

# **PROJECT DESCRIPTION**

Topic- **Stock Market Prediction**

Concept using- RNN (Recurrent Neural Network)

Participants- 2

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Description-

In our project, we will use RNN (Recurrent Neural Network). We will use neural networks to predict the stock market, in particular the price of a stock (or index). Finance is highly nonlinear and sometimes stock price data can even seem completely random. Methods such as Linear Regression models are effective only when the series is stationary, which is a restricting assumption that requires the series to be pre-processed by taking log returns (or other transforms). However, the main issue arises in implementing these models in a live trading system, as there is no guarantee of stationarity as new data is added.

This is combated by using neural networks, which do not require any stationarity to be used. Furthermore, neural networks by nature are effective in finding the relationships between data and using it to predict (or classify) new data.