Week 4: Quantifying Investment Network Accuracy

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# Quantifying Investment Network Accuracy

The number of retail customers actively day-trading is at an all-time high (Moore, 2020). Three distinct factors have caused this new trend. First, trading firms like Robinhood, Fidelity, and Ameritrade have embraced zero-fee commissions. Next, the Coronavirus pandemic is enabling young professionals more flexibility in their schedule. Finally, the significant rise in US equity values since March is promoting speculative buying.

While some of these participants are becoming exceedingly wealthy (Langlois, 2021)—those are the edge cases, not the norm. Many retail traders lack formal training and essentially gambling. These gamblers