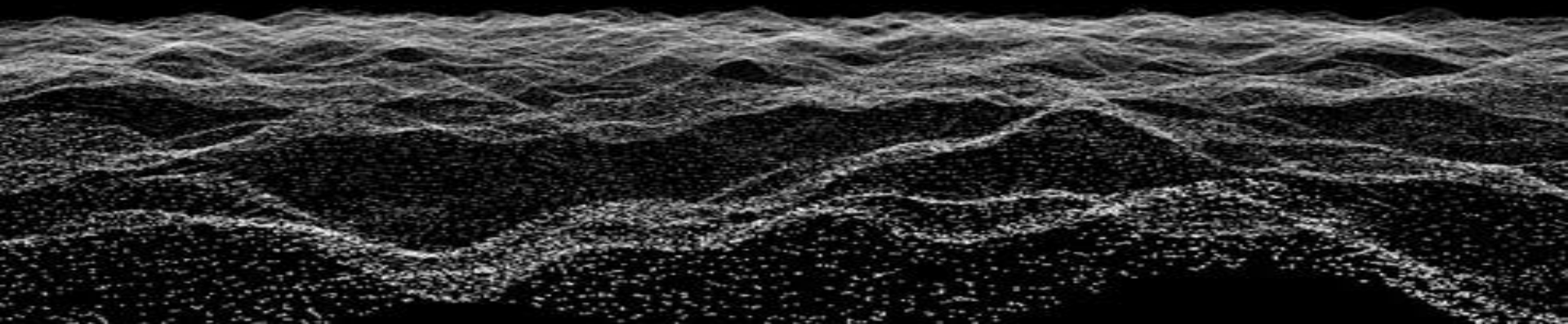


Comparing Predicted Stock Price Trends:

High-Volume vs. Low-Volume
Regression Analysis



H_0 : High-volume stocks are more manageably predictable than low-volume stocks

H_1 : Low-volume stocks are comparably predictable

•• : A machine-learning regression model limits low-volume trading risk

Setup Using Pandas DataReader

A Choose 15 high-volume stocks (e.g.,
APPL, GOOG, MSFT)

B Choose 15 low-volume stocks (stocks to-
be-determined)

A₁ Create moving-average trading strategy
portfolio, via y-hat system

B₁ Create moving-average trading strategy
portfolio, via y-hat system

C Compare relative predicted moving averages between high- and low-volume trading to
determine comparable risk for trading portfolio

