

SP500 forecast

Moises Evangelista

Prepared December 23, 2016

Introduction

The purpose of this analysis is to determine if the SP500 Index (Index) is overpriced, as of August 2015, and complete some forecasting analysis.

A forecast of the Index. The Index data was downloaded from Yahoo Finance in August after it had significant drops. Consumer Price Index data was used to deflate the Index's historical price. This data can be downloaded from [here](#).

In conclusion, it seems that the Index is currently overpriced.

Analysis steps

- The data was downloaded
- Historical data was visualized
- Historical data adjusted by the CPI and then was visualized
- Forecasts were completed

SP500 Open Price by Month

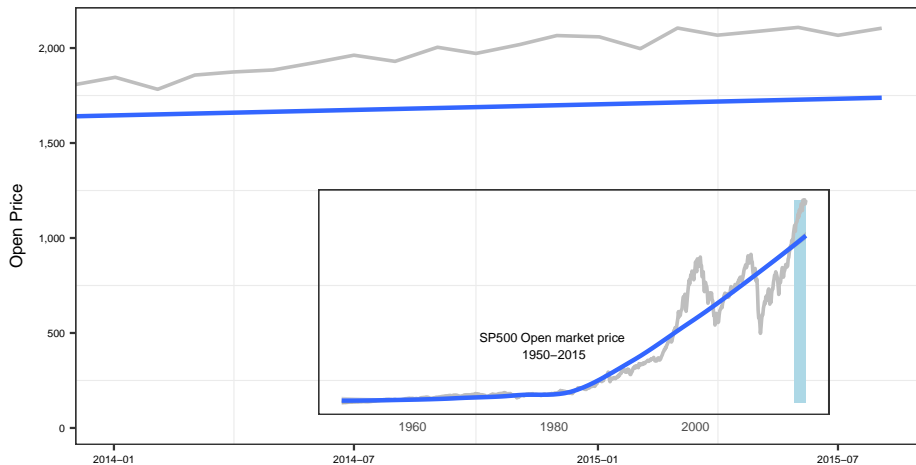


Figure 1: Open market price trend Jan 2014 - Jul 2015

SP500 Open Price adjusted with CPI by Month

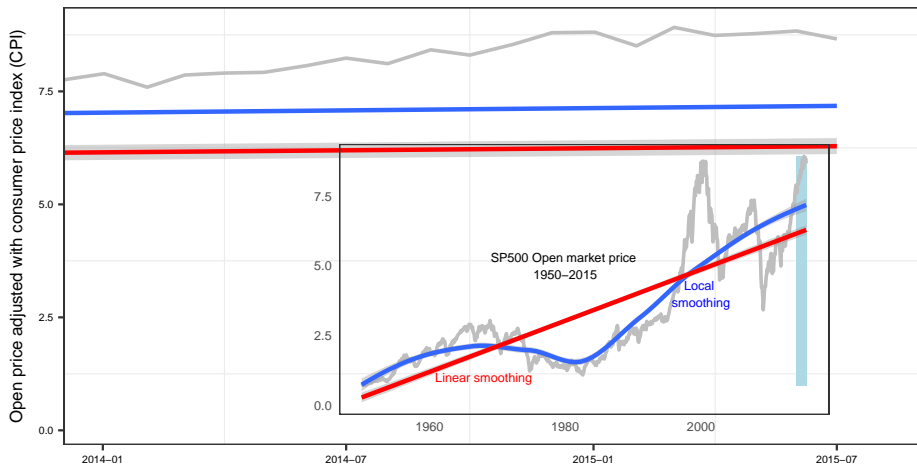


Figure 2: CPI adjusted open market price trend Jan 2014 - Jul 2015

Forecast graphs 1

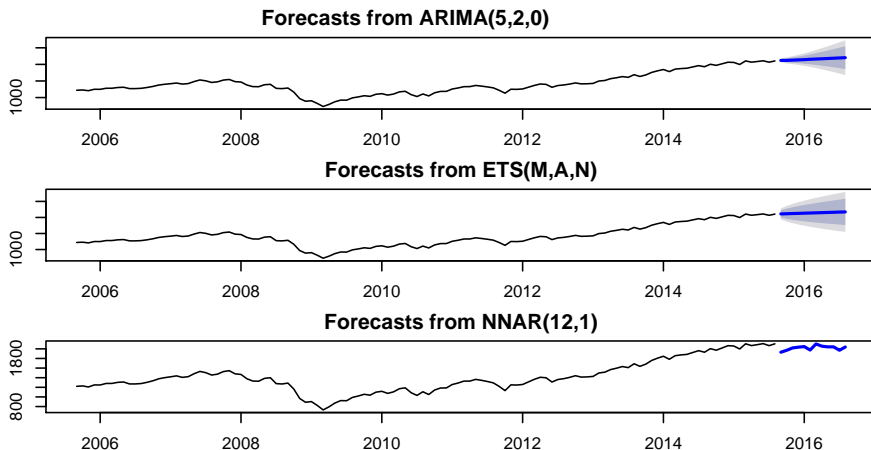
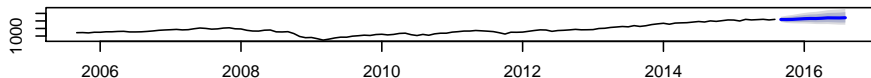


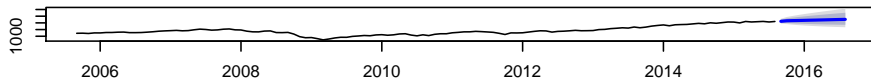
Figure 3:

Forecast graphs 2

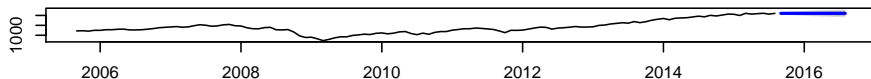
Forecasts from TBATS(0.002, {2,3}, 0.999, {<12,5>})



Forecasts from BATS(0, {0,0}, 1, -)



Forecasts from HoltWinters



Forecasts from Linear regression model

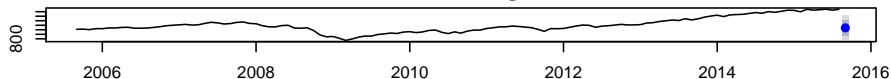


Figure 4: Forecasts

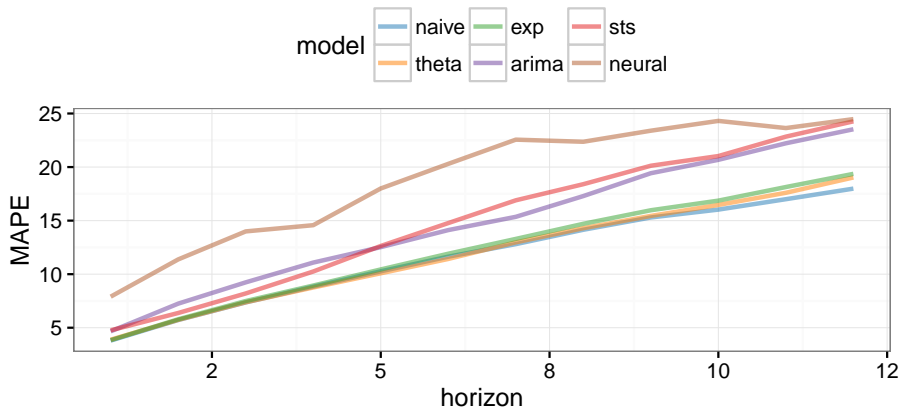
code below is from here

Forecast table

	Model	ME	RMSE	MAE	MPE	MAPE
naive	naive	25.2	202.5	154.2	0.5	11.7
theta	theta	22.3	211.4	153.8	1.0	11.9
exp	exp	11.3	222.1	161.1	-0.3	12.2
arima	arima	15.9	260.0	187.3	0.7	14.8
sts	sts	6.0	287.0	194.1	-0.4	15.1
neural	neural	48.4	331.6	246.7	2.1	18.9

Table 1: Measure each model's accuracy

Forecast graphs 3



PresidentialChart 1

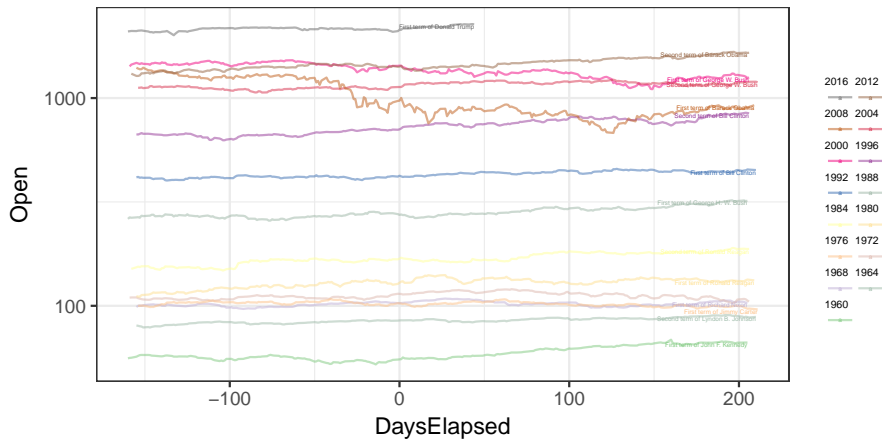


Figure 5: first plot

PresidentialChart 2

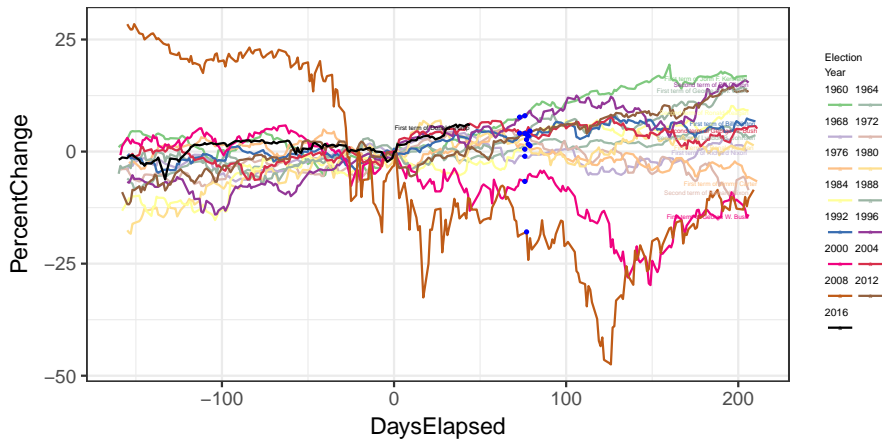
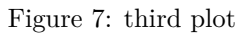


Figure 6: second plot



PresidentialChart 5

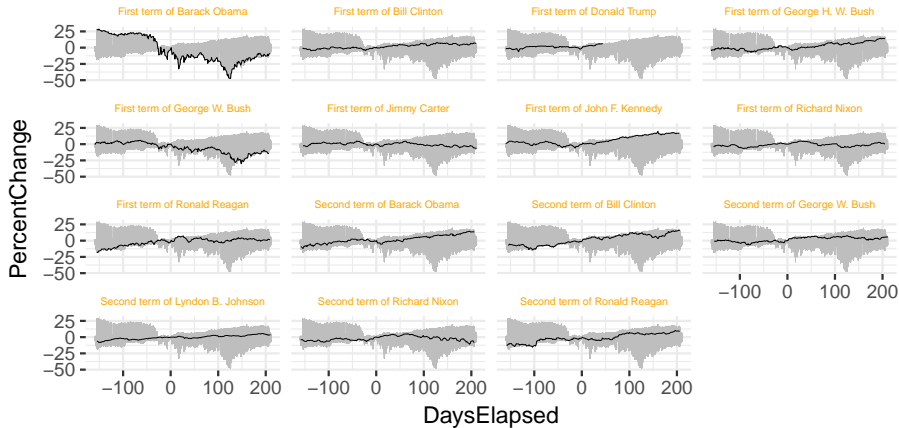


Figure 8: fifth plot

PresidentialChart 6

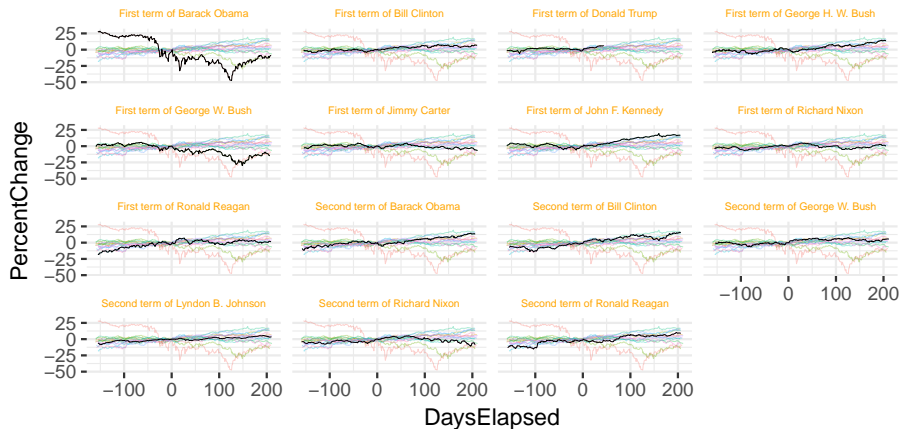


Figure 9: sixth plot

Last Page

Disclaimer:

The data available in this presentation, including data, tables, numbers, graphics, and text (hereinafter collectively referred to as the “Information”), is provided AS IS and for you to view, access, copy, distribute and otherwise use the Information at your own risk. Do your own due diligence.

The analysis was completed on Fri Dec 23 5:02:41 PM 2016 in 88 seconds.