

Aggregate your data by category

IMPORTING AND MANAGING FINANCIAL DATA IN PYTHON



Stefan Jansen
Instructor

Summarize numeric data by category

- So far: Summarize individual variables
- Compute descriptive statistic like mean, quantiles
- Split data into groups, then summarize groups
- Examples:
 - Largest company by exchange
 - Median market capitalization per IPO year
 - Average market capitalization per sector

Group your data by sector

```
nasdaq.info()
```

```
RangeIndex: 3167 entries, 0 to 3166
Data columns (total 7 columns):
#   Column                                Non-Null Count  Dtype
--  --
0   Stock Symbol                          3167 non-null   object
1   Company Name                          3167 non-null   object
2   Last Sale                             3165 non-null   float64
3   Market Capitalization                 3167 non-null   float64
4   IPO Year                              1386 non-null   float64
5   Sector                                2767 non-null   object
6   Industry                              2767 non-null   object
dtypes: float64(3), object(4)
memory usage: 173.3+ KB
```

Group your data by sector

```
nasdaq['market_cap_m'] = nasdaq['Market Capitalization'].div(1e6)
nasdaq = nasdaq.drop('Market Capitalization', axis=1) # Drop column
nasdaq_by_sector = nasdaq.groupby('Sector') # Create groupby object
for sector, data in nasdaq_by_sector:
    print(sector, data.market_cap_m.mean())
```

```
Basic Industries 724.899933858
Capital Goods 1511.23737278
Consumer Durables 839.802606627
Consumer Non-Durables 3104.05120552
...
Public Utilities 2357.86531507
Technology 10883.4342135
Transportation 2869.66000673
```

Keep it simple and skip the loop

```
mcap_by_sector = nasdaq_by_sector.market_cap_m.mean()  
mcap_by_sector
```

```
Sector  
Basic Industries          724.899934  
Capital Goods            1511.237373  
Consumer Durables        839.802607  
Consumer Non-Durables    3104.051206  
Consumer Services        5582.344175  
Energy                   826.607608  
Finance                  1044.090205  
Health Care              1758.709197  
...
```

Visualize category summaries

```
title = 'NASDAQ = Avg. Market Cap by Sector'  
mcap_by_sector.plot(kind='barh', title=title)  
plt.xlabel('USD mn')
```



Aggregate summary for all numeric columns

```
nasdaq_by_sector.mean()
```

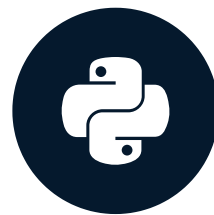
Sector	Last Sale	IPO Year	market_cap_m
Basic Industries	21.597679	2000.766667	724.899934
Capital Goods	26.188681	2001.324675	1511.237373
Consumer Durables	24.363391	2003.222222	839.802607
Consumer Non-Durables	25.749565	2000.609756	3104.051206
Consumer Services	34.917318	2004.104575	5582.344175
Energy	15.496834	2008.034483	826.607608
Finance	29.644242	2010.321101	1044.090205
Health Care	19.462531	2009.240409	1758.709197
Miscellaneous	46.094369	2004.333333	3445.655935
Public Utilities	18.643705	2006.040000	2357.865315
...			

Let's practice!

IMPORTING AND MANAGING FINANCIAL DATA IN PYTHON

More ways to aggregate your data

IMPORTING AND MANAGING FINANCIAL DATA IN PYTHON



Stefan Jansen
Instructor

Many ways to aggregate

- Last segment: Group by one variable and aggregate
- More detailed ways to summarize your data:
 - Group by two or more variables
 - Apply multiple aggregations
- Examples
 - Median market cap by sector and IPO year
 - Mean & standard deviation of stock price by year

Several aggregations by category

```
nasdaq['market_cap_m'] = nasdaq['Market Capitalization'].div(1e6)
by_sector = nasdaq.groupby('Sector')
by_sector.market_cap_m.agg(['size', 'mean']).sort_values('size')
```

Sector	size	mean
Transportation	52	2869.660007
Energy	66	826.607608
Public Utilities	66	2357.865315
Basic Industries	78	724.899934
...		
Consumer Services	348	5582.344175
Technology	433	10883.434214
Finance	627	1044.090205
Health Care	645	1758.709197

Several aggregations plus new labels

```
by_sector.market_cap_m.agg(['size', 'mean'])  
    .rename(columns={'size': '#0bs', 'mean': 'Average'})
```

Sector	#0bs	Average
Basic Industries	78	724.899934
Capital Goods	172	1511.237373
Consumer Durables	88	839.802607
Consumer Non-Durables	103	3104.051206
Consumer Services	348	5582.344175
...		
Health Care	645	1758.709197
Miscellaneous	89	3445.655935
Public Utilities	66	2357.865315
Technology	433	10883.434214
Transportation	52	2869.660007

Different statistics by column

```
by_sector.agg({'market_cap_m': 'size', 'IPO Year': 'median'})
```

Sector	market_cap_m	IPO Year
Basic Industries	78	1972.0
Capital Goods	172	1972.0
Consumer Durables	88	1983.0
Consumer Non-Durables	103	1972.0
Consumer Services	348	1981.0
...		
Health Care	645	1981.0
Miscellaneous	89	1987.0
Public Utilities	66	1981.0
Technology	433	1972.0
Transportation	52	1986.0

Aggregate by two categories

```
by_sector_year = nasdaq.groupby(['Sector', 'IPO Year'])  
by_sector_year.market_cap_m.mean()
```

Sector	IPO Year	
Basic Industries	1972.0	877.240005
	1973.0	1445.697371
	1986.0	1396.817381
Transportation	...	
	1986.0	1176.179710
	1991.0	6646.778622
	1992.0	56.074572
	...	
	2009.0	552.445919
	2011.0	3711.638317
	2013.0	125.740421

Select from MultiIndex

```
mcap_sector_year = by_sector_year.market_cap_m.mean()  
mcap_sect_year.loc['Basic Industries']
```

```
IPO Year  
1972.0      877.240005  
1973.0     1445.697371  
1986.0     1396.817381  
1988.0       24.847526  
...  
2012.0      381.796074  
2013.0       22.661533  
2015.0      260.075564  
2016.0       81.288336  
Name: market_cap_m, dtype: float64
```

Select from MultiIndex

```
mcap_sect_year.loc[['Basic Industries', 'Transportation']]
```

Sector	IPO Year	
Basic Industries	1972.0	877.240005
	1973.0	1445.697371
	1986.0	1396.817381
	...	
Transportation	1986.0	1176.179710
	1991.0	6646.778622
	1992.0	56.074572
	...	

Let's practice!

IMPORTING AND MANAGING FINANCIAL DATA IN PYTHON

Summary statistics by category with seaborn

IMPORTING AND MANAGING FINANCIAL DATA IN PYTHON



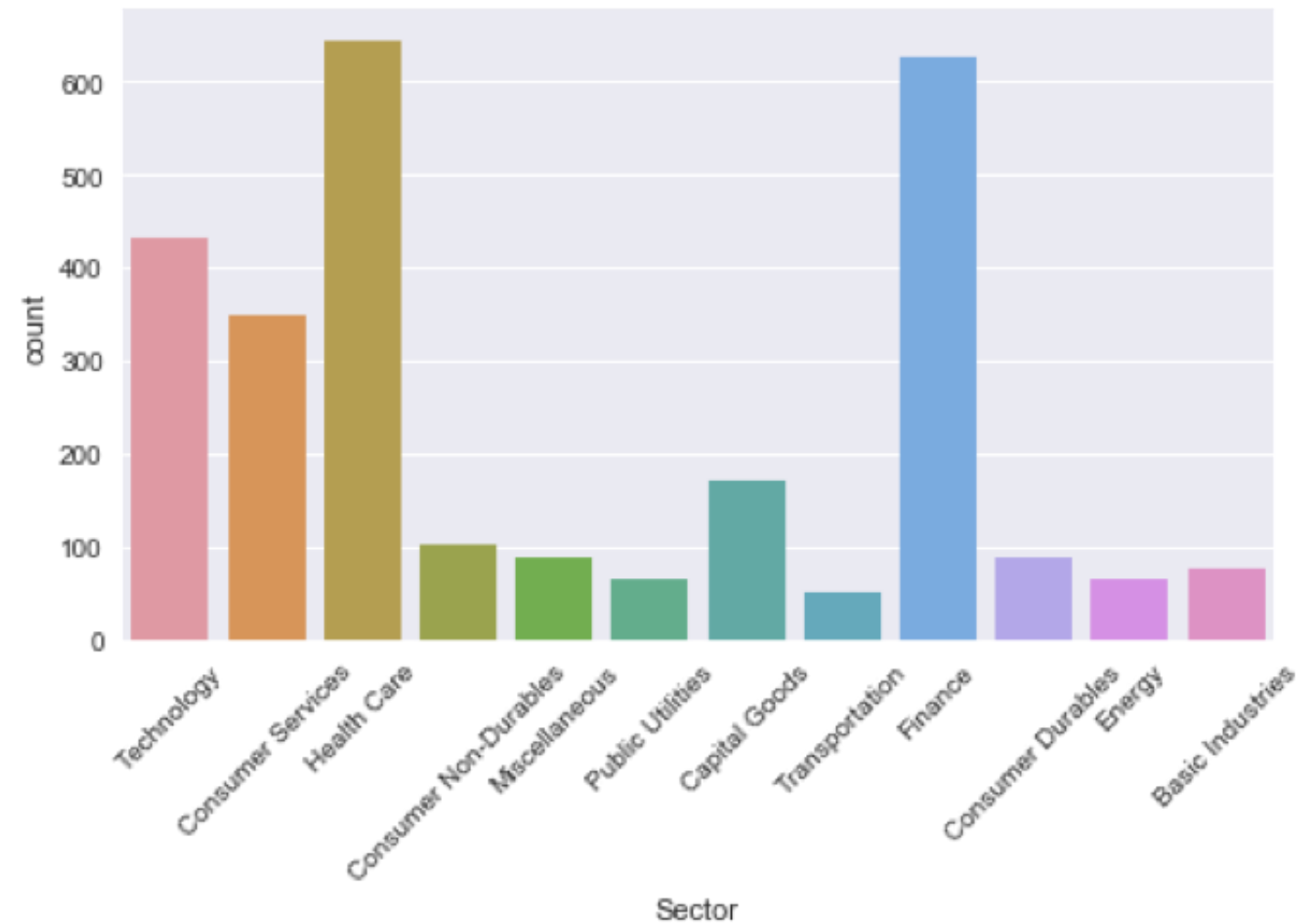
Stefan Jansen
Instructor

Categorical plots with seaborn

- Specialized ways to plot combinations of categorical and numerical variables
- Visualize estimates of summary statistics per category
- Understand how categories impact numerical variables
- Compare using key metrics of distributional characteristics
- Example: Mean Market Cap per Sector or IPO Year with indication of dispersion

The basics: countplot

```
sns.countplot(x='Sector', data=nasdaq)
plt.xticks(rotation=45)
```



countplot, sorted

```
sector_size = nasdaq.groupby('Sector').size()
order = sector_size.sort_values(ascending=False)
order.head()
```

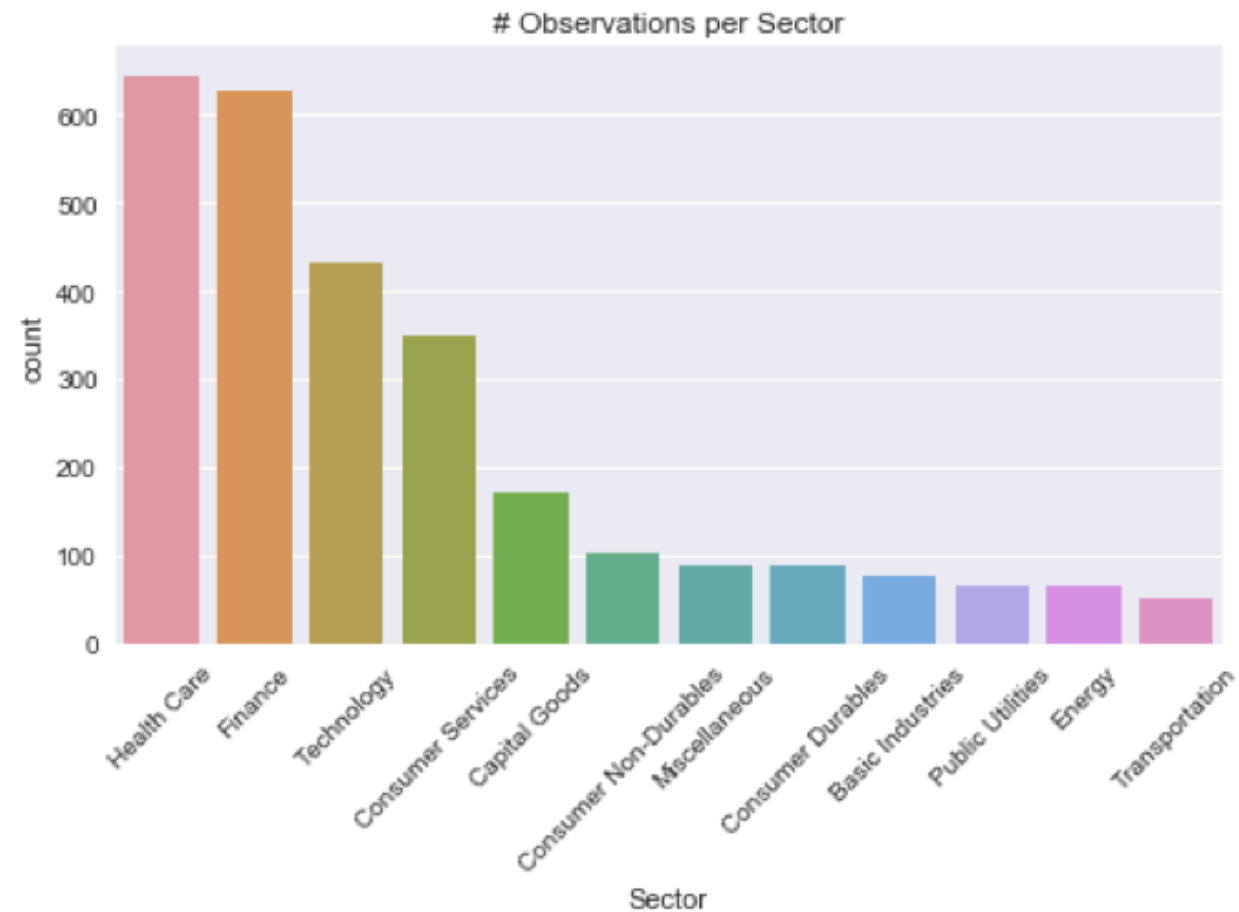
```
Sector
Health Care      645
Finance          627
Technology       433
...
```

```
order = order.index.tolist()
```

```
['Health Care', 'Finance', ..., 'Energy', 'Transportation']
```

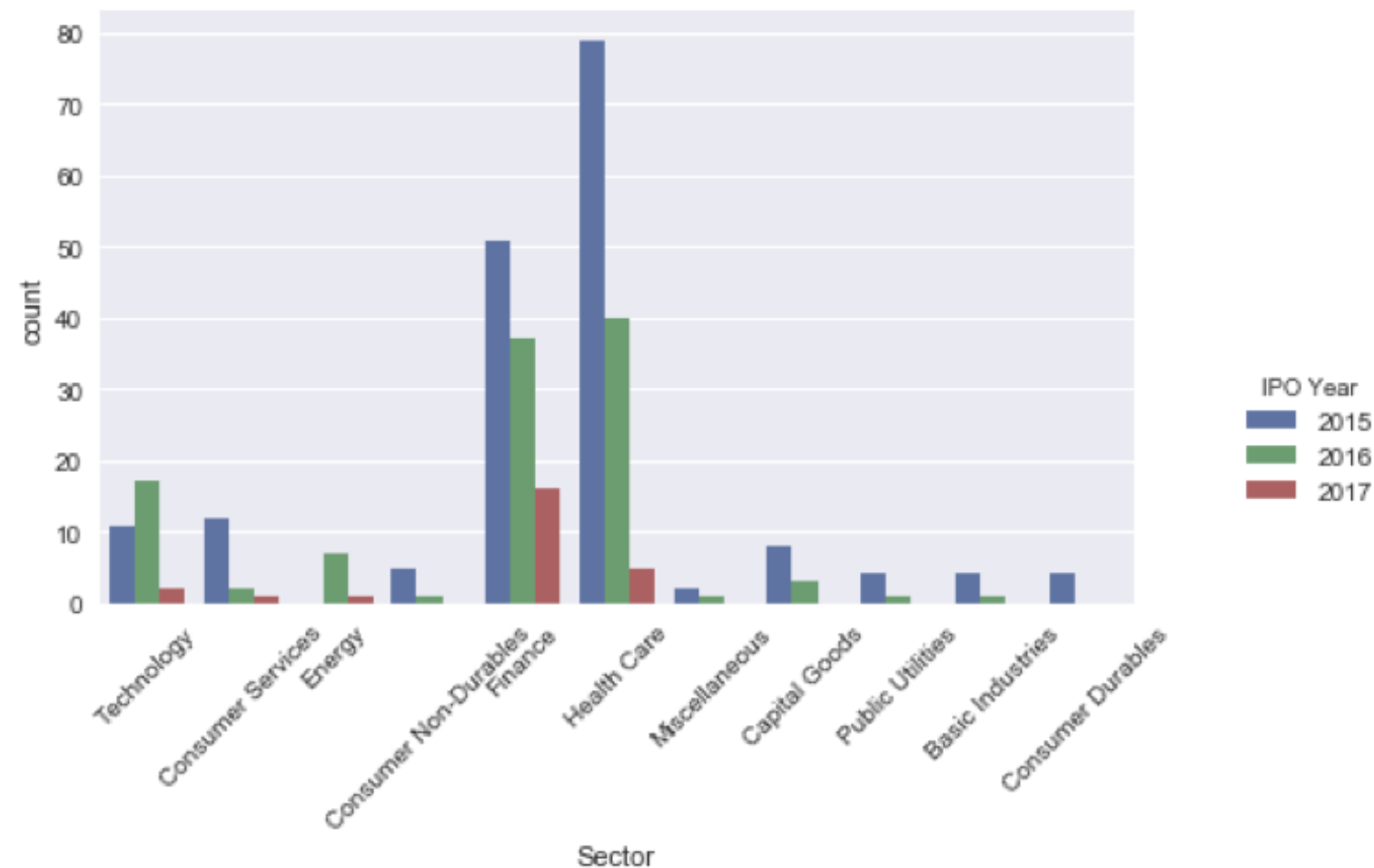
countplot, sorted

```
sns.countplot(x='Sector', data=nasdaq, order=order)
plt.xticks(rotation=45)
plt.title('# Observations per Sector')
```



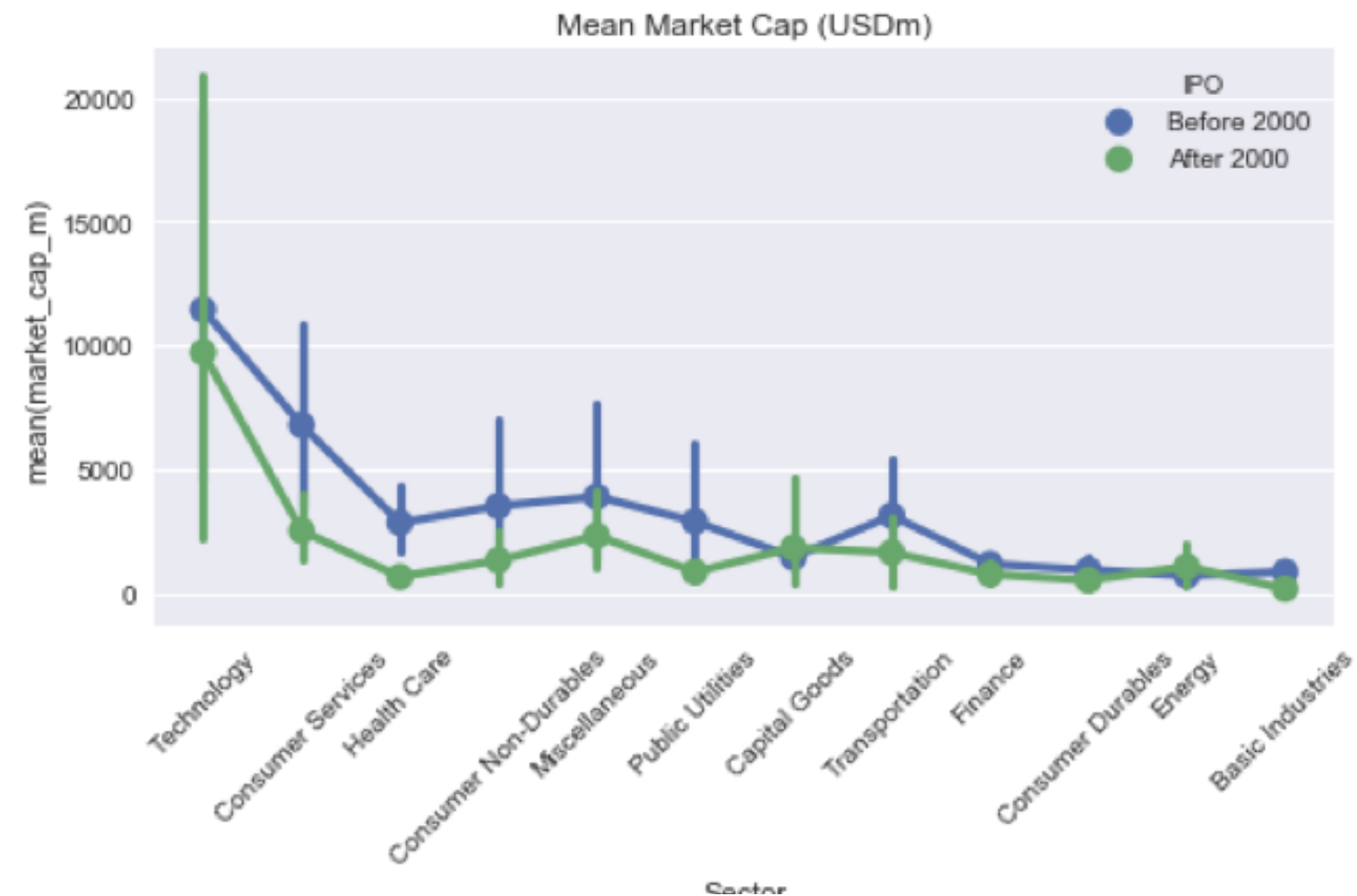
countplot, multiple categories

```
recent_ipos = nasdaq[nasdaq['IPO Year'] > 2014]
recent_ipos['IPO Year'] = recent_ipos['IPO Year'].astype(int)
sns.countplot(x='Sector', hue='IPO Year', data=recent_ipos)
```



Compare stats with PointPlot

```
nasdaq['IPO'] = nasdaq['IPO Year'].apply(lambda x: 'After 2000' if x > 2000 else 'Before 2000')
sns.pointplot(x='Sector', y='market_cap_m', hue='IPO', data=nasdaq)
plt.xticks(rotation=45); plt.title('Mean Market Cap')
```



Let's practice!

IMPORTING AND MANAGING FINANCIAL DATA IN PYTHON

Distributions by category with seaborn

IMPORTING AND MANAGING FINANCIAL DATA IN PYTHON



Stefan Jansen
Instructor

Distributions by category

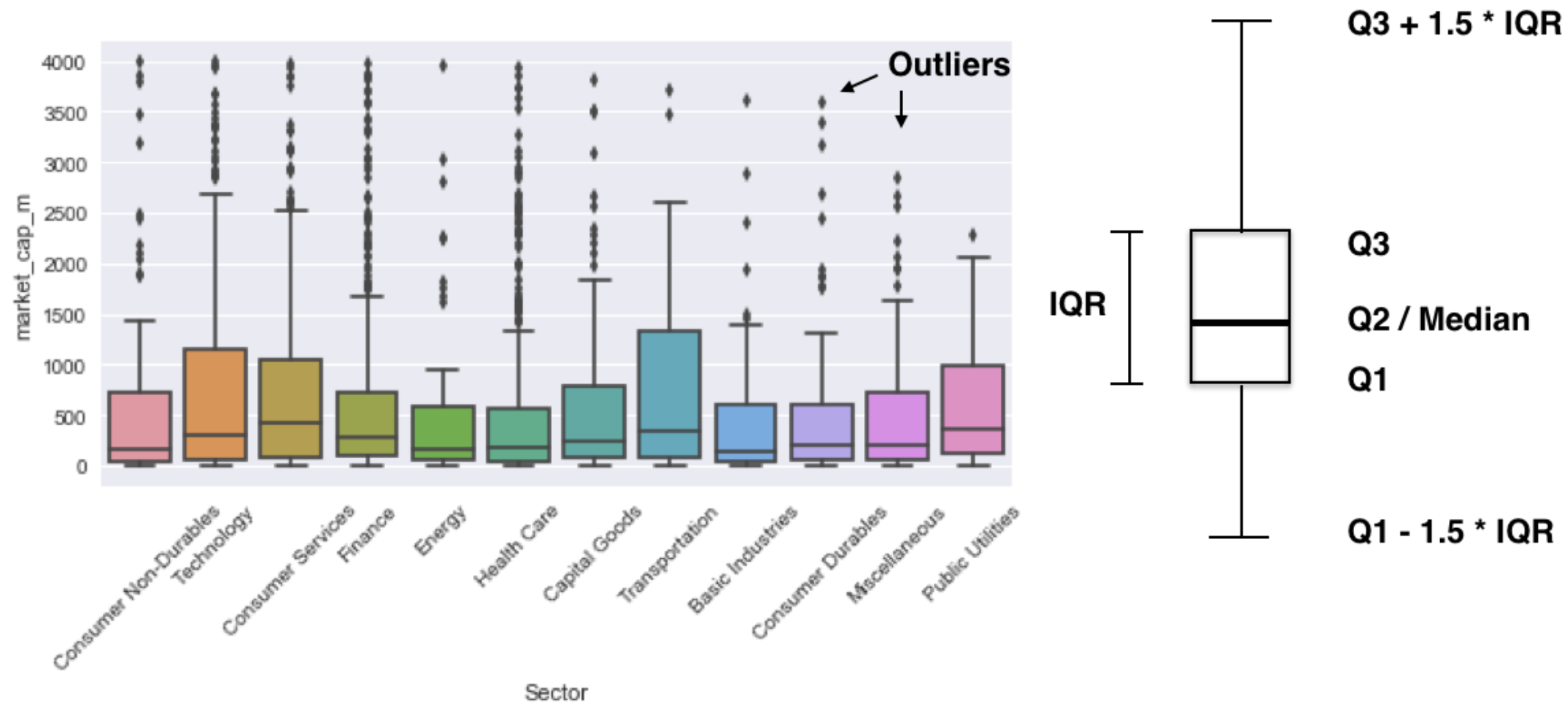
- Last segment: Summary statistics
- Number of observations, mean per category
- Now: Visualize distribution of a variable by levels of a categorical variable to facilitate comparison
- Example: Distribution of Market Cap by Sector or IPO Year
- More detail than summary stats

Clean data: removing outliers

```
nasdaq = pd.read_excel('listings.xlsx', sheet_name='nasdaq',  
                      na_values='n/a')  
  
nasdaq['market_cap_m'] = nasdaq['Market Capitalization'].div(1e6)  
nasdaq = nasdaq[nasdaq.market_cap_m > 0] # Active companies only  
outliers = nasdaq.market_cap_m.quantile(.9) # Outlier threshold  
nasdaq = nasdaq[nasdaq.market_cap_m < outliers] # Remove outliers
```

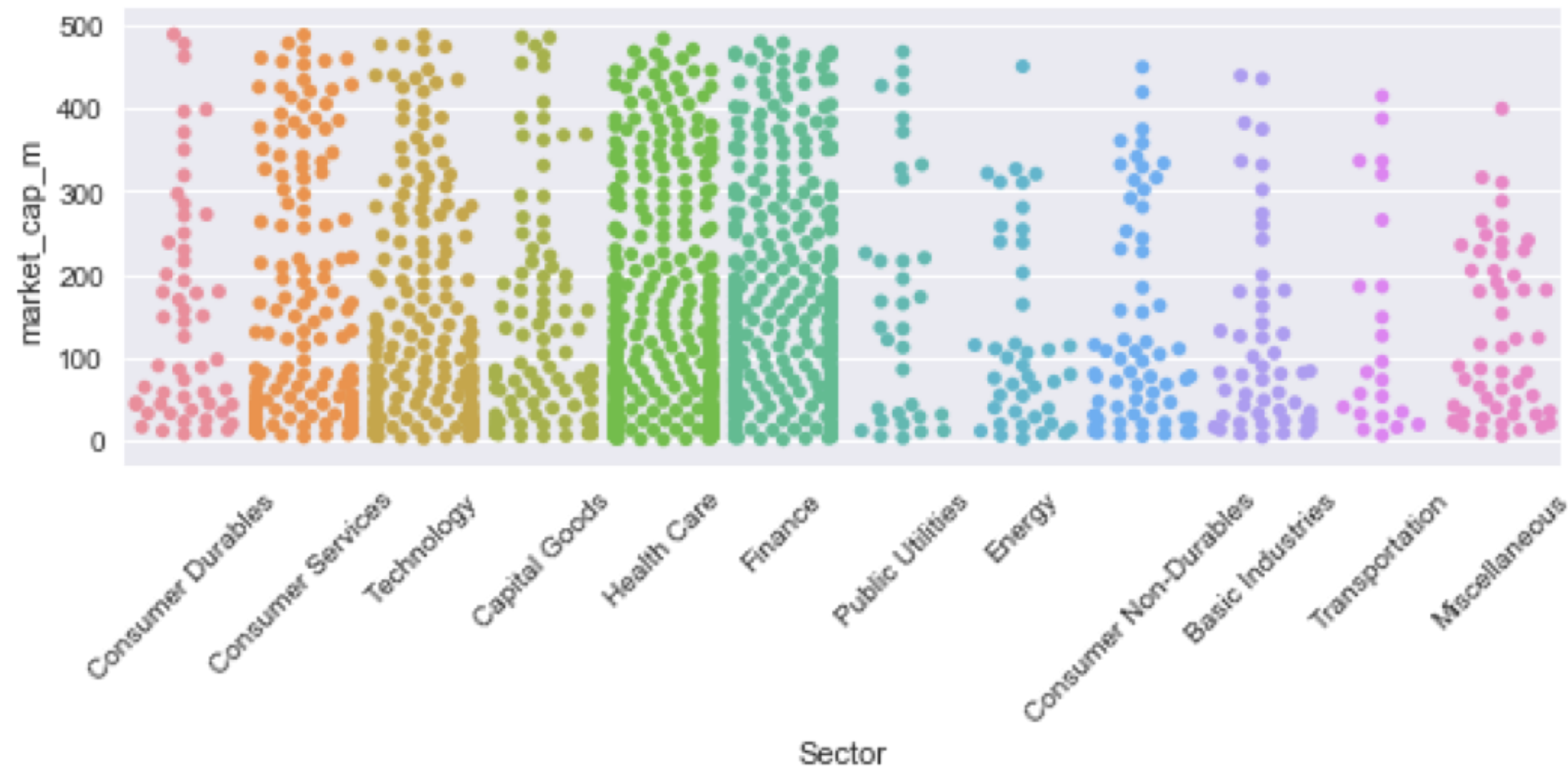
Boxplot: quartiles and outliers

```
import seaborn as sns
sns.boxplot(x='Sector', y='market_cap_m', data=nasdaq)
plt.xticks(rotation=75);
```



A variation: SwarmPlot

```
sns.swarmplot(x='Sector', y='market_cap_m', data=nasdaq)
plt.xticks(rotation=75)
plt.show()
```

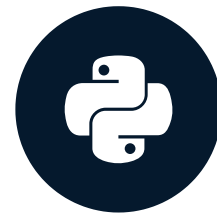


Let's practice!

IMPORTING AND MANAGING FINANCIAL DATA IN PYTHON

Congratulations!

IMPORTING AND MANAGING FINANCIAL DATA IN PYTHON



Stefan Jansen
Instructor

What you learned

- Import data from Excel and online sources
- Combine datasets
- Summarize and aggregate data

Keep learning!

IMPORTING AND MANAGING FINANCIAL DATA IN PYTHON