



Team Six

STOCK INVESTMENT PRESENTATION



INVESTMENT PRESENTATION

Start Investing Now

Numerous stock sectors present intriguing investment opportunities, yet only a few stand out as the most favored choices for investors. These prominent sectors include:

ENERGY: IYE
FINANCIALS: IYF
TECHNOLOGY: IYW



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Within this analytical report, we will conduct exploratory data analysis and construct machine learning models aimed at forecasting market prices for the aforementioned three stock sectors over the upcoming 60 days



2000-2023

Variable to Predict

The key variable to predict is the "Close" price of each stock sector (Energy, Financials, and Technology) for the next 60 days.

Model Building

A Sequential LSTM model was designed with 150 hidden neurons. It was followed by a Dense layer with 60 neurons to predict the next 60 days' stock prices.

Investment Presentation



Energy

IYE

Financial

IYF

Technology

IYW

Features like Open, High, Low, Volume, MACD, Federal Funds Rate, and Unemployment Rate were selected for training the model.

What affects IYF & IYW Stocks?



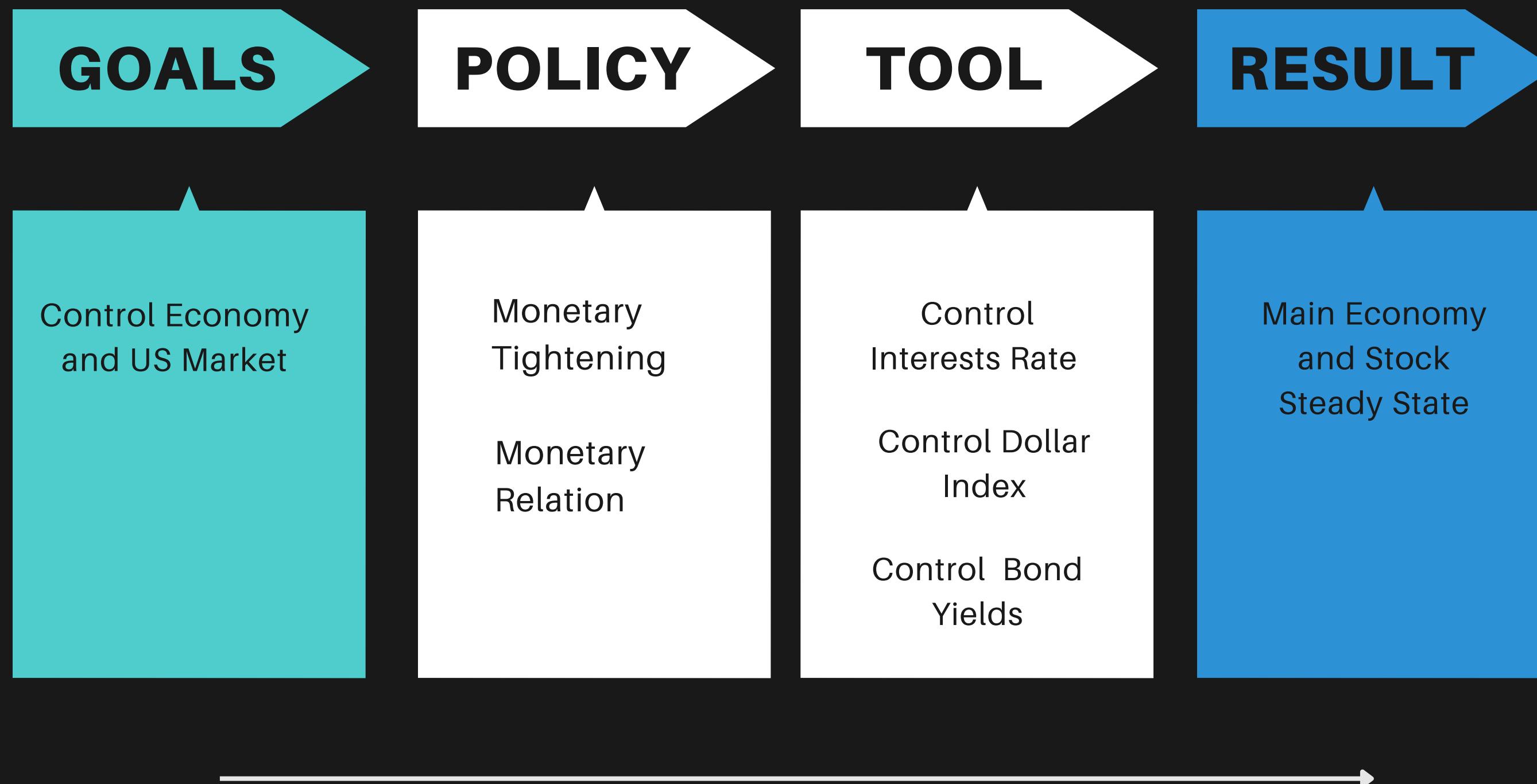
Federal Reserve's monetary policy plays a crucial role in managing economic stability, and it can have a significant impact on inflation and economic growth.

The Feds does not directly determine the interest rates that consumers pay for loans or receive on their deposits. These rates are established by banks, taking into account a range of factors, including the Federal Funds Rate. Therefore, the actions of the Federal Reserve have an indirect impact on consumer interest rates.



THE FEDERAL RESERVE

Major Private Banks Representative and US president's Representative



INFLATION IS A TAX ON FINANCIAL ASSETS

How Economy reduces The silent tax

Inflation erodes the purchasing power of money.

When prices rise, each unit of currency buys fewer goods and services

Higher inflation may prompt central banks to raise interest rates to control it

Higher interest rates can discourage borrowing and spending, which may lead to a reduction in consumer expenditure

When interest rates rise, the cost of borrowing for corporations increases

Cost-cutting measures, including corporations reducing their workforce.

Results in higher unemployment rates

Now consumers have less money to spend due to factors like income decrease, higher unemployment rate, or economic downturns in general. They tend to cut back on their spending. This reduces consumer demand for goods and services and can lead to a decrease in overall demand within the economy and lowers inflation rate

Energy Stocks

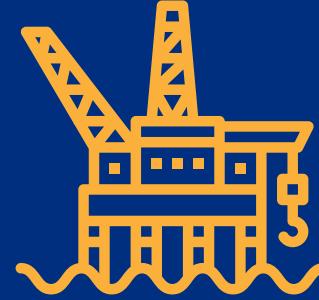
Energy stocks are uniquely positioned in the market, with their performance deeply intertwined with the fluctuations in oil, gas, and petroleum markets due to supply and demand. Energy price depends on supply and demand.

Supplier change the price of Energy by changing their production. And demand depends on economy situation of the large countries such as US, China & Europe.

CHARACTERISTICS

- Depends heavily on the performance of oil, gas, and petroleum markets.
- Exhibit a distinct sensitivity to fluctuations in these resource markets.





IMPACT OF CRUDE OIL INVENTORY LEVELS:

- High crude oil inventory levels often suggest weak previous oil sales.
- This can result in a decline in oil prices.
- Energy stocks typically follow suit, experiencing price drops.

OPEC DECISIONS AND ENERGY STOCKS:

- OPEC'S DECISION TO LOWER OIL PRODUCTION RATES CAN BOOST OIL PRICES.
- HIGHER OIL PRICES ARE FAVORABLE FOR ENERGY COMPANIES.
- SUCH DEVELOPMENTS TEND TO INCREASE STOCK PRICES WITHIN THE ENERGY SECTOR.



DOMINANCE OF POLITICAL EVENTS ON OIL PRICES:

- Political events and news related to oil prices carry substantial influence.
- They can override the impacts of inventory levels and OPEC decisions.
- Political factors signaling economic recession can lead to oil price decrements, affecting energy stocks negatively.



Thank You!

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