

# EXPLOIT SIGNALS IN NEWS FOR QUANTITATIVE STRATEGIES AND SYSTEMATIC TRADING

TURNING UNSTRUCTURED DATA INTO ACTIONABLE INSIGHTS TO MAXIMIZE RETURNS AND SPOT EVENT RISK

News flow and sentiment are important sources of signals in quantitative stock selection and systematic trading – for example, quants using price momentum and reversal as building blocks for their models have measured how news can soften the reversal effect and magnify momentum.

However news and social media data is unstructured and there is a lot of it. It is difficult to understand whether news is perceived by the market as positive or negative, whether the story is relevant to a company, and whether the story is new or recycled.

## Thomson Reuters Machine Readable News

### UNCOVER ACTIONABLE SIGNALS FOR YOUR STRATEGY

Thomson Reuters provides news sentiment signals for real-time systematic trading through to stock selection for portfolio rebalancing. We transform unstructured, real-time news from Reuters News and third-party services into a machine readable feed. Each story is scored for author sentiment, relevance and novelty at a company or commodity level. The news analytics engine also provides 90 additional fields of metadata including index data to inform your research and trading activities.

### SCAN AND ANALYZE ACROSS THOUSANDS OF COMPANIES IN REAL TIME

With Reuters global news coverage and our ability to analyze and scan news across 35,000 companies in real time, your quants can research a large universe of companies and can take advantage of trading opportunities anywhere in the world.

### SPEED UP RESEARCH AND BACKTESTING WITH DEEP NEWS AND TICK ARCHIVES

Our historical news analytics scores with millisecond timestamps date back to 2003. In addition we provide 20 years of Tick History data covering more than 45 million OTC and exchange-traded instruments. With both data sets unified under common RIC identifiers, we provide all the data you need to take an idea from idea generation, to backtesting and analysis and then on to production.

### MITIGATE RISK WITH AN EARLY WARNING OF VOLATILITY

Just the presence of news for a company can drive price volatility and impact profitability. However simply stopping trading whenever there is news isn't practical. Our news analytics provide meaning and context – what companies is the story directly relevant to, how positive or negative is it, is there new information or is it a repeat of a previous story, has a broker changed a price target? With this information you can slow down participation or widen spreads until a human has an opportunity to investigate further or price volatility has lessened.

### GET AN EDGE WITH UNIQUE SPECIALIST COMMODITIES COVERAGE

With 220 Reuters commodities reporters, we break the key commodities stories you won't find anywhere else – and then score them to provide you with sentiment data across 40 commodities and energy topics.

### FIND SIGNALS IN YOUR UNSTRUCTURED DATA SETS WITH OUR TEXT ANALYTICS TOOLKIT

Beyond financial news there are other content sets with alpha signals buried below the surface. You can use our toolkit for entity extraction, event detection and analytics generation across conference call transcripts, research reports, email and messaging streams, news websites, social media channels and other unstructured data.

### WHY THOMSON REUTERS

Reuters breaks more market moving news stories and delivers more exclusives

Thomson Reuters News Analytics is the only sentiment service powered by Reuters.

Sentiment and news analytics based 100% on objective, quantitative measures

We provide scores and analytics based on our proven and trusted algorithms together with all the metadata.

Leading content set for quantitative strategies and systematic trading

No other company has more assets at its disposal to help firms for research, backtesting and production – from news analytics to fundamental and estimates data, StarMine quantitative models, tick history and real-time feeds.



THOMSON REUTERS™

### ACADMIC RESEARCH (RECOMMEND AS A SIDEBAR ON PAGE 1)

Our news analytics have been used in a number of published papers by quantitative researchers at prominent sell-side firms and in The Journal of Portfolio Management.

For more information contact Thomson Reuters for a copy of our **Thomson Reuters News Analytics Research Guide and Bibliography**.

### PRODUCT INFORMATION SECTION

**Thomson Reuters News Analytics** – a real-time advanced natural language processing service (part of Thomson Reuters Machine Readable News)

- Sources: Reuters, Regulatory News Services
- Coverage: 35,000 equities, 40 commodities and energy topics
- Scored by: Author sentiment, Relevance, Novelty, Volume
- Metadata (over 90 fields) includes: Company identifiers, topic codes, alert/article/update, sector and geographic classification
- History: Reuters News and third-party news back to 2003
- Delivery: low latency via News Feed Direct; connections available in New York, Chicago, London, Frankfurt, Tokyo, Moscow
- Sentiment Indices (derived from Thomson Reuters News Analytics) for desktop traders, online portals

### OTHER THOMSON REUTERS SOLUTIONS YOU MAY BE INTERESTED IN

- Thomson Reuters Machine Readable News – Economic Events
- Thomson Reuters Machine Readable News – Textual News
- Thomson Reuters MarketPsych Indices
- Thomson Reuters Tick History
- Thomson Reuters Elektron Real Time
- I/B/E/S Real-Time Estimates feed
- QA Direct – aggregated content for Quantitative Research
- StarMine Quantitative Models

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