Machine Learning at Lynx Asset Management AB

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Lynx Asset Management

1999

Founded and headquartered in Stockholm, Sweden

– away from the world’s major financial centers

$8 Billion

in assets under management, primarily from global institutional investors

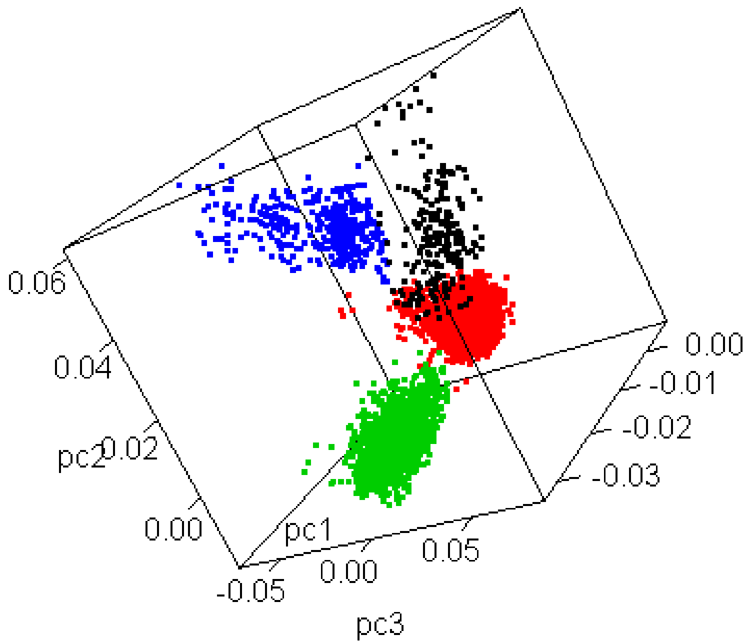
>50%

of our 80 employees are focused on research & development

How we define machine learning models at Lynx

Models that have the ability to automatically learn and improve from available data instead of following static, explicitly programmed instructions.

Models that adapt and change when new data becomes available.



How can ML be used to forecast financial markets?

- Exploiting complex relationships between existing factors
- Discover new factors
- Unlock new data sets
- Adapt to new regimes

But there is no lack of challenges…

- Low signal-to-noise ratio
- Non-stationarity
- No experiments are possible
- Non-synchronised data
- Trading/implemention costs

Our ML journey…

1994 **First exploration of neural networks**

1999 **Lynx was founded**

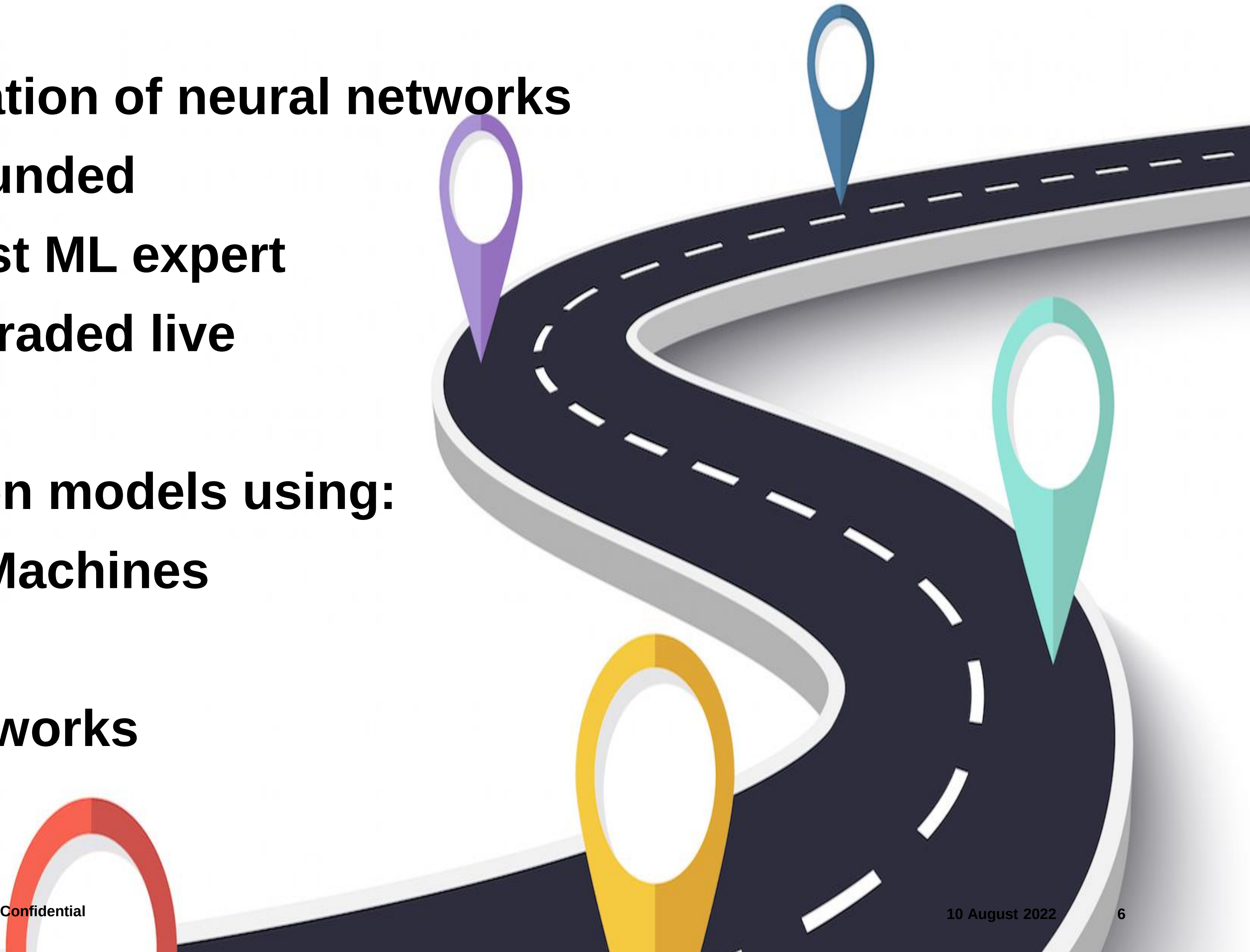
2009 **Hired our first ML expert**

2011 **First model traded live**

From that point…

Developed a dozen models using:

- **Support Vector Machines**
- **Random Forests**
- **Deep Neural Networks**



The future

The real potential lies ahead of us!

Increasing;

- Data availability, quantity and quality
- Computing power processing
- Data storage

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