



Capstone Project

Project proposal

The impact of news on the stock market

Presented by:

Nacer KHALIL

Supervised by:

Dr. Kevin Smith

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The information technology has pushed the spread of information and news to its extreme and became so accessible that the speed at which you receive the information became more important than the content of the information itself. This is true for the financial industry. People in the financial industry have to take decisions in very small time periods after the release of news which have pushed some of them to not read the whole journal article but instead to skim it or even in some cases read only the article's title and detect important keywords. This is the basis of this project: extract and analyze the impact of specific words and keywords on the stock price and performance.

The project is constituted of two important blocks:

- Extract words and keywords from news and observe the impact of the news on the stock price and store this impact under each word or keyword. This part is always on a learning process and the more the program runs the better it becomes. With time, some keywords tend to have positive grades while others will have negative or be around zero. This means that some keywords have positive impact on the stock price which others have a negative impact
- As soon as a text is published on the internet, keywords will be extracted and based on their respective grades, the whole text will have a grade and this grade will represent a forecast for the stock price performance.

Project timeline

June 20th, 2011: Project Proposal

June 27th, 2011: Requirement specification document (Data and functional model)

July 11th, 2011: Project version 1

July 18th, 2011: Project presentation