



# INDIA'S 2016 CURRENCY DEMONETIZATION



# IMAGINE

If you woke up one morning and all \$20 bills were suddenly useless.





**NOVEMBER  
8TH, 2016**

- ▶ In an unscheduled televised address, Prime Minister Modi announces the demonetization.
- ▶ Intended to curb black money, unaccounted cash, and funding of terrorism.





**NOVEMBER  
8TH, 2016**

**14.2 Trillion Rs.**

or 210 Billion USD in 500/1000 notes

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**22 Billion Banknotes**

to be removed from circulation

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**86%**

of currency in circulation affected



**NOVEMBER  
8TH, 2016**

**DETAILS**

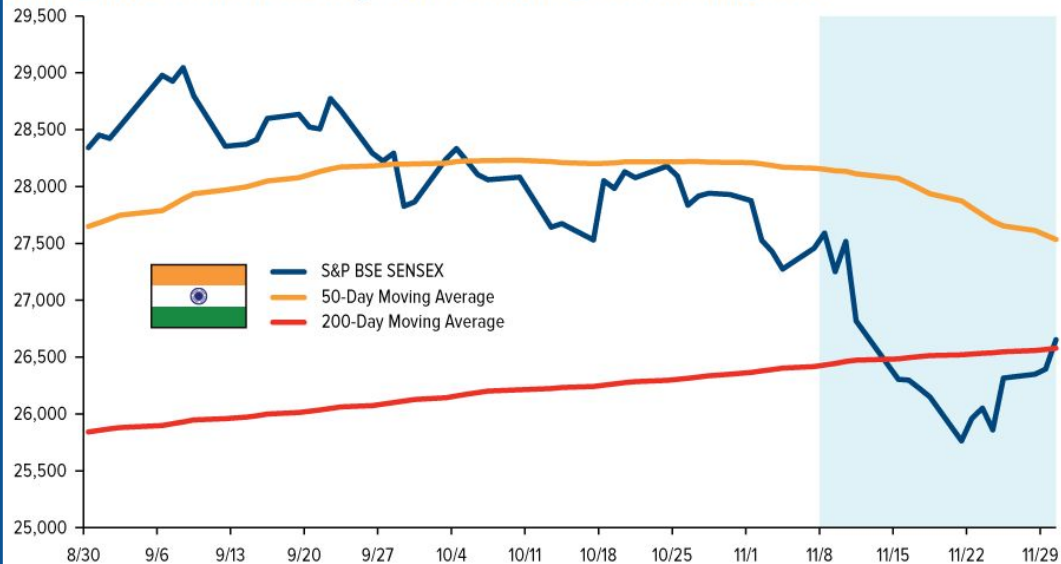
- ▶ Dec. 31st deadline to deposit the old notes in banks
  - ▷ Need accounting over Rs.50,000
  - ▷ Many people don't have bank accounts
- ▶ New Rs.500 and Rs.2000 issued



NOVEMBER  
8TH

-  
NOVEMBER  
29TH

Indian Stocks Tumble Following Modi's Demonetization Announcement



Past performance does not guarantee future results.

Source: Bloomberg, U.S. Global Investors



NOVEMBER  
-  
DECEMBER





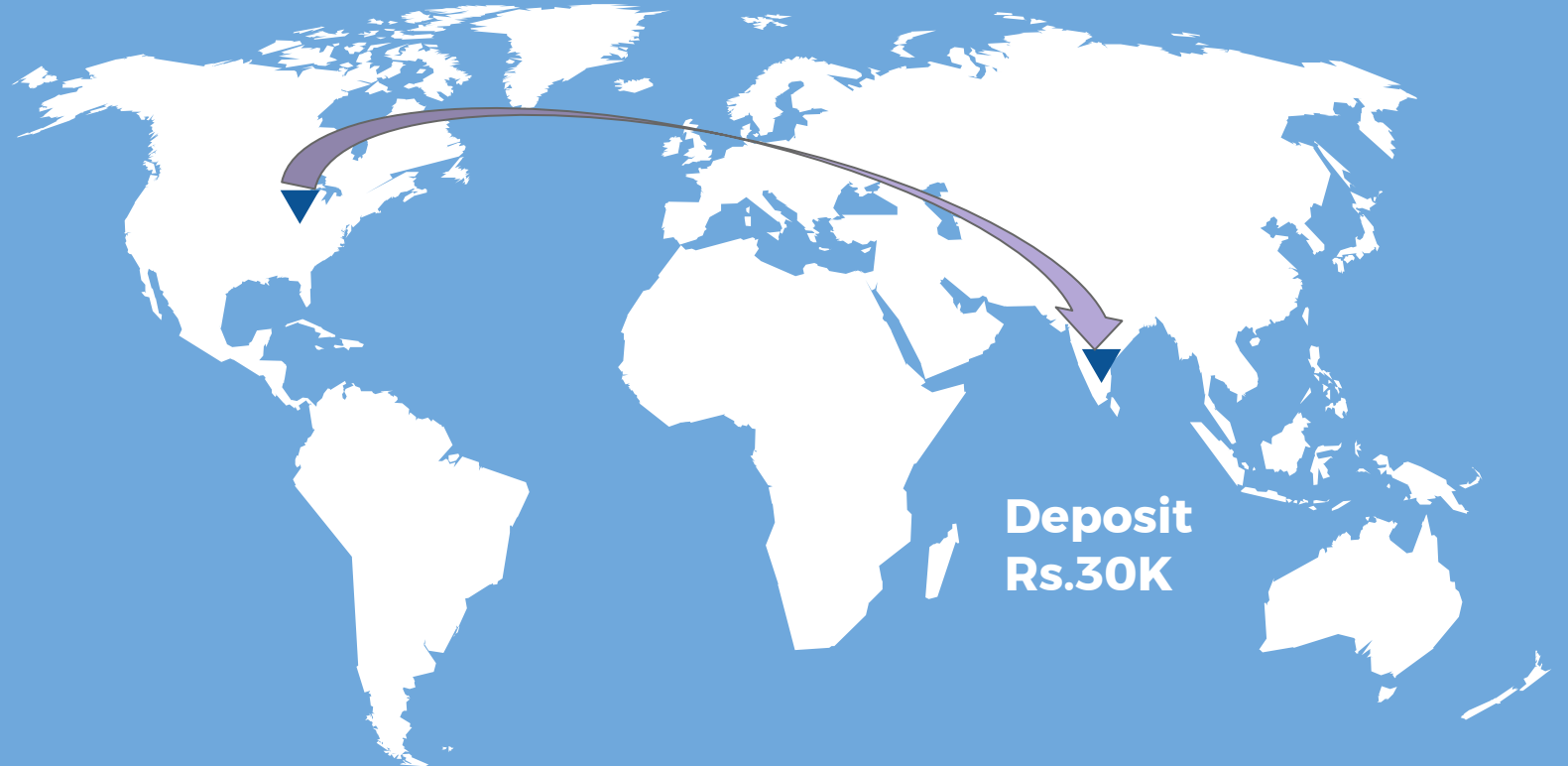
NOVEMBER  
-  
DECEMBER





**DECEMBER  
30TH**

**Arrive in India**



**Deposit  
Rs.30K**





***Using Twitter activity to find out: What did people say about Demonetization?***

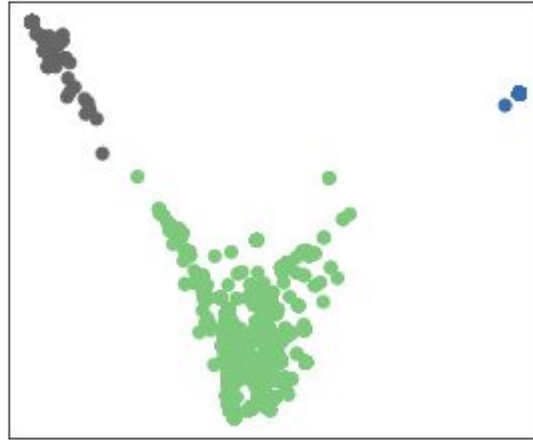


# DATA AND MODELING

- ▶ Data from November 2016 and March 2017 from Twitter #demonetization
- ▶ TF/IDF
- ▶ Cluster using KMeans
- ▶ PCA and sentiment



NOVEMBER  
2016

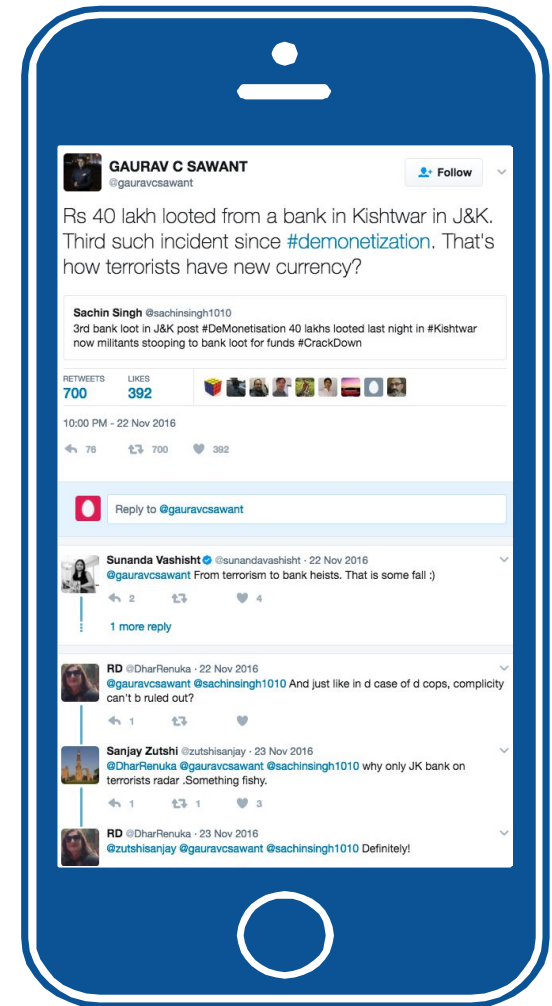


General

Kishtwar bank robbery

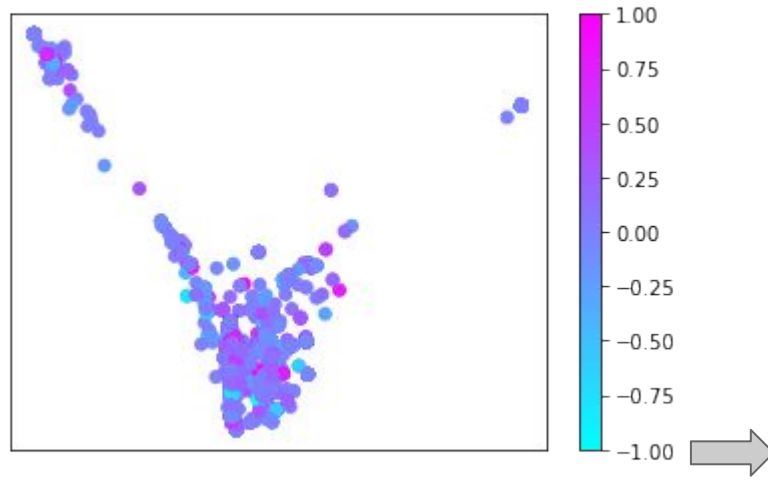


Government, Narendra Modi



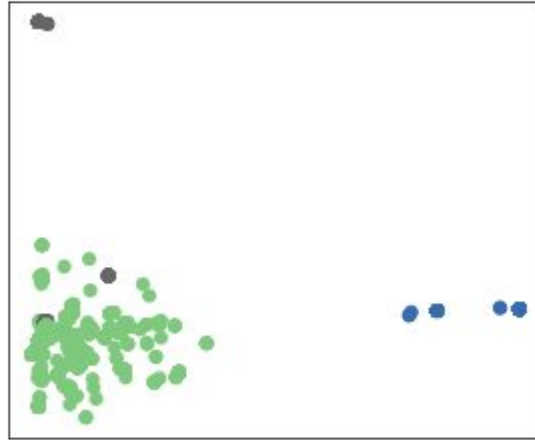


NOVEMBER  
2016





MARCH  
2017

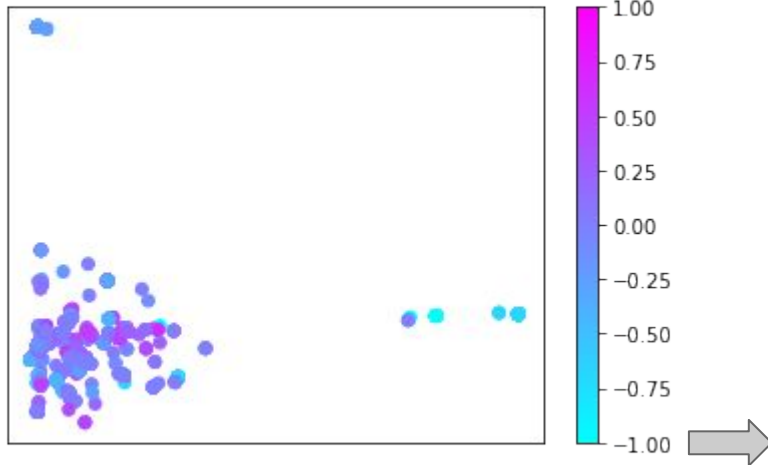


- Modi
- Slow economy
- Cash, GDP





MARCH  
2017





## NEXT STEPS

- ▶ More Data
- ▶ Try further clustering methods
- ▶ Better handling of ReTweets





# QUESTIONS