FIN 4450: Foundations of FinTech
Sentiment Analyzer – Part 1

Please see the related Canvas Announcement and Assignment page for due date information

Description:

This is the first part of a two-part assignment. The S&P Dow Jones Industrial Average, the Dow, (https://www.spglobal.com/spdji/en/indices/equity/dow-jones-industrial-average/) is one of the barometers of the U.S. financial markets. Launched on May 26, 1896, the Dow is a price-weighted measure of 30 U.S. blue-chip companies. In this part of the Sentiment Analyzer project, you are going to create a portfolio of 5 stocks chosen from the 30 stocks that make the Dow and track its performance during the course of the semester.

In the next step, you would build a sentiment analyzer to pick 5 stocks and build a similar portfolio. We will cover the details of this step in one of the live lectures.

Deliverable:

Each team has to submit a writeup (*two pages maximum*) identifying the 5 stocks you chose, the industry/sector, and past performance (e.g., the 1-year return if you bought the stock on Jan 1st last year, Price-to-Earnings ratio, etc.). Further, you must mention (1) your reasoning behind choosing your 5 stocks (e.g., any model you used to make the choices, fundamental analysis, etc.) and (2) the annualized return that you expect to earn from holding this stock.

Grading: This part accounts for 40% of the total Assignment 1 score (i.e., 4 points toward the course grade)