

# IAPETUS CONSULTINGS NEWSLETTER

# Waterloo to Wall Street:

FinTech Intelligence Through Sentiment Analysis Exploring The Information Advantage Paradigm



# About Us

Iapetus Consulting Services LLC is a Big Data Solutions Consulting Group located in Cleveland, Ohio. Founded in 2016, Iapetus is a research company breaking ground in the new field of sentiment analysis in finance. Our niche is focusing on positive and negative sentiments in news and social media by quantifying our unique lexicons. Our datasets of proprietary psychological trigger words are overlapped to the market data correlating trends with good signal, thereby creating a powerful real time tool for investors aspiring to be on the tip of the spear in understanding news cycles and their impact on markets.



Founder and CEO Stephen Teresi MBA

"In the Age of Big Data content is everywhere but insights are scarce"

Welcome: Our research and development fosters unique Intelligence that can help you better understand market volatility. IAPETUS

#### THIS ISSUE

**The Battle of Waterloo:** The year is 1815, and traders in London are eagerly awaiting to learn the outcome of this battle, deciding the war. The outcome is predicted to have a sizable impact on markets in London. If Wellington's army defeated Napoleon, then

securities would gain value. If Napoleon and the French proved victorious, British securities would see a great decrease. The fate of many London securities traders rested on this information. Nathan Mayer Rothschild, one of the chief financiers of Wellington's army, saw a great opportunity in this. Since the relay of information naturally took much longer in 1815, Rothschild sent

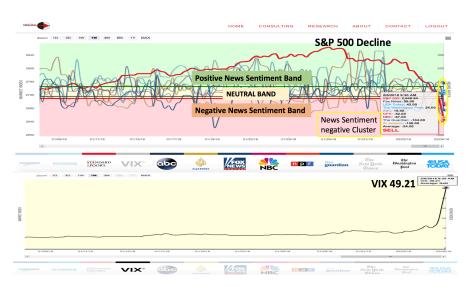


agents near the battle scene to glean information on the outcome sending word back by carrier pigeons. Rothschild learned that Wellington's army had indeed been victorious many hours before anyone in Great Britain, thus, allowing him to manipulate the London exchanges. Rothschild started selling to send a false signal that Wellington's army had lost. As prices plummeted he then started buying large amounts of securities at the discounted price, moments before the victorious news broke sending markets soaring in London. The Battle of Waterloo took place on June 18th, 1815 in present day Belgium. The British victory over Napoleon's French army was a turning point, ultimately ending the Napoleonic Wars.

**Today**, in the age of big data, having the best intelligence fast still makes a difference by providing advantages in buying and selling securities. Our quantum algorithms are processing information beyond the imagination of the Rothschild days of 1815. Today, there is so much information readily available to investors and traders that it becomes difficult to interpret all the content and filter the noise. While in a simpler time



information was scarce and took, relative to this age of modern technology, hours and days

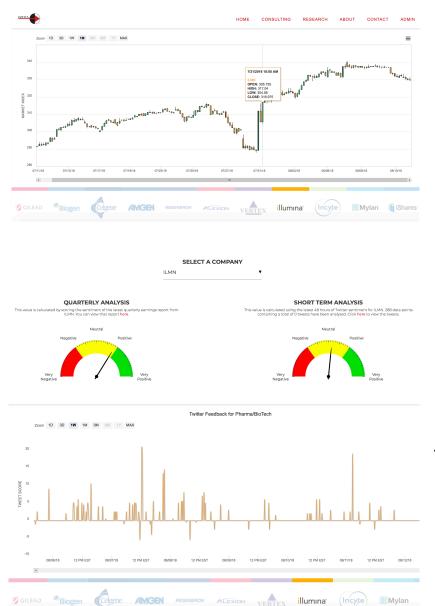


to be relayed like the news of the battle of Waterloo. We are now in an age where data is everywhere but insights are scarce. Innovative real intelligence models will continue to be sought after solutions giving traders an edge.

On February 6, 2018 the Volatility Index (VIX) spiked as markets declined steeply. The Above chart shows that News Sentiment was clustered in the negative band during and just prior to the decline. Our calibrated investor tool recommended selling the S&P 500 (SPY) real time.

**Iapetus Consulting** operates on the quantitative edge of sentiment analysis in finance, a field that is proving ever necessary for investors seeking to spear the market. Similar to Rothschild's intelligence network to learn the outcome of the battle before anyone else, Iapetus dashboards with real time tools provides the opportunity to investors to quickly and easily process SEC reports, breaking news, and social media, giving investors a great advantage in interpreting sentiments and attitudes that drive buying and selling behavior. Our two years of research has been a proof of concept showing good signal with the unique lexicons developed and strong correlations between sentiments in news articles and movements in the aggregate market. Now, we are taking things a step further and narrowing our approach. The remainder of the newsletter will highlight the new developments of Iapetus as we approach our Phase 2 launching of industry and company specific intelligence using our proven methodology. IAPETUS

#### **INDUSTRY & COMPANY SPECIFIC SENTIMENT ANALYSIS**



Iapetus Consulting Services is proud to announce the development of industry

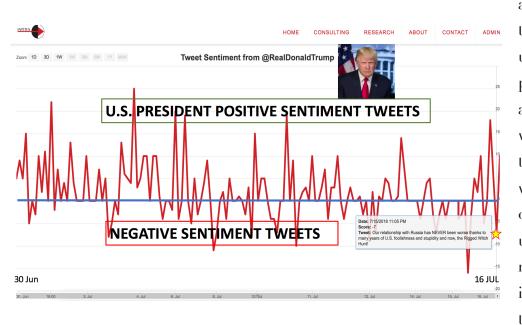
specific sentiment analysis dashboards. This targeted service will allow clients to absorb intelligence within the pharmaceutical and bio-tech industries with individual targeted company dashboards. Using a uniquely developed quantified industry specific trigger word lexicon library, we are able to create intelligence from our unique datasets. Company sentiments are quantified from a number of sources, including FDA Intelligence, SEC reporting, news, social media and industry journals. This tool will prove very important in understanding attitudes toward a firm, thus allowing you, the investor, to gain unique insights unavailable to the average investor

We invite you to come try our new Pharma/Bio-Tech Dashboard when we launch this service in the Fall. Above shows some data we compile including stock candlestick data for Illumina Pharmaceutical (ILMN) as well as twitter feedback and quarterly report analysis.

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### POLITICAL SENTIMENT DASHBOARDS

Political events have and will continue to impact market volatility. We are researching



and developing tools to better understand the political landscape and its relationship with Wall Street. In the age of big data, we believe that, in order to better understand the market, it is imperative to have the right tools at

your disposal. Our political sentiment dashboard, once launched, will analyze political sentiments not only from speeches and news sources, but from social media channels as well.

## **INTERESTED IN LEARNING MORE?**

Visit our website: iapetusconsulting.co

Follow us on Twitter: @lapetusLLC

We want to hear from you: <a href="mailto:stephen.teresi@iapetusconsulting.co">stephen.teresi@iapetusconsulting.co</a>

