

Automating Market Analysis To Maximize Profits and Minimize Risk

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Investing has always been plagued by risk. As time has gone on, various strategies have been created to help brokerage firms and traders reduce their exposure while helping maximize profit. Actuaries are used in conjunction with seasoned traders in the financial sectors to help develop balanced investment approaches for the gain of large firms and banks. There has never been a strategy that is perfect at this as is evident by prior financial collapses such as the one in 2008. For this project, we investigated and combined numerous metrics to identify current and emerging trends of individual stocks to create anticipatory buy and sell signals. If a system such as this were developed and offered to the mass markets, perhaps the automated signals with the supporting information could be of benefit to the end user to avoid manic sell-offs. By using our algorithms, we have seen potential gains using a diversified strategy, which would far exceed the traditional buy and hold approach of past investors. Future work will seek to refine the logic, which generates “Buy” and “Sell” signals to the end user so that they may realize higher profits through all market conditions.