

I have been increasing my domain knowledge this last month in investing and there are some pretty major lagging indicators that I have come across. I plan to implement them in signals at some point in the future, but it will require more research before I decide on how to do so.

Lawsuits against companies that have lied to investors have a majorly negative impact against a stock price. In fact with my investopedia portfolio, I check any of the stocks who have lost the most on yahoo finance (manually) to see if they have any such lawsuits in their recent history. Likewise, companies filing for patents or pharmaceutical companies who have their drugs accepted by the FDA benefit in a very positive way. Any of the stocks with major gains or losses for the day shown on the two websites I mentioned can find the “crooks” or the “gems” that way as well. Unfortunately, they are lagging indicators.

However, maybe at some point we will be able to train our models to predict those sort of things. I am thinking of this story, “How Target Figured Out A Teen Girl Was Pregnant Before Her Father Did” by Kashmir Hill.