Forex prediction to reduce risks in investments

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Abstract

Forex (foreign exchange) is a unique financial industry in the financial world, with high risks and great return possibilities for traders. The market is also very simple, with traders able to profit simply by accurately predicting the direction of two currencies' exchange rates. In comparison to other traditional financial markets, incorrect projections in the FX market can lead to far greater losses. This problem differs from more typical forms of time-series forecasting challenges in that it requires direction prediction. I used deep learning to create direction forecasts in the Forex market using a well-known deep learning approach known as "long short-term memory" (LSTM), which has been shown to be very successful in many time-series forecasting problems.

Keywords : Long Short Term Memory, LSTM, Deep Learning, Forex, Exchange Rate, Forecasting