Thank you all for your time, and welcome to my presentation: ”Timing the market with Congress”

For my presentation, I chose to analyze a collection of financial disclosure reports from Congress representatives over the past X years.

What are these reports that they need to file?

Periodic Transaction Reports (PTRs) are a type of disclosure required by the STOCK Act of 2012. The STOCK Act requires certain government officials and employees, including members of Congress and their staff, to publicly disclose their financial transactions within 45 days of the transaction. These reports are then made publicly available through the Clerk's website.

The purpose of PTRs is to increase transparency and reduce the potential for conflicts of interest in government. By requiring timely disclosure of financial transactions, the public can see if an elected official or government employee has made trades that could be influenced by their position or access to non-public information.

<https://disclosures-clerk.house.gov/PublicDisclosure/FinancialDisclosure>

Just like many government programs, they make it publicly available, but not easy to access.

The clerk’s office doesn’t offer the information aggregated in a csv, or have an api. Instead, they publish individual .pdfs of each and every submission

Despite the challenges, there are a few online communities that have taken these forms and created a database of the information to for easier public review. For my project, I depended on the website <https://housestockwatcher.com/api> for their api which is maintained by Timothy Carambat

They have a community of people who review the .pdf’s daily and manually transcribe the data into this database.

Over the past few 3-4 years, there has been increased dialogue around insider trading in congress. I have been loosely following the news on this, but it started to interest me once I realized that investors were actually using these reports to weigh there decisions in what stocks to buy and sell.

Influencers online started touting these documents as cheat sheets for some quick money. Twitter accounts like Pelosi tracker started popping up (which currently has 250k follower) sending out alerts when Pelosi would file one of these reports.

This type of news gained so much traction that two ETF’s just started trading on the market the other day on February 8th 2023

The ETFs NANC and KRUZ are a joint effort between investment firm, Subversive Capital, and equity data platform, Unusual Whales. The ETFs buy and sell securities based on an analysis of the disclosures mentioned above by Unusual Whales and are separated into Democratic (NANC) and republican (KRUZ). Both funds are actively managed and carry a hefty annual fee of 0.75%

There are A LOT of these transactions on file; roughly 22k so far.

And it’s hard to trust social media influencers sometimes. Which representatives could **I** copy for their trading “strategies”. Which party performs better? democrats or republicans? Which ETF Should I buy NANC or KRUZ?

So I will explore the dataset myself and by the end of the research, I’ll have a conclusion of the following: