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Investment Value Forecast

P Madhu Babu¹, Tadepalli Sai Teja², Sunke Jaswanth Kumar³, Shaik Bashi⁴, Yarakala Abishek Sai⁵

Assistant Professor, Department of Information Technology, KKR & KSR Institute of Technology and Sciences,
Guntur, Andhra Pradesh, India.¹

B. Tech, Department of Information Technology, KKR & KSR Institute of Technology and Sciences, Guntur,
Andhra Pradesh, India.²⁻⁵

ABSTRACT: In the volatile landscape of stock markets, predicting price movements becomes a challenging yet crucial task. This project delves into the realm of stock price prediction, leveraging time series forecasting models with a primary focus on the Prophet algorithm. Recognizing the dynamic nature of financial markets, we employ the yfinance module in Python to seamlessly fetch and incorporate real-time data, ensuring our model is continually updated. The integration of Prophet, a powerful tool designed for time series analysis, allows us to capture intricate patterns, seasonality, and trends inherent in stock price movements. However, acknowledging the multifaceted nature of stock behavior, we extend our approach by intertwining our prediction model with news articles. This strategic fusion aims to harness the impact of breaking news and significant events on stock dynamics. Our methodology not only considers historical stock data but also acknowledges the influence of external factors, such as market sentiment and breaking news, on stock prices. By embracing a holistic approach, we aim to enhance the accuracy and responsiveness of our stock price prediction model, offering a comprehensive tool for investors navigating the ever-changing landscape of financial markets.

KEYWORDS: Stock Price Prediction, Time Series Forecasting, Prophet Algorithm, yfinance Module, Real-time Data, Dynamic Behaviour, News Articles Integration, News Impact, Responsive Prediction, Investor Guidance.

I. INTRODUCTION

In the dynamic realm of stock markets, predicting where prices might head is both challenging and crucial. This project revolves around the endeavour to forecast stock prices using a method called time series forecasting. At the heart of our approach lies the Prophet algorithm, a powerful tool that aids in scrutinizing how stock prices evolve over time. It enables us to discern intricate patterns, identify trends occurring at specific intervals, and ascertain the instances when stock prices surge.

To keep our model relevant and up-to-date, we leverage Yfinance, a Python tool that furnishes real-time stock data. By integrating this tool, we ensure that our predictions are grounded in the most current market information. However, recognizing that stock prices are influenced by myriad factors, we complement our data analysis with insights from news articles. These articles serve as valuable indicators, offering cues about potential events that could sway stock prices.

Our approach isn't confined to merely analyzing historical stock data. We also take into account market sentiment and the impact of news events on investor behaviour. By amalgamating these diverse sources of information, we strive to enhance the accuracy and timeliness of our stock price predictions. Our ultimate aim is to furnish investors with a reliable tool to navigate the uncertainty inherent in stock markets.

In essence, our objective is straightforward: to anticipate the trajectory of stock prices in the future. Through the specialized technique of time series forecasting, we endeavour to unravel the mysteries of stock market dynamics. The Prophet algorithm, with its adeptness at uncovering patterns and fluctuations in stock prices, serves as our primary ally in this endeavour. Yet, we acknowledge the multifaceted nature of market dynamics, hence our incorporation of news analysis to discern potential catalysts for price movements.

In summary, our methodology is two-pronged: harnessing data-driven insights from the Prophet algorithm while supplementing our analysis with qualitative inputs from news articles. By synthesizing these disparate strands of information, we aspire to furnish investors with a clearer picture of what lies ahead in the realm of stock prices. Through this holistic approach, we aim to equip investors with a valuable tool to navigate the complex landscape of the stock market.

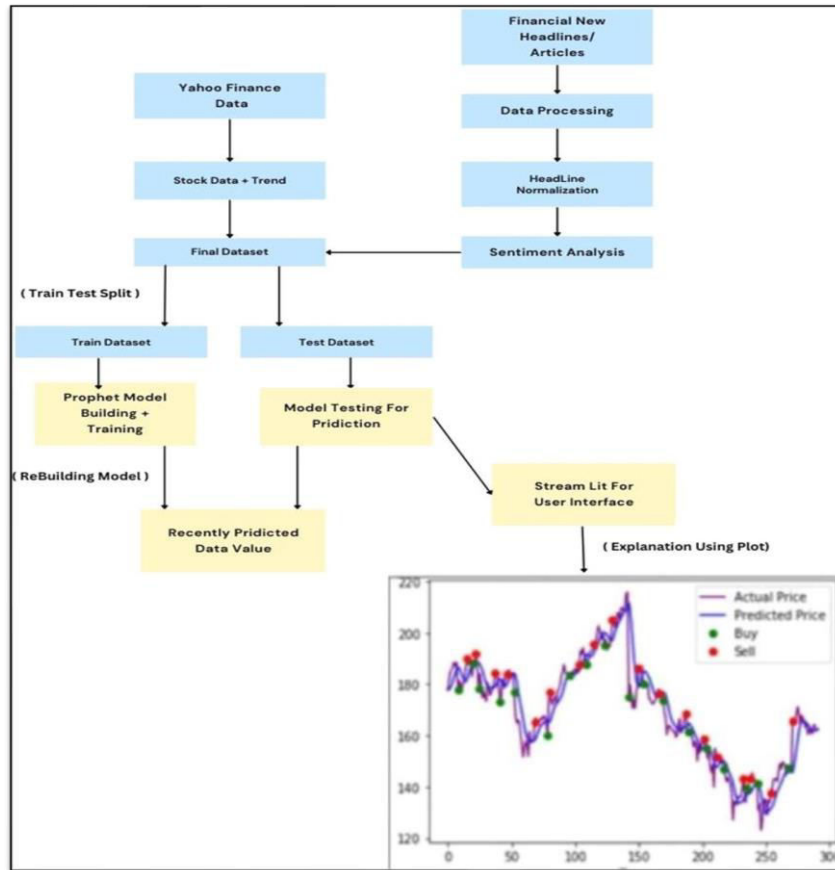


Fig-1: System Architecture

II. LITERATURE SURVEY

This research tackles the challenge of stock market prediction by integrating traditional methods with sentiment analysis from microblogs. It proposes a system that merges historical stock data with public sentiment, particularly from social networks like microblogs. Using sentiment analysis, the study aims to improve stock price trend predictions. It underscores the impact of national policy, economic conditions, and unforeseen events on stock prices. Highlighting social media's influence on investor behavior, the research demonstrates that combining sentiment analysis with existing methods leads to higher prediction accuracy compared to single-source systems.[1]

This study delves into the complex dynamics of the stock market, focusing on using machine learning techniques to predict stock prices. Its aim is to aid investors in making well-informed decisions by forecasting stock prices based on historical data. The research utilizes two main methods: regression and classification. These methods are employed to predict both the closing price and to determine whether the closing price will increase or decrease the following day.[6]

This study emphasizes the crucial role of precise stock price predictions for both investors and companies. They utilize advanced machine learning methods such as regression and classification to achieve this goal. Their study emphasizes the potential of machine learning in understanding and navigating the complexities of financial markets. They reference multiple studies that explore regression models and deep learning algorithms, underlining the breadth of techniques available for enhancing stock price predictions.[8]

This paper focused on improving stock price prediction accuracy by integrating a vast dataset of time series data and financial news articles using deep learning models. The study utilizes cloud computing to manage the extensive dataset, which includes daily stock prices for S&P500 companies over a five-year period and over 265,000 financial news articles. By employing deep learning models, the research aims to offer investors an automated system that analyzes

real-time financial news alongside historical data to predict stock prices more effectively, the study underscores the utilization of cloud resources for real-time model training and inference.[10]

The authors propose a stock market prediction method based on interrelated timeseries data. While existing prediction models often focus on individual stock data, this method aims to discover and utilize interrelationships between the predicted stock and various time series data, such as other stocks, world stock market indices, foreign exchanges, and oil prices. The proposed approach involves two phases: an interrelation discovery phase and a prediction phase. The interrelation discovery phase focuses on extracting interrelationships of changes in stock prices from real data, and the prediction phase utilizes these discovered interrelationships to predict the daily up and down changes in the closing value of stocks. The experimental results demonstrate the effectiveness of the method, particularly in the manufacturing industry, showcasing its potential for accurate stock market predictions.[11]

III. PROBLEM IDENTIFICATION

Existing Model:

Traditional stock price prediction models predominantly rely on historical datasets, limiting their effectiveness in capturing the dynamic nature of financial markets. These models, often centered around historical price and volume data, struggle to adapt to evolving market conditions and fail to provide accurate forecasts beyond short-term horizons. The inherent constraints of these models result in suboptimal predictions, hindering investors from making well-informed decisions in a rapidly changing landscape. Moreover, their focus on historical patterns disregards the impact of real-time events, news, and broader economic indicators on stock prices, contributing to a significant accuracy gap.

Problem Statement:

The dynamic and multifaceted nature of the stock market poses a formidable challenge to existing stock price prediction models. Geopolitical events, investor sentiment, and macroeconomic factors play pivotal roles in shaping stock prices, yet traditional models predominantly rely on historical data, overlooking these crucial influencers. This limitation becomes increasingly evident in the face of sudden market shifts and unprecedented events. Consequently, investors are left with inadequate tools for decision-making, lacking comprehensive insights into the intricate interplay of factors affecting stock prices. This project aims to address this disparity by proposing an advanced stock price prediction model that incorporates real-time data and considers external factors, offering a more holistic and accurate perspective to empower investors in navigating the complexities of the financial markets.

IV. PROPOSED MODEL

Methodology:

To overcome the limitations of existing systems, we propose a new and innovative stock market forecasting model. Our approach integrates time series forecasting, news sentiment analysis, and real-time stock market data to address the shortcomings of traditional methods. By leveraging these components, our model offers a comprehensive and dynamic approach to forecasting stock prices. Unlike conventional systems that rely solely on historical data, our model incorporates real-time information and market sentiment, providing a more accurate and up-to-date assessment of market trends. Additionally, our model's adaptability enables it to adjust to changing market conditions and unforeseen events, ensuring robust and reliable predictions. With this new system, investors can make more informed decisions, capitalize on emerging opportunities, and navigate the complexities of financial markets with greater confidence. Overall, our proposed system represents a significant advancement in stock market forecasting, offering enhanced accuracy, timeliness, and adaptability to meet the evolving needs of investors.

Proposed system:

To make our stock market forecasting better, we've come up with a new way of doing things. Our model uses three important things: time series forecasting, news sentiment analysis, and real-time stock market data. By putting all these together, we've found a way to fix the problems that old methods had. Instead of just looking at past prices, our model also considers how people feel about the market and what's happening in real-time. This helps us make better predictions about where stock prices might go in the future. With our new approach, we're able to give investors more accurate and timely information, so they can make smarter decisions about their investments.

1. Yfinance Data:

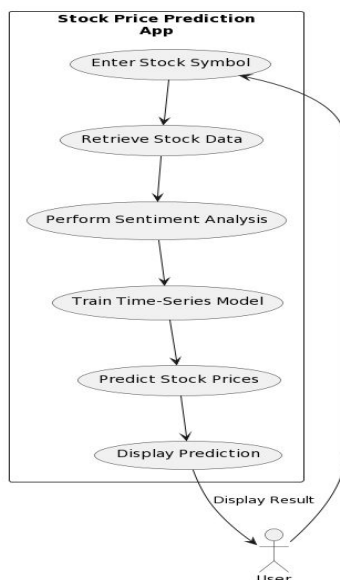


Fig 2: USE CASE

The proposed system utilizes Yfinance to fetch real-time stock data, enabling users to access up-to-date information on stock prices, trading volumes, and other relevant metrics. By leveraging Yfinance's capabilities, the system ensures that users have access to accurate and timely data for analysis and forecasting purposes.

2. News Articles:

In addition to stock data, the system retrieves news articles related to the specified stock symbol using external APIs or web scraping techniques. These articles provide valuable insights into market sentiment, company news, and external factors influencing stock prices, enhancing the depth and breadth of analysis.

3. Data Preprocessing :

Before analysis, the retrieved data undergoes preprocessing to ensure consistency, accuracy, and compatibility with the forecasting model. This involves tasks such as cleaning, filtering, and formatting the data to remove noise, handle missing values, and prepare it for further analysis and modeling.

4. Sentiment Analysis :

Leveraging the NLTK library or other natural language processing tools, the system performs sentiment analysis on normalized news articles to gauge the sentiment or emotional tone conveyed in the text. By analyzing the positivity or negativity of news sentiment, the system provides insights into market sentiment trends and helps users make informed decisions based on sentiment analysis results.

5. Training:

In the training phase, our system utilizes historical stock price data and corresponding news sentiment to train the forecasting model. This involves feeding the data into the Prophet algorithm, which learns patterns, trends, and relationships within the data to make accurate predictions. By iteratively adjusting model parameters and optimizing performance metrics, such as mean squared error, the model becomes more adept at capturing complex market dynamics and producing reliable forecasts.

6. Testing:

Following training, our system evaluates the performance of the trained forecasting model using a separate testing dataset. This allows us to assess the model's predictive accuracy on unseen data, providing valuable insights into its generalization capabilities and potential areas for improvement. By comparing the model's predictions against



actual stock prices, we can validate its effectiveness in capturing market trends and making reliable forecasts.

7. Prophet Model Building:

Our system leverages the Prophet algorithm to build the forecasting model, a robust tool specifically designed for time series analysis. The Prophet algorithm utilizes a Bayesian approach to modeling, enabling it to capture seasonal patterns, holiday effects, and other non-linearities in the data. By incorporating domain knowledge and user-defined inputs, such as holidays and special events, the Prophet model can generate accurate and interpretable forecasts of future stock prices.

8. Forecasting:

With the trained Prophet model in place, our system generates forecasts of future stock prices based on the input data and model parameters. These forecasts provide valuable insights into potential market trends, allowing investors to make informed decisions about buying, selling, or holding assets. By considering both historical stock price data and real-time news sentiment, our system offers a comprehensive view of market dynamics, empowering users to navigate the complexities of financial markets with confidence.

V. RESULT

From the Yfinance module we can retrieve the live stock market data anytime.

The Fig-3 Describes the information of the user entered company which is taken from the Yfinance module.

The fig-4 describes the raw data of the company which have attributes such as open, high, low, close

Enter stock symbol (e.g., AAPL):

AAPL

Stock Details

Full Name: Apple Inc.
 Country of Origin: United States
 Currency: USD
 Registered at: NMS
 Average News Sentiment: 0.03267999999999999

Loading data... done!

	Date	Open	High	Low	Close	Adj Close	Volume
2,320	2024-03-22 00:00:00	171.76	173.05	170.06	172.28	172.28	71,106,600
2,319	2024-03-21 00:00:00	177.05	177.49	170.84	171.37	171.37	106,181,300
2,318	2024-03-20 00:00:00	175.72	178.67	175.09	178.67	178.67	53,423,100
2,317	2024-03-19 00:00:00	174.34	176.61	173.03	176.08	176.08	55,215,200
2,316	2024-03-18 00:00:00	175.57	177.71	173.52	173.72	173.72	75,604,200
2,315	2024-03-15 00:00:00	171.17	172.62	170.29	172.62	172.62	121,664,700
2,314	2024-03-14 00:00:00	172.91	174.31	172.05	173	173	72,913,500
2,313	2024-03-13 00:00:00	172.77	173.19	170.76	171.13	171.13	52,488,700
2,312	2024-03-12 00:00:00	173.15	174.03	171.01	173.23	173.23	59,825,400
2,311	2024-03-11 00:00:00	172.94	174.38	172.05	172.75	172.75	60,139,500

Fig-3: Data retrieval of any company listed in the stock market

Fig-4: Raw Data

The fig-5 describes Forecasting stock price using the Prophet algorithm and the data of the company chosen year wise.

Forecast data

	ds	trend	yhat_lower	yhat_upper	trend_lower	trend_upper	additive_terms
2,681	2025-03-18 00:00:00	210.8855	185.0007	232.317	189.8551	233.2832	-3.0169
2,682	2025-03-19 00:00:00	210.9494	186.0745	233.4746	189.8125	233.4725	-2.7809
2,683	2025-03-20 00:00:00	211.0134	185.9971	233.6411	189.7699	233.6413	-2.6336
2,684	2025-03-21 00:00:00	211.0773	186.0445	233.2659	189.7279	233.7541	-2.484
2,685	2025-03-22 00:00:00	211.1412	183.4547	230.546	189.7117	233.8669	-5.3708

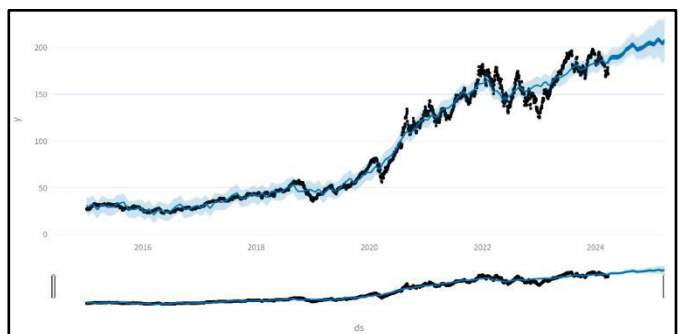


Fig-5: Forecasting the stock price

VI. CONCLUSION

The "Investment Value Forecast" project offers a comprehensive approach to predicting stock prices, integrating tools like the Prophet algorithm and Yfinance for accurate forecasts. Leveraging time series forecasting and real-time stock data, it provides insights into market trends. The model's strength lies in Prophet's ability to analyze time series data, coupled with news sentiment analysis for gauging market sentiment. By considering both quantitative and qualitative factors, including external events, it aims to equip investors with timely and reliable predictions, facilitating informed decision-making in the volatile financial landscape.

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