Automated News Analysis

by

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ABSTRACT

When news data becomes available, development of automated news trading system is of great interest of many financial institutions. Since the stock market moves are dependent on the news releases that dependency can be analyzed. In this thesis we analyze news from Reuters and their influence on the moves of S&P 500 market index. We first investigate the data and develop preliminary preprocessing needed for the actual analysis, and then move to building the indicators for predicting short term intraday volatility. Performance of the indicators is considered in terms of the index price moves, and is used for the future development volatility prediction tools.