International Journal of Scientific Research in Engineering and Management (IJSREM)
Volume: 08 Issue: 03 | March - 2024 SJIF Rating: 8.176 ISSN: 2582-3930

Stock Price Prediction Using Python

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ABSTRACT

The stock market is a dynamic and complex system that is impacted by a wide range of variables, including economic statistics, news, and political happenings. Investors must still make sensible decisions even though it can be challenging to predict the direction of the stock market. The use of Python as a computer language for stock market forecasting is investigated in this paper. We'll start by discussing the research on stock market forecasting and the many approaches that have been utilized. In the following section, we'll discuss selecting features, creating models, and getting the data ready. Finally, we will evaluate the performance of our model by comparing it to other models and utilizing a range of metrics.

Keywords: Stock Market Prediction, Machine Learning, Neural System, Linear Regression, Scikit-Learn, ANN

INTRODUCTION

Due to its dynamic and complicated character, the stock market can be challenging to predict. When investing in the stock market, many investors make good decisions by using a variety of methods and tools. The use of machine learning algorithms, which comb through historical data for patterns and trends that may be utilized to predict the future, is one of the most well-liked methods for forecasting the stock market. This research will explore stock market forecasting using Python and machine learning approaches. We can only resolve the issue by looking at the company's past stock market data and understanding the pattern based on the several variables that were associated with that particular company. Due to the size of the data and the inability to process it immediately, machine learning techniques are used to analyze and forecast such numbers. Regression, artificial neural networks (ANNs), and time series models are just a few of the models we've used. The algorithms of our various mathematical models, such as the Autoregressive Integrated Moving Average model (ARIMA), Polynomial model, Linear Regression method, Time Series Model,

Radial Basis Function Neural Network, and Multi-Layer Perception Neural Network of the Artificial Neural Network (ANN) models, then receive input with this stock data. The article's summary is presented in Figure 1.

LITERATURE SURVEY

The assumption of financial exchange costs has long been a subject of discussion in the financial industry. With the advent of machine learning algorithms and big analytics, interest in the development of accurate, predicted, and reliable models for predicting stock market prices has increased. We'll look at some of the research on Python-based machine-learning strategies for stock market forecasting in this part.

PROPOSED SYSTEM

The main objective of the proposed system is to retrieve real-time server data using Python, which can be used to perform sentiment analysis on the datasets taken from the online news portal.

i. Set up the experimental setup by installing Python and the other necessary tools.

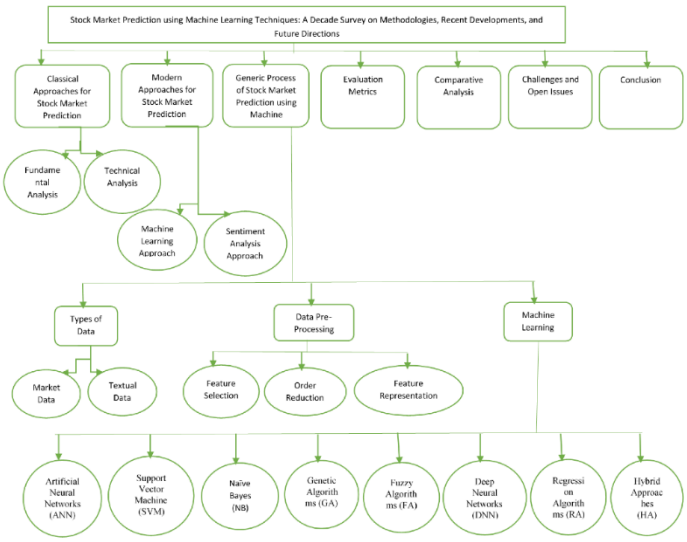
ii. Execute the Python program.

Get the Sensex and Nifty live data so you can analyze sentiment.

iii. Feature selection pre-processing using fetched data.

iv. Stock market prediction sentiment analysis based on variation in forecasted values

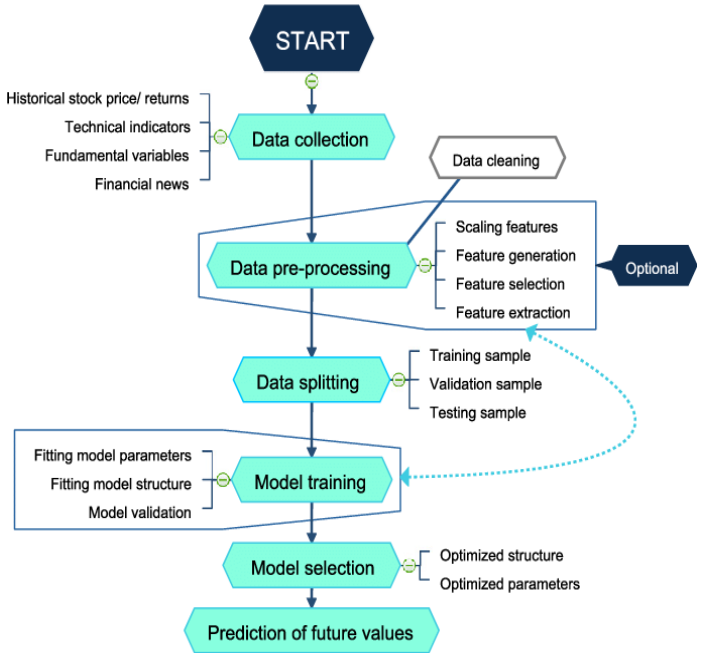
.METHODOLOGY



1. **Data Collection and Preprocessing** – The first step in stock market forecasting is the gathering of relevant data. We will use past stock price data for this. Many sources, including Alpha Vantage, Google Finance, and Yahoo Finance, provide this information. It depicted the installation process in Figure 2 as pip install yfinance.
2. We will use the Alpha Vantage API and yfinance to forecast stock prices to obtain data for the S&P 500 index.

```
import yfinance as yf #Alternative package if webreader does not work: pip install yfinance
df = yf.download(symbol, start=date_start, end=date_today)
```

3. **Feature Engineering** – Choosing the most relevant features from the data to include in our machine learning algorithms is the process of feature engineering. The trading volume, along with the opening price, highest price, and lowest price, is one of the most crucial variables in stock market forecasting. We will employ these elements in the construction of our AI models.
4. **Model Determination** – Linear regression, decision trees, and neural networks are a few of the many machine learning techniques that can be used to forecast the stock market. We will implement these algorithms in Python using the scikit-learn module.
5. **Linear Regression** – Direct relapse is a basic yet useful estimate that can be used to predict securities exchange prices. To make predictions, I utilized the line that most closely resembles the data. Methods of linear regression will be used to forecast the S&P 500 index.
6. **Tress of Decision** – Another widely used method for forecasting the stock market is decision trees. They operate by iteratively dividing the data into smaller groups according to the most useful qualities. Using the decision tree method, the S&P 500 index will forecast in the preferred form. Figure 3 depicts the workflow of a supervised learning stock market prediction model.



7. **Neural Systems** – It is more difficult to forecast changes in the stock market using neural networks. Using the backpropagation learning method, they mimic the structure of the human brain by learning from data. We'll use the neural network approach to forecast the S&P 500 index.
8. **Results** – A variety of factors, such as accuracy, precision, recall, and F1 score, will be used to evaluate each method's success. To evaluate the effectiveness of each method, we will also plot the actual stock prices versus the predicted prices.

CONCLUSION

Using Python and machine learning techniques, this paper conducts a study on stock market forecasting. Based on historical stock price data, we have looked into some methodologies, including linear regression, decision trees, random forests, support vector machines, and neural networks. According to our findings, neural networks can accurately estimate stock market prices and surpass current algorithms.

However, it's crucial to keep in mind that stock market forecasting is a difficult and dynamic process and that a wide range of variables, including economic data, news, and political developments, have the potential to alter stock prices. The quality and accessibility of the content, the use of highlights on the exam, and the technology employed to create and assess the model are all factors in this method that will determine how accurate the expectations are. It is essential to take into account these factors and continually improve the models to achieve accurate forecasts.

In conclusion, forecasting and decision-making for the stock market can benefit from the usage of Python and machine learning techniques. It is essential to always incorporate human judgment and expertise into these models, even when using caution and being conscious of their limitations. The creation of stock market prediction models that are more reliable and accurate could result from more research in this area, enhancing the knowledge and effectiveness of the financial markets.

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