* Objective – Predicting stock future percentage change (certain period of time)
* Brainstorming potential variables

1. Previous Market value changes
2. New changes (+ve or -ve)
3. Big or small sexy company
4. Company product/unique products
5. Income vs debt
6. Board of directors
7. Big volume of transactions
8. How many times company tried to declare bankruptcy?
9. Industry of the company
10. Even though the company has good value is it really in profits?
11. Net profit or loss

* Availability of data

|  |  |  |  |
| --- | --- | --- | --- |
| **S.No** | **Database** | **Table** | **Comments** |
| 1 | CRSP | Daily stock data | Daily prices |
| 2 | CRSP | Monthly stock data | Monthly prices, returns |
| 3 | Compustat | North America daily | Fundamentals of stocks (both quarterly & yearly) |
| 4 | Compustat | Historical segments daily | Segment wise revenue information |

* Data Action Plan

1. Going through data dictionary and understanding all the variables
2. Understanding level of data & primary key
3. Replacing reference keys with original column names
4. Deciding (potential) target variable
5. Selecting only important columns from the data
6. Creating derived variables

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| --- | --- | --- | --- |
| S.No | Table | Derived variable name | Comments |
| 1 | Monthly stock data | Prev. 1M return | Predictor variable |
| 2 | Monthly stock data | Prev. 2M return | Predictor variable |
| 3 | Monthly stock data | Prev. 3M return | Predictor variable |
| 4 | Monthly stock data | Prev. 6M return | Predictor variable |
| 5 | Monthly stock data | Future 1M return | Potential target variable |
| 6 | Monthly stock data | Future 2M return | Potential target variable |
| 7 | Monthly stock data | Future 3M return | Potential target variable |
| 8 | Monthly stock data | Future 6M return | Potential target variable |
| 9 | Daily stock data | Prev. 1D return | Predictor variable |
| 10 | Daily stock data | Prev. 5D return | Predictor variable |
| 11 | Daily stock data | Prev. 10D return | Predictor variable |
| 12 | Daily stock data | Prev. 15D return | Predictor variable |
| 13 | Daily stock data | Future 1D return | Potential target variable |
| 14 | Daily stock data | Future 5D return | Potential target variable |
| 15 | Daily stock data | Future 10D return | Potential target variable |
| 16 | Monthly stock data | Vol\_1M\_6M\_index | Predictor variable |
| 17 | Monthly stock data | Vol\_2M\_6M\_index | Predictor variable |
| 18 | Daily stock data | Vol\_1D\_5D\_index | Predictor variable |
| 19 | Daily stock data | Vol\_1D\_20D\_index | Predictor variable |
| 20 | Daily stock data | Vol\_1D\_6M\_index | Predictor variable |
| 21 | Daily stock data | Vol\_1W\_1M\_index | Predictor variable |
| 22 | Daily stock data | Vol\_1W\_6M\_index | Predictor variable |
| 23 | Monthly stock data | RET\_vwretd\_1M\_prev | Predictor variable |
| 24 | Monthly stock data | RET\_vwretd\_2M\_prev | Predictor variable |
| 25 | Monthly stock data | RET\_vwretd\_3M\_prev | Predictor variable |
| 26 | Monthly stock data | RET\_vwretd\_6M\_prev | Predictor variable |
| 27 | Monthly stock data | RET\_ewretd\_1M\_prev | Predictor variable |
| 28 | Monthly stock data | RET\_ewretd\_2M\_prev | Predictor variable |
| 29 | Monthly stock data | RET\_ewretd\_3M\_prev | Predictor variable |
| 30 | Monthly stock data | RET\_ewretd\_6M\_prev | Predictor variable |
| 31 | Monthly stock data | RET\_vwretd\_1M\_futr | Potential target variable |
| 32 | Monthly stock data | RET\_vwretd\_2M\_futr | Potential target variable |
| 33 | Monthly stock data | RET\_vwretd\_3M\_futr | Potential target variable |
| 34 | Monthly stock data | RET\_vwretd\_6M\_futr | Potential target variable |
| 35 | Monthly stock data | RET\_ewretd\_1M\_futr | Potential target variable |
| 36 | Monthly stock data | RET\_ewretd\_2M\_futr | Potential target variable |
| 37 | Monthly stock data | RET\_ewretd\_3M\_futr | Potential target variable |
| 38 | Monthly stock data | RET\_ewretd\_6M\_futr | Potential target variable |
| 39 | Daily stock data | RET\_vwretd\_1D\_prev | Predictor variable |
| 40 | Daily stock data | RET\_vwretd\_5D\_prev | Predictor variable |
| 41 | Daily stock data | RET\_vwretd\_10D\_prev | Predictor variable |
| 42 | Daily stock data | RET\_vwretd\_15D\_prev | Predictor variable |
| 43 | Daily stock data | RET\_ewretd\_1D\_prev | Predictor variable |
| 44 | Daily stock data | RET\_ewretd\_5D\_prev | Predictor variable |
| 45 | Daily stock data | RET\_ewretd\_10D\_prev | Predictor variable |
| 46 | Daily stock data | RET\_ewretd\_15D\_prev | Predictor variable |
| 47 | Daily stock data | RET\_vwretd\_1D\_futr | Potential target variable |
| 48 | Daily stock data | RET\_vwretd\_5D\_futr | Potential target variable |
| 49 | Daily stock data | RET\_vwretd\_10D\_futr | Potential target variable |
| 50 | Daily stock data | RET\_ewretd\_1D\_futr | Potential target variable |
| 51 | Daily stock data | RET\_ewretd\_5D\_futr | Potential target variable |
| 52 | Daily stock data | RET\_ewretd\_10D\_futr | Potential target variable |
| 53 | Quarterly comp data | percentage\_current\_asset | Predictor variable |
| 54 | Quarterly comp data | percentage\_equity | Predictor variable |
| 55 | Quarterly comp data | percentage\_cash\_st | Predictor variable |
| 56 | Quarterly comp data | percentage\_LT\_debt | Predictor variable |
| 57 | Quarterly comp data | percentage\_current\_asset\_intan | Predictor variable |
| 58 | Quarterly comp data | percentage\_equity\_intan | Predictor variable |
| 59 | Quarterly comp data | percentage\_cash\_st\_intan | Predictor variable |
| 60 | Quarterly comp data | percentage\_LT\_debt\_intan | Predictor variable |
| 61 | Quarterly comp data | revenue\_5Y\_CAGR | Predictor variable |
| 62 | Quarterly comp data | revenue\_3Y\_CAGR | Predictor variable |
| 63 | Quarterly comp data | revenue\_1Y\_CAGR | Predictor variable |