

Final Review Influential Investment Prediction

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The authors of the project believe that investment strategies of big companies can signify overlying trends in stock prices. They have chosen to explore this through the investments of Goldman Sachs by predicting the stock prices of companies whose stocks GS invested in.

I find the subject this project explores very interesting, and I particularly like how well explained everything is. This includes why data has been cleaned the way it has been, why certain features have been transformed a certain way etc. The report seems to be very well organised and I like how a variety of models were chosen by checking a few different models of the same kind before moving on to a new one. This ensures that a class of models isn't rejected just because one individual model created happened to be a bad one.

Here are some additional suggestions: 1) While it may be hard to make predictions using the put/call options, they might still be something you want to explore as companies investing in them can also hint towards how the company thinks the stock price will turn out. For instance, whether they think the stock prices will go up or down. 2) Also, instead of using net transactions for each issuer, it might be beneficial to look at each individual entry as it's possible that each entry signifies a different expectation of stock performance. For instance, a highly positive initial investment might signify a positive trend, whereas if a later negative transaction may signify a now very negative trend. Whereas, for the same two transactions, a net positive investment will likely indicate a small but positive trend in the companies stock prices. 3) I am unsure why some models like linear regression and PCA have been made with respect to percent change in investment amount, because that assumes that there should be a constant stream of investemnt into a company unless they the stock price is expected to drop. I don't think that is how investing in stocks works, as evidenced by your checking the rest of your models against the normalized investment amount.

Beyond these suggestions, the report looks very well organised and very visual, which made it a pleasure to read.