

Abstract

Crude oil is a commodity traded globally. India meets 80% of its oil requirement from imports and many industries depend on crude or its by products. Crude oil prices always draw the attention of academia, analysts and common people alike. Thus I will analyse the effect of crude oil on commodities like petrol through their wholesale price index (WPI) with the help of regression models like simple linear regression. Cubic Splines and ARIMA model will also be used to predict crude petroleum wholesale price index .Lastly the study will be concluded if the linear model is enough to predict petrol price index and what is the nature of crude oil price index time series and how models like cubic spline and ARIMA performed to predict it.