



Lab/BA/SA/Group:

Make Us Rich!

Motivation and Informal Description

In the recent past the algorithmic trading has seen enormous growth and a good place to make lots of money. It is now responsible for more than half the trades in the US which have a total volume of \$27.4 billion a day¹. A very important subclass are the high frequency trading (HFT) algorithms. These algorithms usually hold stocks or certificates only for a brief time, sometimes only for a few seconds and earn money by making thousands of trades a day. But since these algorithms increase the volatility of the market, they might be the target of a financial transaction tax which would destroy that business model.

Therefore, we want to return to normal algorithmic trading to get rich. We want to exploit statistical properties of the assets to predict general trends and/or foresee the future value of certain stocks and use those predictions to beat the market.

Your job is to analyze large data sets to be able to make those predictions and implement an algorithm which automatically trades.



Requirements

Good programming skills (preferably in Java) and a genuine interest in the financial markets. Knowledge of data mining is an advantage. The student(s) should be able to work independently on this topic!

Interested? Please contact us for more details!

Contact

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¹value from November 2011