

# Stock Market Analysis

## Abstract:

Our aim is to create software that analyzes previous stock data of certain companies, with help of certain parameters that affect stock value. We are going to implement these values in data mining algorithms and we will be able to decide which algorithm gives the best result. This will also help us to determine the values that particular stock will have in near future. We will determine the patterns in data with help of data mining algorithms. The software will be developed and will be cross checked and verified using “DB MINER” which is standard data mining tool. An extension to the project that sends an SMS to the user that is triggered on certain events can be added as an optional feature.

## Existing System:

The stock market is driven solely by supply and demand. The number of shares of stock available for sale dictates the supply and the number of shares that investors want to buy dictates the demand. It is important to understand that for every share that is purchased, there is someone on the other end selling that share (or vice versa). If people's views of the stock market or individual stocks change (which can be driven by economic fundamentals, consumer confidence, fear of terrorism, or company earnings), the demand for stock changes. This also causes the prices to change.

## Disadvantages:

- Requires an active internet connection.
- May generate inaccurate results if data inputted incorrectly.

## Proposed System:

Stock Market Analysis of stocks using data mining will be useful for new investors to invest in stock market based on the various factors considered by the software. Stock market includes daily activities like Sensex calculation, exchange of shares. The exchange provides an

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efficient and transparent market for trading in equity, debt instruments and derivatives. We are going to implement these values in data mining algorithms and we will be able to decide which algorithm gives the best result. This will also help us to determine the values that particular stock will have in near future. We will determine the patterns in data with help of data mining algorithms. The software will be developed and will be cross checked and verified using “DB MINER” which is standard data mining tool.

### **Advantages:**

- Helps the users in detecting the market trend patterns and other conditions.
- The project report contains a number of filter elements ranging as per the market trends that helps the users to analyze the registered stocks
- The project report contains a number of shares, their prices and Volume Breakouts
- It contains stocks that have an unanticipated rise in the business volume and a rapid rate escalation in terms of cost.

### **Modules:**

- Application of Analysis of stocks in our selected domain.
- Prominent features of the Project

### **System Requirements:**

#### **Functional Requirements**

1. **User Interface:** The user is required to select which company is he interested in amongst the various companies that have been provided.
2. **Visual Studio 2010 to Stock Database connectivity:** As communication with user is performed in C#.net and data required for processing is in a Database, a connectivity has to be implemented between the Database and Asp .Net application
3. **Database to DB miner connectivity:** Pattern Analysis on the data in the database has to be performed using various mining tools provided by Db miner. Hence a connectivity between the two is required.