Sentikator
Developed by Schmitt, Post & Partner

The Sentikator – Emotion in Data

The Sentikator is a computer linguistic engine designed to calculably recognize, analyze and quantify emotions and content in texts. It allows extracting sentiment out of news, analyst recommendations, social media data, transcripts, etc. in a reliable manner and preprocesses the data so that it can be easily implemented into existing or new applications. The Sentikator gives valuable insights to emotions and to content in texts beyond obvious headlines. It offers trading based on quantified emotions and allows for profitable opportunities that other market participants will miss.

News and investors' mood move market prices

Classical finance postulates that prices on capital markets are determined by news and information. Market participants process new data instantaneously and the majority opinion is reflected in the current price. The direction of the price is mainly determined by the investors' mood. This phenomenon is investigated by behavioral finance. Even though this theoretical framework has been known for quite a long time already up until now it was impossible to systematically quantify and thus profit from news and emotions in market-models.

Automatized recognition of content and emotion

The Sentikator closes this gap by recognizing emotions and content in texts and transforming them into a sentiment index, a machine-readable data stream, or a simple chart in a highly efficient and reliable manner. This low latency feed is calculated in real time, is straightforward to understand, can easily be integrated into proprietary trading-models and shows how the sentiment evolves as time passes.

Modern technology for best results

The Sentikator is based on the fact that people transport their state of emotion by the choice of words they apply in written or spoken language. By means of modern computer linguistic approaches these emotions in texts can be decoded back and therefore seen and used in a quantitative way. The algorithms behind the Sentikator use logical elements to detect the prevalent topic within a text. Techniques from the science of linguistics are applied to recognize and classify emotions and moods within texts and sophisticated statistical models are made use of to constantly verify the results.

The science behind the Sentikator

Even though the Sentikator is scientifically founded and employs complex mathematical techniques, the basic approach, however, is fairly easy to understand. Stock analyst reports, for example, can precisely be assessed and understood by the Sentikator. For instance a keyword search for **Apple** may lead to the following exemplary recommendation. A noticeable cluster of words such as **buy**, **share**, **purchase** and **demand** hint to economic reference with high probability. It is possible to even derive a reference to a financial subject.

Exemplary analyst report on **Apple**:

A cluster of positively connotated words such as **strong**, **recommend**, **positive** and **good** hint to positive sentiment. Based on this analyst recommendation the sentiment index for Apple would increase.

Flexible and intuitive application

The Sentikator engine can easily be paired with a wide range of sources such as

- news and press databases
- social media data
- blog and web content
- transcripts

Further adaptations are carried out hand in hand with our clients. The Sentikator is designed to analyze large amounts of data with low latency. The system is multi-lingual and able to understand English as well as German, Spanish and Italian. Further translations are possible on demand. An adaptive output feed available in various formats ensures easy integration in other applications.

Innovative products often lead to questions. We are happy to assist you. For more information call +49-208-37779899 or e-mail to office@sentikator.com.