

Grad Seminar

11/29/21



Join us on zoom Monday the 29th 6 pm!

Guest speaker will be Panchami Divakar Phadke

TITLE - PREDICTING STOCK MARKET TREND USING MARKOV CHAINS

ABSTRACT - Using the stochastic processes called Markov Chains, we predict the immediate future stock prices for a given company. We found the moving averages for the data and grouped them into four different states. We then applied Markov Chain calculations to the data to create a transitional probability matrix. Using this transition matrix, we solved a system of equations and found four steady states that were variables that represented the probability that a stock price for a given day would fall into one of the four states. When we use this information, we can apply our actual data to these equations and predict the next stock prices for the near future.