Sentiment Analysis
& Text Mining

Text Mining & the TAC Mood Index

✓ Text Mining is a recent technique developed by using quantitative treatment of text sources and inputs. It is based on a complex "production chain" where attention is given to the sources of text information according to the objective (e.g. international press and media, social media, local information sources…), before applying specific algorithms able to detect the buzz (intensity of presence), the mood (the overall sentiment expressed by the text) and the specific topics that emerge from the whole range of sources.

✓ TAC ECONOMICS has pioneered the use of text-mining techniques in economic and financial analysis. Since 2010, we provide real time economic sentiment indices (**TAC ECONOMICS Mood Index**, or **TMI**) on the basis of daily news captured from about 1,000 different sources that we identified as "high quality information".

✓ The text-mining analysis can be conducted on countries, sectors, companies, or key people, and be used in many different directions, from real-time nowcasting to reputational risk.

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✓ These indicators of perception are already used as inputs in our models and analysis.

For example, we were able to predict Trump's electoral victory about one week before the actual election date, we used text-mining extensively in the monitoring of foreign direct investment in China, and we have constructed a real-time housing market indicators for a private customer based on a combination of web-scrapping and text mining.

✓ The next slide provides an illustration on Brexit:

The sentiment index highlights the highly negative "sentiment" associated to Brexit today, at levels comparable to the troughs immediately after the "shock result" of the June 2016 referendum. We read it as a strong indication of many more obstacles to come and a long and arduous negotiation process, whatever the timeline.

TMI: Sentiment Index on « Brexit »

Source: TAC ECONOMICS
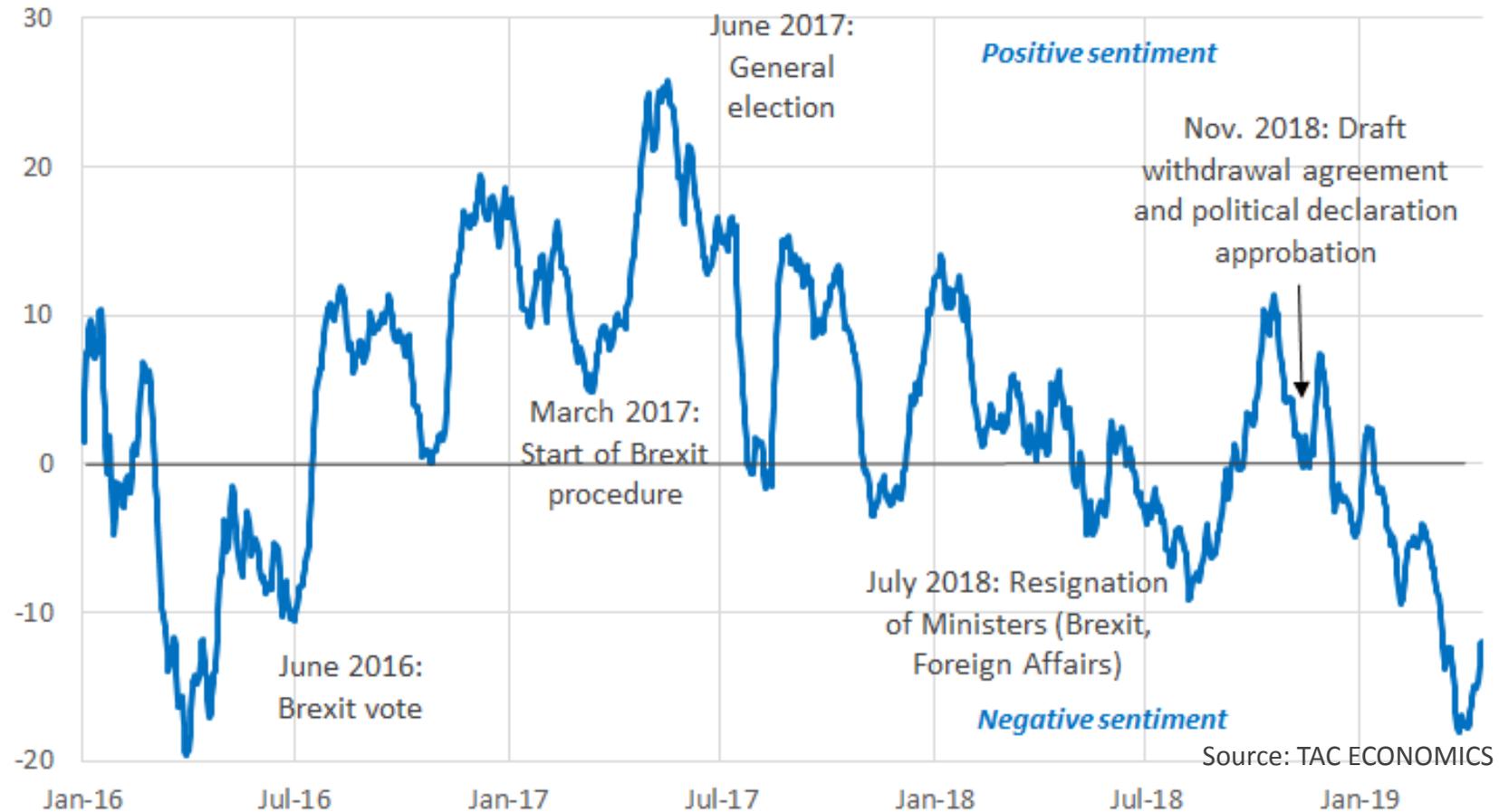
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