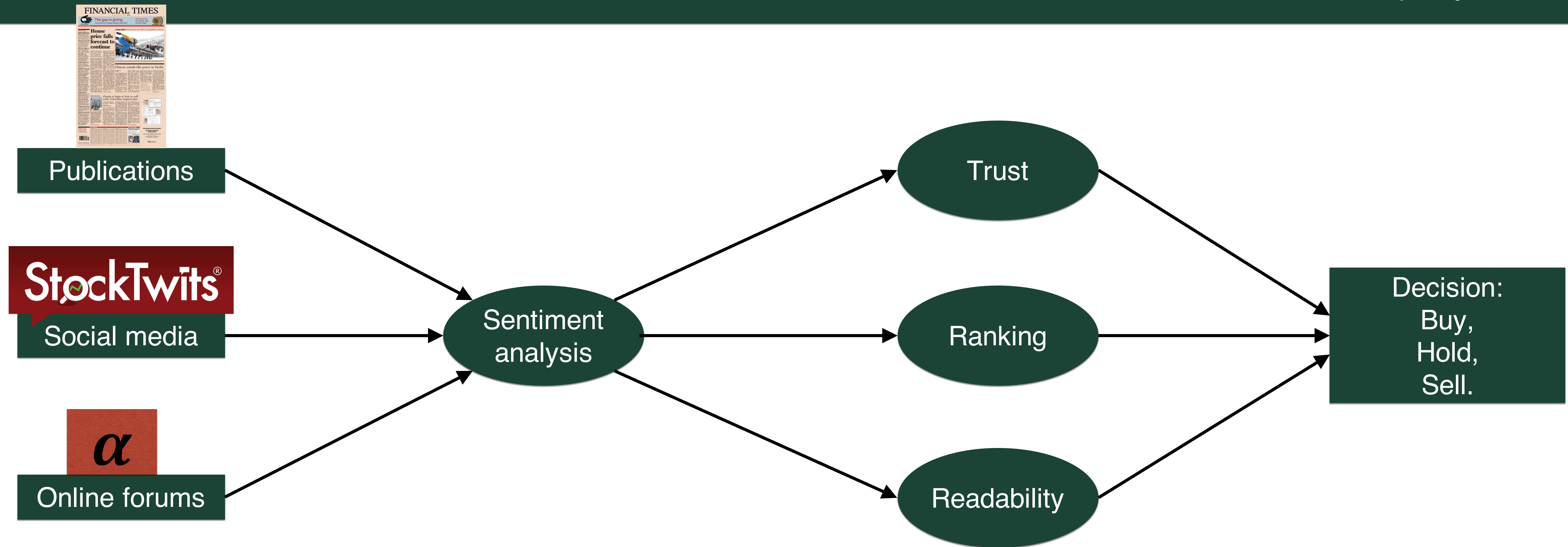
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## 1 Problem

Many studies have not taken into account the varying levels of influence of different news sources or trust in Twitter feeds.

## 2 Introduction

Prediction of the stock market based on news and tweets has been attempted before [1][2] using word lists to find a correlation between emotional words in articles and stock price returns.

## 3 Method

We use a multi-layered network to simulate the investors searching approach and how they would make decisions. At each stage we evaluate the language of the source to gather the sentiment, trust level, readability and rank of the source.

## 4 Data

- 1) Social media e.g. Stock Twits.
- 2) Moderated forums e.g. Seeking Alpha.
- 3) Reputable publishers e.g. Financial Times.

## 5 Current Work

Research in this area is been carried out at Lancaster, Manchester and LSE in the CIFE project [3].

## 6 References

- [1] Hailiang Chen, Prabuddha De, Yu Jeffrey Hu, and Byoung-Hyoun Hwang. Wisdom of crowds: The value of stock opinions transmitted through social media. Review of Financial Studies, 27(5):1367–1403, 2014.
- [2] Paul C. Tetlock, Maytal Saar-Tsechansky, and Sofus Macskassy. More Than Words: Quantifying Language to Measure Firms' Fundamentals. The Journal of Finance, 63(3):1437–1467, June 2008.
- [3] (<http://ucrel.lancs.ac.uk/cfie/>).