

Lesson 30: Hierarchical Clustering

Data Science with Python – BSc Course

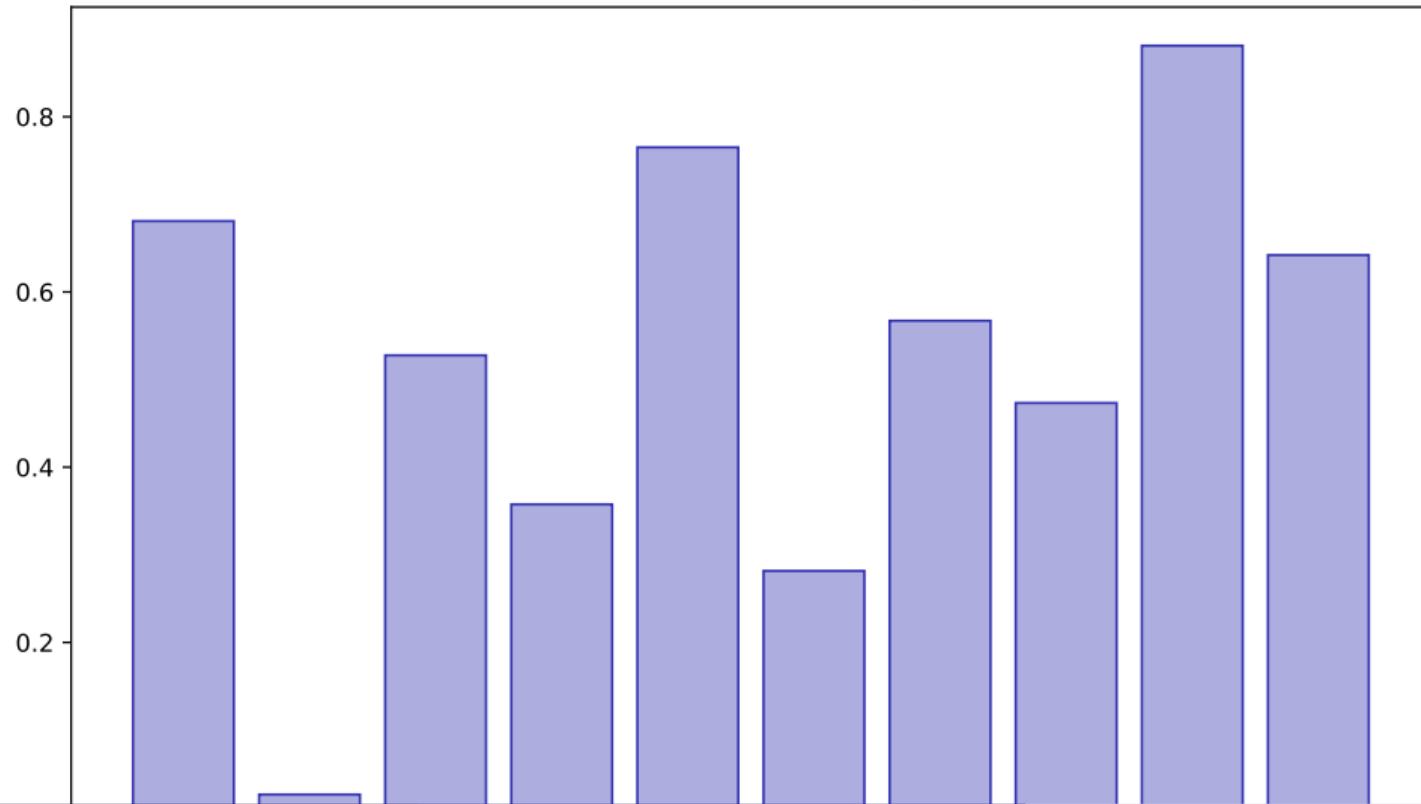
45 Minutes

After this lesson, you will be able to:

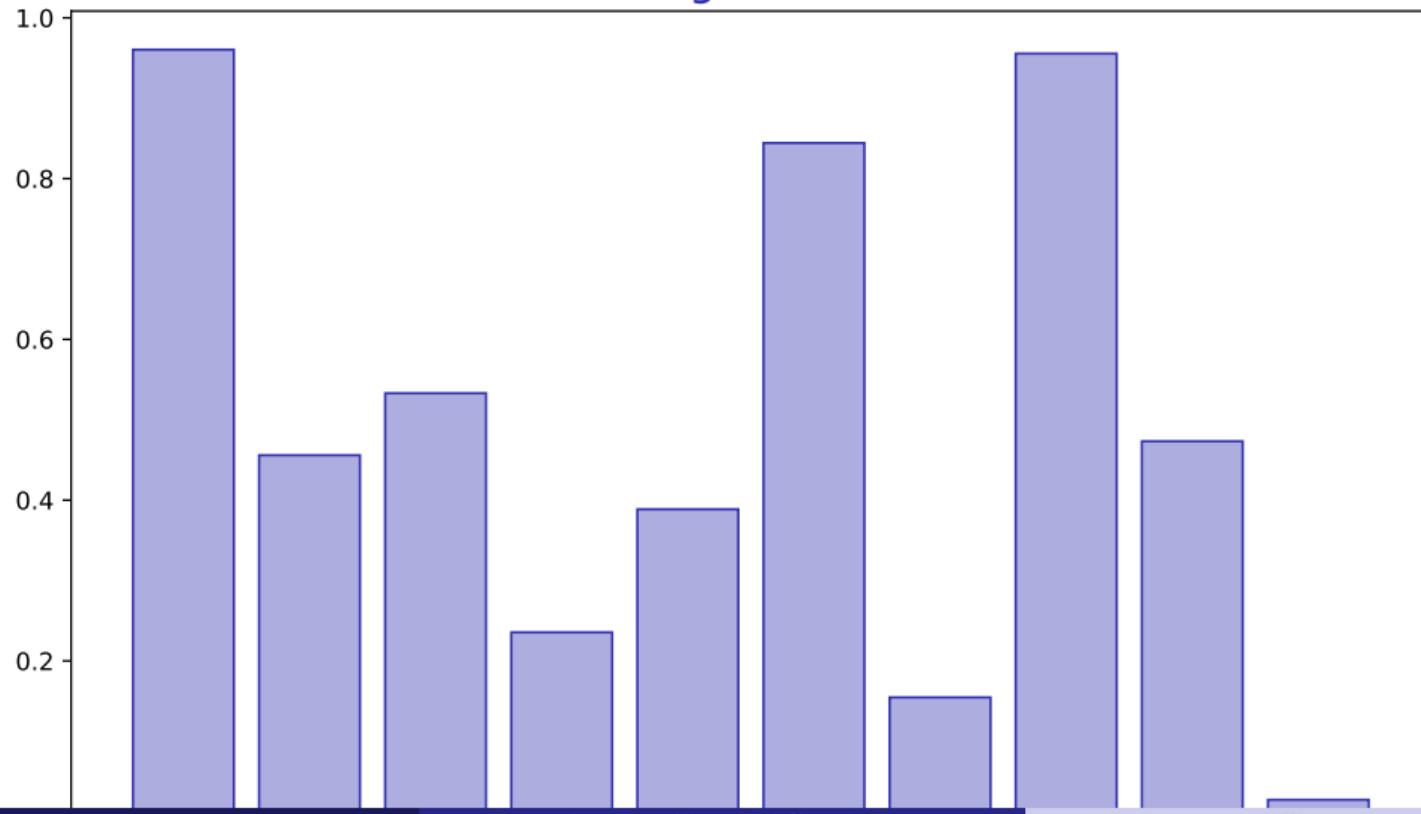
- Build dendrograms
- Choose linkage methods
- Cut dendrograms for clusters
- Apply to portfolio construction

Building towards your final project

Hierarchical Concept

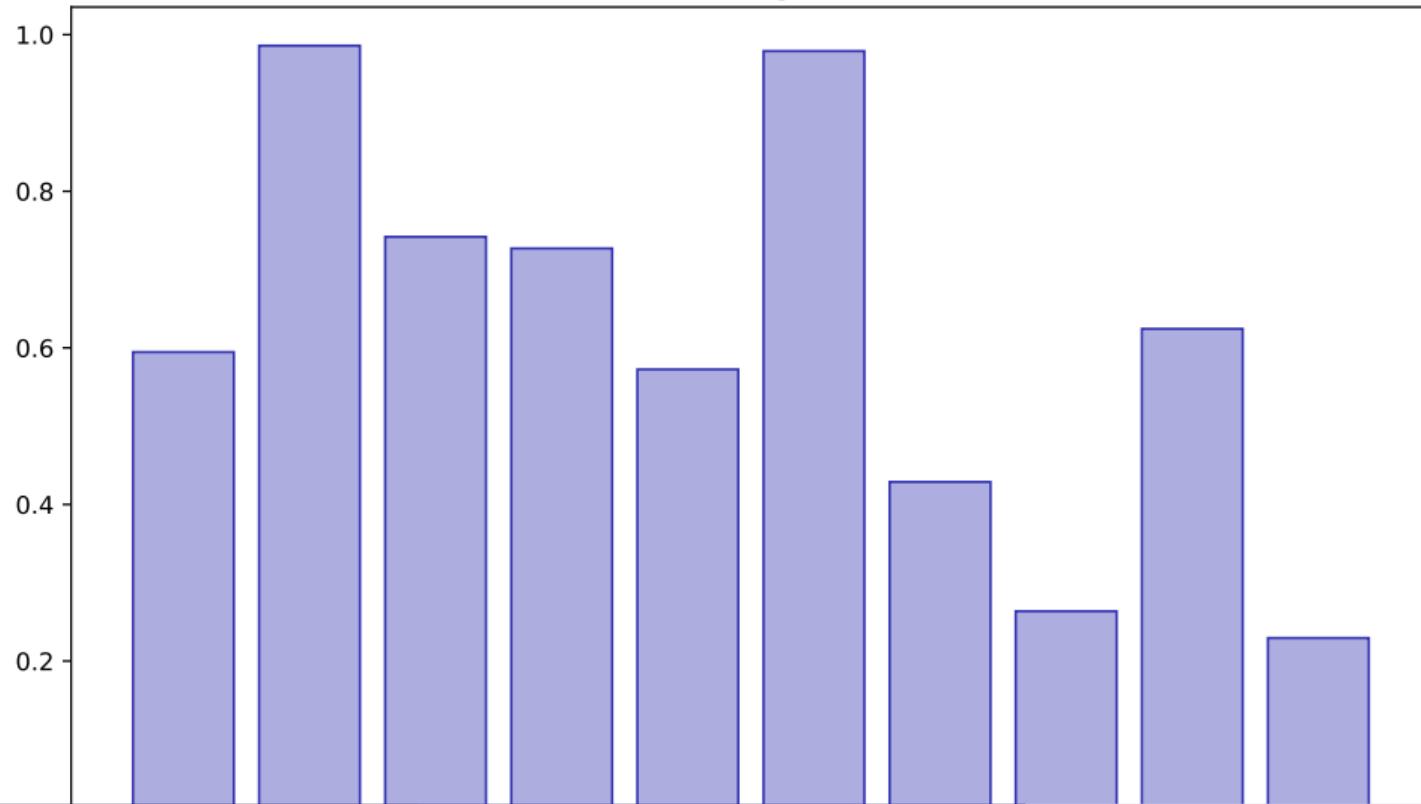


Linkage Methods

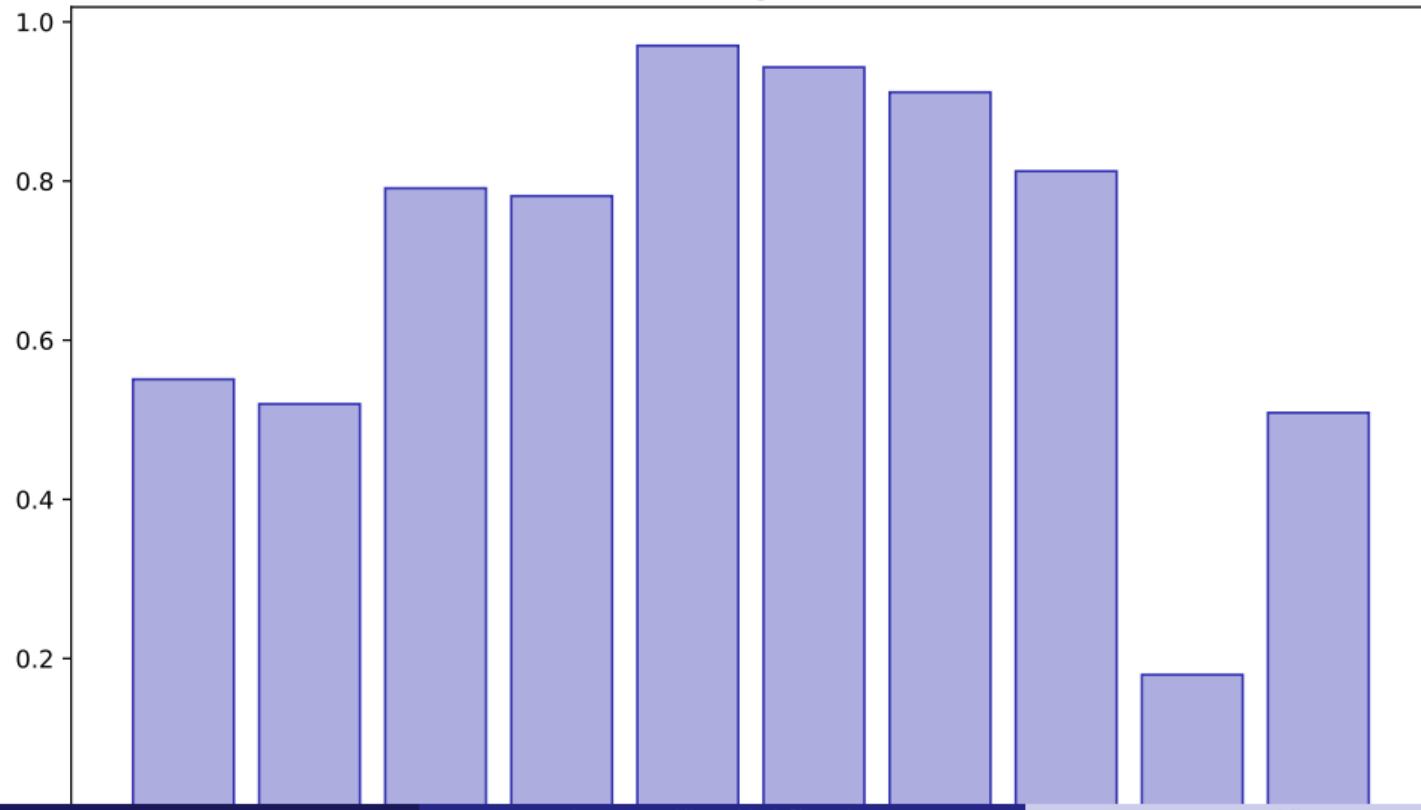


Dendrogram

Dendrogram

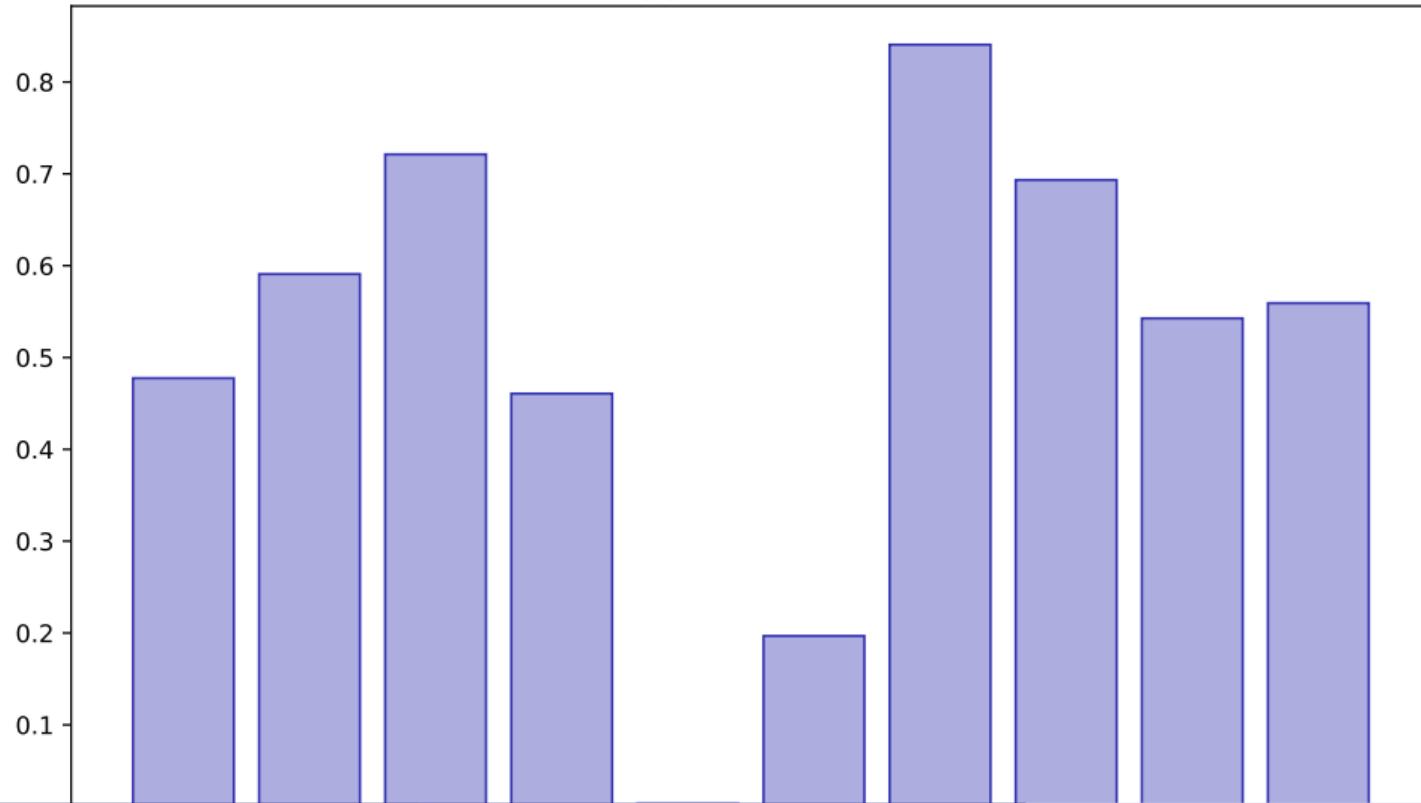


Cutting Tree

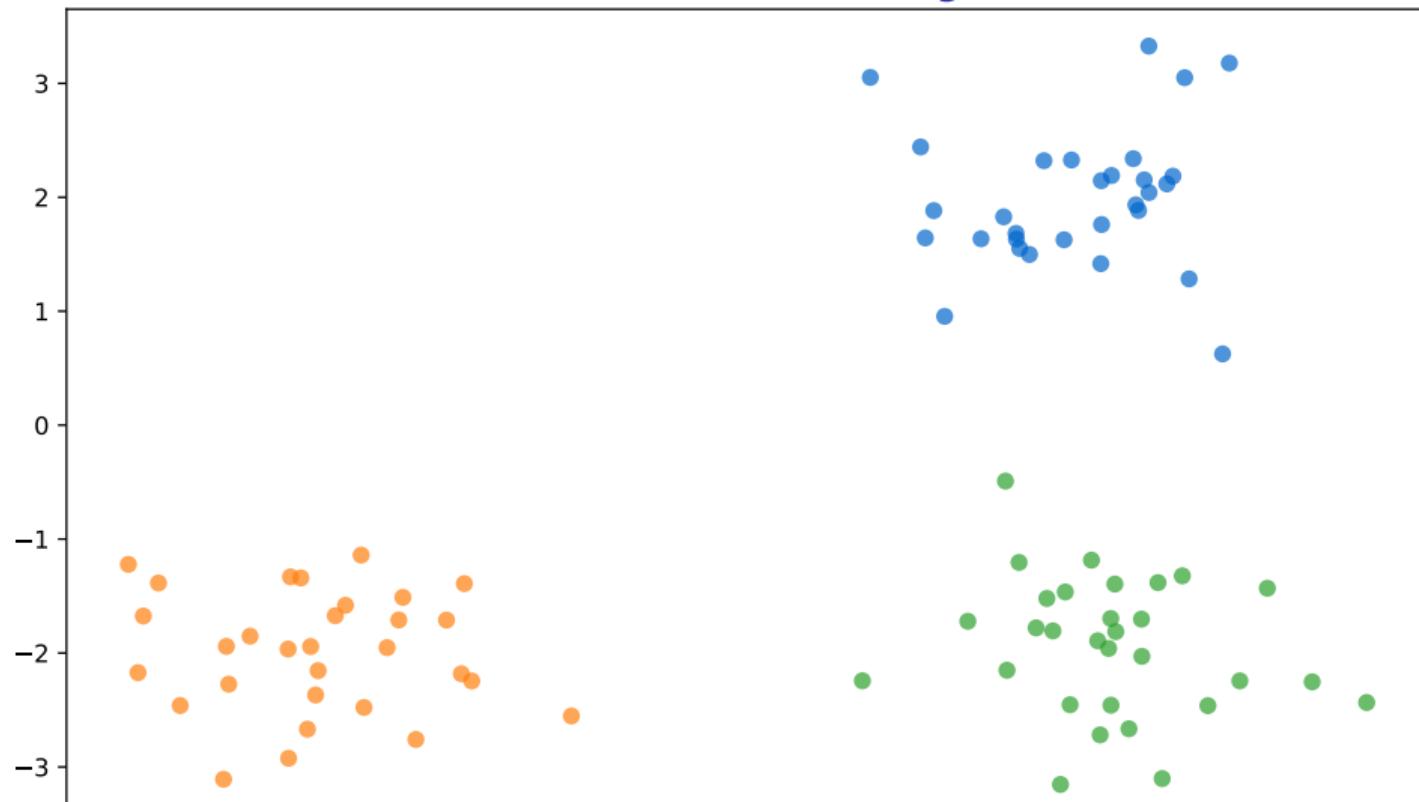


Agglomerative

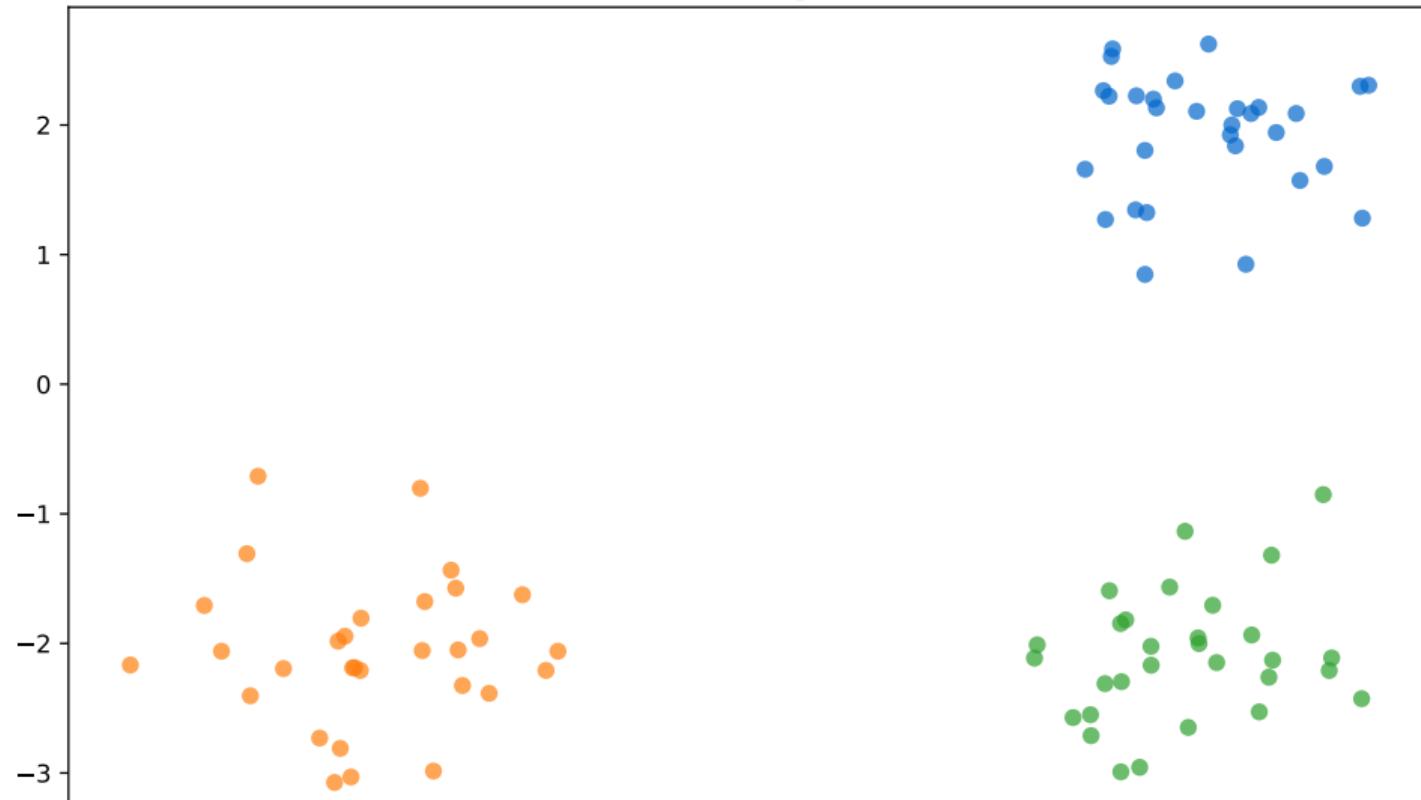
Agglomerative



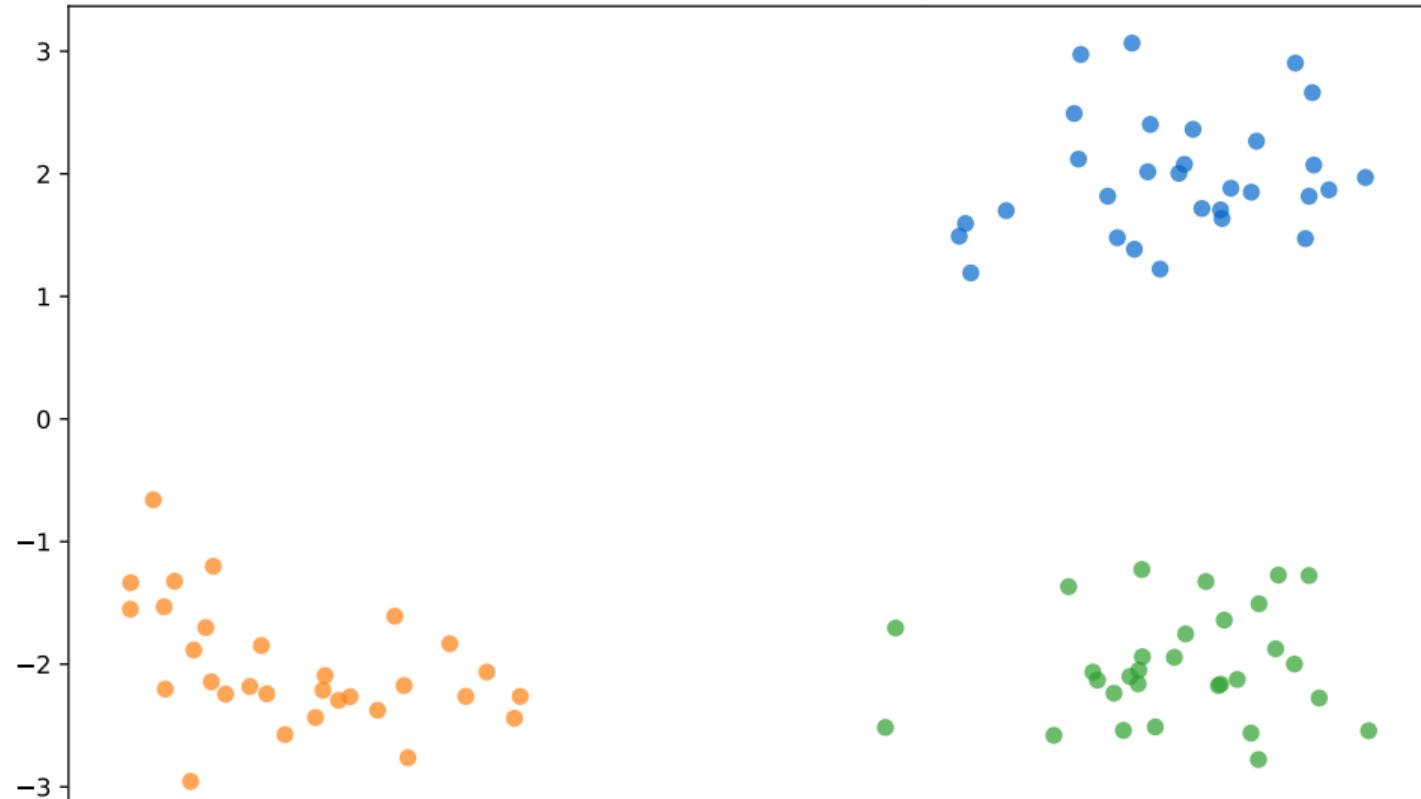
Correlation Clustering



Cluster Comparison



Portfolio Clustering



Key Takeaways:

- Build dendograms
- Choose linkage methods
- Cut dendograms for clusters
- Apply to portfolio construction

Apply these skills in your final project