Abstract

In previous works ([8], [12]), it has already been showed that Twitter and social media in general give an interesting additional predictive power to the models that take them into account. However, the contribution of social media is relatively small on a daily basis, because of the speed and the increasing efficiency of the stock markets. It has been decided then to deal with intraday prices to test whether micro-blogging data may actually be used to implement high-frequency forecasting models. It has been constructed an indicator to earn some insights on the Nasdaq-100’s future movements. Once again, the results are very encouraging: the use of social media data increases the predictive power for general stock market index such as the Nasdaq, and becomes thus an essential building block for any pricing model.

References


Index Terms

Computer Science Information Sciences

Keywords

micro-blogging, sentiment analysis, forecasting, Twitter, index.