I think machine learning in the stock market is a great concept for anyone to think about and ponder because I have been there. I think that when considering some of the machine learning algorithms that are currently out there, there are some great options. I don’t discourage people from attempting to implement some of these machine learning algorithms into the stock market. With that comes a great caveat and some problems. Machine learning algorithms need to see a ‘shape’ based off some kind of input. Since the introduction of hyper frequency Trading has disrupted most of the models, because instead of predicting, they are trading with millisecond latency which influences the intraday pricing. Most high frequency trading algorithms rely very heavily on latency, and order flow features, where they mostly execute based off order flow, order size. With machine learning and algorithms in the stock market, it will continue to be a very tough issue, and even harder to make the next top algorithm.  I would consider that trusting the machine learning model is going to be the hard part. I think this would also raise the question of interpretability, since there you would have to understand every single kind of action the model is taking, and how it will play out in five minutes.

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