INTRODUCTION:

1.1 PROJECT OVERVIEW:

Oil demand is inelastic, therefore the rise in price is good news for producers because they will see an increase in their revenue. Oil importers, however, will experience increased costs of purchasing oil. Because oil is the largest traded commodity, the effects are quite significant. A rising oil price can even shift economic/political power from oil importers to oil exporters. The crude oil price movements are subject to diverse influencing factors.

This Guided Project mainly focuses on applying Neural Networks to predict the Crude Oil Price. This decision helps us to buy crude oil at the proper time. Time series analysis is the best option for this kind of prediction because we are using the previous history of crude oil prices to predict future crude oil. So we would be implementing RNN (Recurrent Neural Network) with LSTM (Long Short Term Memory) to achieve the task.

1.2 PURPOSE:

Crude oil price prediction is a challenging task in oil producing countries. It has fluctuations such as demand, supply, cost, etc., its prices is among the most complex and tough to model because fluctuation of price in crude oil are highly irregular, nonlinear and varies dynamically with high uncertainty.

In order to overcome all the above mentioned obstacles and problems we are here to provide a user friendly application with high benefits.

In modern predictions the predictors only used historical data but by using algorithms and user interface this crude oil price predictions are made user friendly.

Due to fluctuations it is very difficult for the users to predict the prices and thereby they don't have correct resources to gather information hence by using this interface the process has been made easier to the users.

LITRATURE SURVEY:

2.1 EXISTING PROBLEM

- ➤ Using the proposed model the major crude oil price moment is analysed and model which interest in economic and finance field.
- ➤ If it forecast the price with quantitative and qualitative method.
- ➤ It focuses only on oil price volatility analysis and oil price determination.
- ➤ The algorithm used in this crude oil price prediction are SVM, ARIMA, Back propagation, Random walk model. for classification or regression of data groups. But it does not execute very well when the data set has more sound ie., target classes are over
- > Support vector machine: It is a type of deep learning algorithm that perform supervised learning lapping.
- ➤ Random walk model: It is described as a "stochastic" process because it works through the application of random variables. Chances in stock prices have the same distribution and are independent of each other.
- ➤ **Back propagation:** It is an algorithm that is designed to test for errors working back from output nodes to input nodes. Back propagation could be rather sensitive to noisy data and irregularity.
- ➤ **ARIMA:** Auto Regressive Integrated Moving Average is used to understand past data or to predict future data in a series. It cannot be used for seasonal time series. It is difficult to predict turning points.

2.2 REFERANCES

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- 2. Murat, A.; Tokat, E. Forecasting oil price movements with crack spread futures. Energy Econ. 2009, 31, 85–90. [CrossRef]
- 3. Yu, L.; Zhao, Y.; Tang, L. Ensemble forecasting for complex time series using sparse representation and neural networks. J.Forecast. 2017, 36, 122–138. [CrossRef]
- 4. Hou, A.; Suardi, S. A nonparametric GARCH model of crude oil price return volatility. Energy Econ. 2012, 34, 618–626. [CrossRef]
- 5. Lanza, A.; Manera, M.; Giovannini, M. Modeling and forecasting cointegrated relationships among heavy oil and product prices. Energy Econ. 2005, 27, 831–848. [CrossRef]
- 6. Jammazi, R.; Aloui, C. Crude oil price forecasting: Experimental evidence from wavelet decomposition and neural network modeling. Energy Econ. 2012, 34, 828–841. [CrossRef]
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- 8. Hinton, G.E.; Salakhutdinov, R.R. Reducing the dimensionality of data with neural networks. Science 2006, 313, 504–507. [CrossRef] [PubMed]
- 9. Lecun, Y.; Bengio, Y.; Hinton, G. Deep learning. Nature 2015, 521, 436–444. [CrossRef] [PubMed]
- 10. Sutskever, I.; Hinton, G.E.; Taylor, G.W. The recurrent temporal restricted boltzmann machine. Adv. Neural Inf. Process. Syst. 2008, 21, 1601–1608.

2.3 PROBLEM STATEMENT DEFINITION:

PROBLEM:

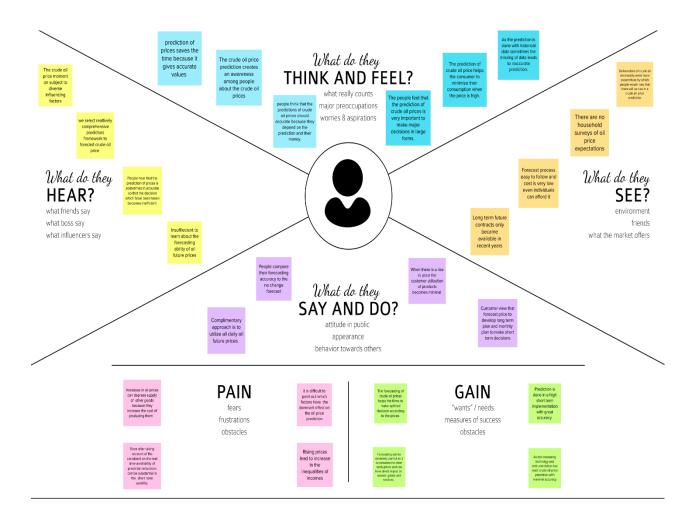
- > Crude oil price fluctuations have a far reaching impact on global economies.
- These fluctuations make a major impact on stake holders and the investors.
- > Cause of fluctuation of prices, demand and supply.

SOULTION:

- In this project we mainly focus on neural networks to predict the crude oil prices.
- ➤ We are using the previous history of crude oil prices as the input data to the training model.
- ➤ Here data preprocessing, training and testing is done using ANN.
- ➤ We use RNN and LSTM algorithm, were the output of one hidden layer act as input of another hidden layer. To evaluate the complex problems into a simpler way.
- ➤ The LSTM algorithm is well adapted to categorize, analyze and predict time series of uncertain.

IDEATION & PROPOSED SOLUTION:

3.1 EMPATHY MAP CANVAS



Template



Brainstorm & idea prioritization

Use this template in your own brainstorming sessions so your team can unleash their imagination and start shaping concepts even if you're not sitting in the same room.

- (b) 10 minutes to prepare
- I hour to collaborate
- 2-8 people recommended



Define your problem statement

What problem are you trying to solve? Frame your problem as a How Might We statement. This will be the focus of your brainstorm.



PROBLEM

What is the best solution to analyse and predict the prices of crude oil?





Before you collaborate

A little bit of preparation goes a long way with this session. Here's what you need to do to get going.

10 minutes

Team gathering

Define who should participate in the session and send an invite. Share relevant information or pre-work ahead.

R Set the goal

Think about the problem you'll be focusing on solving in the brainstorming session.

C Learn how to use the facilitation tools

Use the Facilitation Superpowers to run a happy and productive session.

Open article →



Define your problem statement

What problem are you trying to solve? Frame your problem as a How Might We statement. This will be the focus of your brainstorm.



PROBLEM

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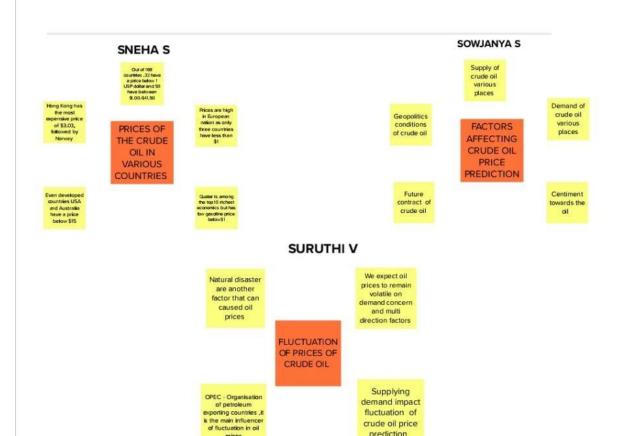




Brainstorm

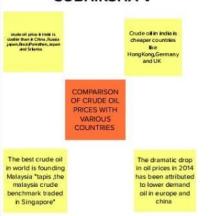
Write down any ideas that come to mind that address your problem statement.

10 minutes



SUBHIKSHA V

prices



SUPRIYA S

demand impact fluctuation of crude oil price prediction





Group ideas

Take turns sharing your ideas while clustering similar or related notes as you go. In the last 10 minutes, give each cluster a sentence-like label. If a cluster is bigger than six sticky notes, try and see if you and break it up into smaller sub-groups.

PRICES ESTIMATION

Prices of crude oil in various countries Factors of crude oil price prediction

Supply and demand is the main criteria for price prediction

CHANGE IN CRUDE OIL PRICES

OPEC is the main influencer of fluctuation Fluctuation of crude oil price prediction

Comparison of prices

STEPS IN FORECASTING THE PRICES OF CRUDE OIL .

Understanding the crude oil prices

Quantitative method

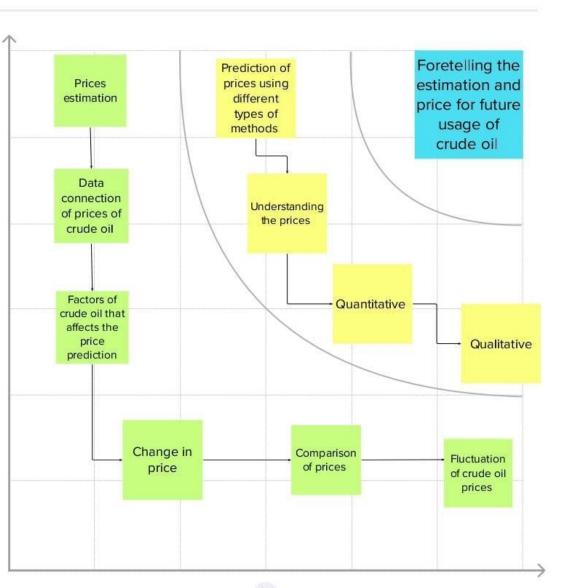
Qualitative method



Prioritize

Your team should all be on the same page about what's important moving forward. Place your ideas on this grid to determine which ideas are important and which are feasible.

3 20 minutes





Feasibility

Regardless of their importance, which tasks are more feasible than others? (Cost, time, effort, complexity, etc.)

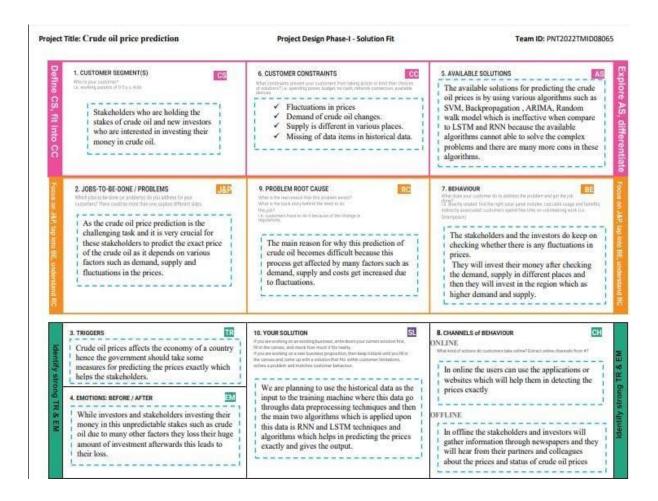
3.3 PROPOSED SOLUTION:

- ➤ In this proposed system initially the previous historical data of crude oil prices is given as an input in the csv file format.
- With this input the data pre-processing is done which includes the process of
 - 1. Quality assessment.
 - 2. Data cleaning.
 - 3. Data reduction.

the evaluation is done by deep learning algorithms like RNN and LSTM which makes the complex process easier and involves in time series prediction.

- At the end the trained model predicts the accurate prices of crude oil.
- ➤ LSTM: Long Short Term Memory is an artificial neural network used in the fields of artificial intelligence and deep learning. Unlike standard feed-forward neural networks, LSTM has feedback connections. Such a recurrent neural network (RNN) can process not only single data points (such as images), but also entire sequences of data (such as speech or video).
- ➤ RNN: A recurrent neural network (RNN) is a class of artificial neural networks where connections between nodes can create a cycle, allowing output from some nodes to affect subsequent input to the same nodes. This allows it to exhibit temporal dynamic behaviour. Derived from feed-forward neural networks, RNNs can use their internal state (memory) to process variable length sequences of inputs.

SOLUTION FIT



REQUIREMENT ANALYSIS:

4.1 FUNCTIONAL REQUIREMENTS

Following are the functional requirements of the proposed solution.

FR No.	Functional Requirement (Epic)	Sub Requirement (Story / Sub-Task)	
FR-1	User Registration	Registration through Form Registration through Gmail	
FR-2	User Confirmation	Confirmation via Email Confirmation via OTP	
FR-3	Graph	Showing graph by obtaining the data from the dataset	
FR-4	Support	Providing answers for the queries asked by use	
FR-5	News	Information of the oil prices will be updated by admin	
FR-6	Notification	Notification will be sent for the users price alert	
Fr-7	Database	Information of the User will be stored	

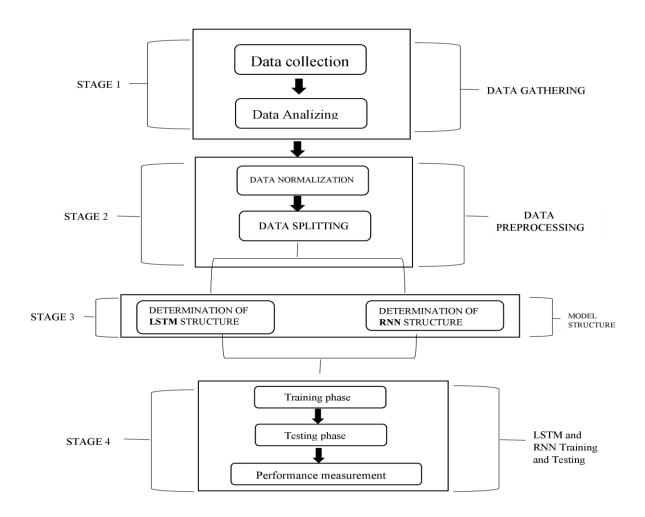
4.2 NON FUNCTIONAL REQUIREMENTS

Following are the non-functional requirements of the proposed solution.

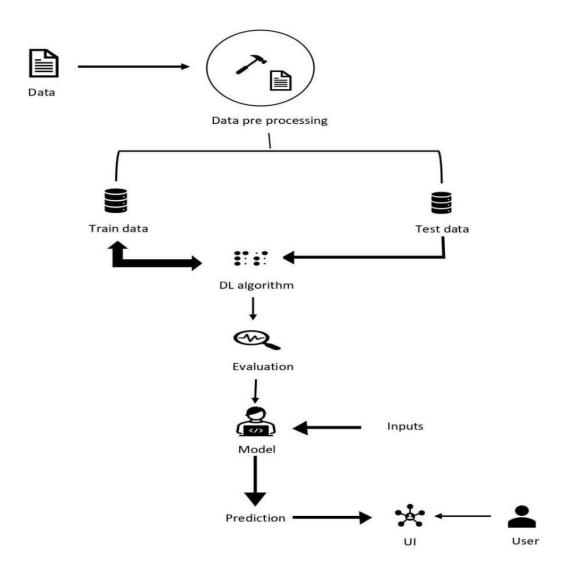
FR No.	Non-Functional Requirement	Description
NFR-1	Usability	It can use by wide variety of client as it is very simple to learn and not complex to proceed.
NFR-2	Security	We are using login for the user and the information will be hashed so that it will be very secure to use.
NFR-3	Reliability	It will be reliable that it can update with very time period so that the accuracy will be good.
NFR-4	Performance	It will be perform fast and secure even at the lower bandwidth.
NFR-5	Availability	Prediction will be available for every user but only for premium user news, database and price alert will be alert.
NFR-6	Scalability	It is scalable that we are going to use data in kb so that the quite amount of storage is satisfied.

PROJECT DESIGN:

5.1 DATA FLOW DIAGRAMS



5.2 SOLUTION & TECHNICAL ARCHITECTURE



5.3 USER STORIES

SATENADIA

Browsing, booking, attending, and rating a local city tour



Steps

What does the person (or group) typically experience?



Interactions

What interactions do they have at each step along the way?

- People: Who do they see or talk to?
- Places: Where are they?
- Things: What digital touchpoints or physical objects would they use?



Goals & motivations

At each step, what is a person's primary goal or motivation? ("Help me..." or "Help me avoid...")



Positive moments

What steps does a typical person find enjoyable, productive, fun, motivating, delightful, or exciting?



Negative moments

What steps does a typical person find frustrating, confusing, angering, costly, or time-consuming?



Areas of opportunity

How might we make each step better? What ideas do we have? What have others suggested?



Entice

How does someone initially become aware of this process?

Browsing app

Comfortable websites

Safing the user details

Firstly we should develop a app for the price prediction

That app should be very much easy to use for the users We have to safe guard the data of the users from the unauthorised persons

The development of the application will be helpful for predicting the crude oil price

Will be very helpful for the daily vehicle users.

is that possible to develop the application based on the Al domain

We must attain the price state of the oil at earliest. We can achieve this by developing an application under deep learning

It is very easy to develop a application on this problem

On predicting the crude oil price it is very helpful globally.

The price may be unstable due to several factors like climatic change,political crisis.

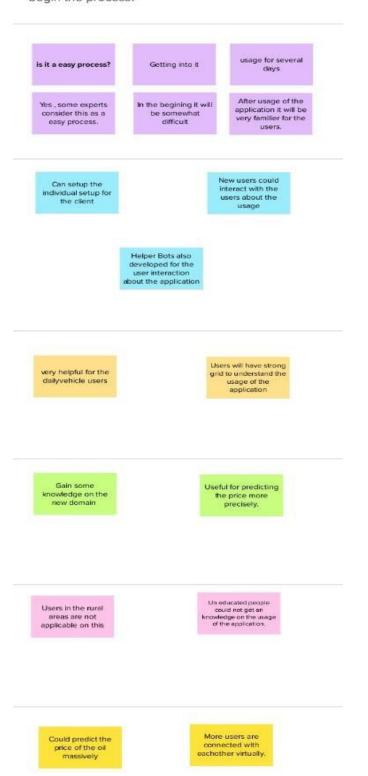
The crude oil price is different price in different countries.

It is required all over the world It will provide huge employment opportunities amoung the technical freshers.



Enter

What do people experience as they begin the process?





Engage

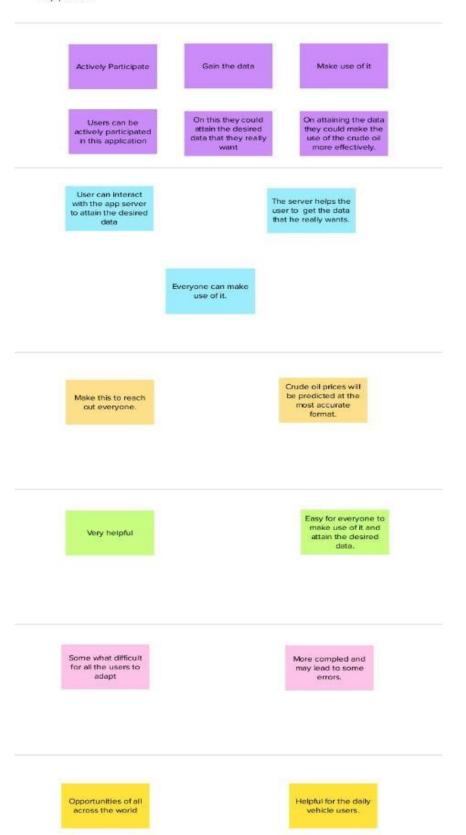
In the core moments in the process, what happens?

Gain the data Make use of it Actively Participate Users can be actively participated in this application On this they could attain the desired data that they really want On attaining the data they could make the use of the crude oil more effectively. User can interact with the app server to attain the desired data The server helps the user to get the data that he really wants. Everyone can make use of it. Crude oil prices will be predicted at the most accurate format. Make this to reach out everyone. Easy for everyone to make use of it and attain the desired data. Very helpful Some what difficult for all the users to adapt More compled and may lead to some errors. Opportunities of all across the world Helpful for the daily vehicle users.



Engage

In the core moments in the process, what happens?



Askfor any other queries Satisfy the users needs The application must satisfy the user requirement of predicting the crude oil prices. the application has to ask on any other queries, Enables the quotes like*THANKS FOR The application must USING OUR APPLICATION" be user friendly. Help the users to To fulfill the user predict the crude oil requirements price very helpful for the daily vehiccle users Very seful all across the world Somewhat tedious to High complexity maintain Plays a major role in Provide the the trade to exchange of the stocks. information to the user

PROJECT PLANNING & SCHEDULING:

6.1 SPRINT PLANNING AND ESTIMATION

Milestone name	Mileston e number	Description	Mandatory
Project Objectives	M-01	We will be able to learn to prepare dataset, data pre-processing, working with RNN layers, read data using various libraries and algorithms such as RNN and LSTM for prediction of crude oil prices.	Yes
Project Flow	M-02	A project management process flowchart is a graphical aid, designed to visualise the sequence of steps to be followed throughout the project management process	Yes
Prerequisite	M-03	To complete this project, we should have known the following projects such as Keras, TensorFlow, RNN and LSTM etc.	Yes
Prior Knowledge	M-04	One should have knowledge on the Supervised Learning, RNN, Regression, Classification and Clustering techniques, NLP etc.	Yes
Data collection	M-05	We can collect dataset from different open sources like kaggle.com Deep learning etc.	Yes
Project Structure	M-06	Importing the data pre-processing libraries, Define the Variables for reading the data and classes for storing it. Importing the libraries to train and test the data.	Yes
Model building	M-07	Importing the model building libraries, Initialising the model, Adding RNN layers, Adding Dense layers, Configuring the learning Process, Train the model, Save the model, Predictions.	Yes
Application building	M-08	Create an HTML file ,build the python code,run the application in browser and showcase prediction on UI	Yes
Train RNN model in IBM	M-09	Register for IBM Cloud and train data Classification Model	Yes
Ideation phase	M-10	Prepare Literature Survey on the selected Project and Information Gathering, empathy map and ideation	Yes

Project design phase-I	M-11	Prepare Proposed solution, problem-solution fit and Solution Architecture	Yes
Project Design Phase-II	M-12	Prepare Customer journey functional requirements, Dataflow diagram and Technology Architecture	Yes
Project Planning Phase	M-13	Prepare Milestone list, Activity list and Sprint Delivery Plan	Yes
Project Development Phase	M-14	Project Development delivery of Sprint 1, Sprint 2, Sprint 3, Sprint 4	Yes

Activity List

Activity numbe r	Activity	Sub activity	Assigned member	Status
1.	Project Objectives		Subhiksha	Completed
2.	Project Flow		Sneha	Completed
3.	Prerequisite		Sowjanya	Completed
4.	Prior Knowledge		Suruthi	Completed
5.	Project Structure		Supriya	
5.	Data collection	5.1 Download the Dataset	Subhiksha	Completed
6.	Data pre- processing	6.1. Import the Libraries	Sneha	In-progress
		6.2. Importing the dataset	Sowjanya	In-progress
		6.3. Handling missing data	Suruthi	In-progress
		6.4. Feature scaling	Supriya	
		6.5.Data Visualization	Subhiksha	
		6.6. Splitting Data into Train and Test	Sneha	
		6.7. Creating a dataset with sliding windows.	Sowjanya	is o
7.	Model Building	7.1. Importing the model building libraries.	Suruthi	In-progress
		7.2. Initialising the model.	Supriya	In-progress

		7.3. Adding LSTM layers.	Subhiksha	In-progres
		7.4. Adding output layers.	Sneha	In-progres
		7.5. Configuring the learning process.	Sowjanya	In-progres
		7.6. Train the model.	Suruthi	In-progres
		7.7. Model Evaluation	Supriya	In-progres
		7.8. Save the model	Sneha	In-progres
		7.9.Test the model	Subhiksha	
8.	Application building	8.1. Create an HTML file	Sowjanya	In-progres
		8.2. Build python code	Supriya	In-progres
		8.3. Run the app in local browser	Suruthi	In-progres
		8.4. Showcasing prediction on UI	Sneha	
9.	Train the Model on IBM	9.1. Register for IBM cloud	Subhiksha	In-progres
	1/7/04/04/99/99	9.2. Train the ML model on IBM	Sneha, Sowjanya	Complete
		9.3. Integrate flask with scoring end point.	Sneha	
10.	Ideation phase	10.1. Literature Review.	Suruthi	Complete
		10.2. Empathy map.	Supriya	Complete
		10.3. Ideation.	Subhiksha	Complete
11.	Project design phase-I	11.1 Proposed Solution	Subhiksha, Sneha, Suruthi	Complete
		11.2 Problem solution fit.	Subhiksha, Sowjanya	Complete
		11.3 Solution Architecture.	Suruthi, Supriya	Complete
12.	Project Design Phase-II	12.1 Customer journey.	Subhiksha,Sneha	Complete
		12.2. Functional requirement.	Sowjanya,Suruthi	Complete

		12.3. Data flow Diagram.	Supriya	Completed
		12.4. Technology Architecture.	Subhiksha, Sowjanya,Supriya	Completed
13.	Project Planning Phase	13.1. Prepare milestone and activity list.	Subhiksha, Suruthi	Completed
		13.2. Sprint delivery plan	Subhiksha, Suruthi	Completed
14.	Project Development Phase	14.1. Project development- Delivery of Sprint-1.	All	In-progress
		14.2. Project development- Delivery of Sprint-2.	All	In-progress
		14.3. Project development- Delivery of Sprint 3.	All	In-progress
		14.4. Project development- Delivery of Sprint-4.	All	In-progress

6.2 SPRINT DELIVERY SCHEDULE

Milestone name	Mileston e number	Description	Mandatory
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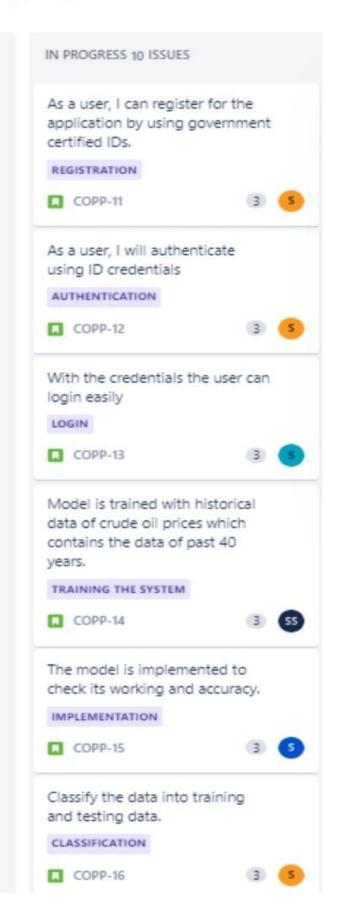
		7.3. Adding LSTM layers.	Subhiksha	In-progres
		7.4. Adding output layers.	Sneha	In-progres
		7.5. Configuring the learning process.	Sowjanya	In-progres
		7.6. Train the model.	Suruthi	In-progres
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12.	Project Design Phase-II	12.1 Customer journey.	Subhiksha,Sneha	Complete
		12.2. Functional requirement.	Sowjanya,Suruthi	Complete

		12.3. Data flow Diagram.	Supriya	Completed
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		14.3. Project development- Delivery of Sprint 3.	All	In-progress
		14.4. Project development- Delivery of Sprint-4.	All	In-progress

6.3 REPORT FROM JIRA

Projects / Crude Oil Price Prediction Backlog Q SS S S S Epic v COPP Sprint 1 24 Oct − 31 Oct (3 issues) COPP-11 As a user, I can register for the application by using government certified IDs. REGISTRATION COPP-12 As a user, I will authenticate using ID credentials AUTHENTICATION COPP-13 With the credentials the user can login easily LOGIN + Create issue COPP Sprint 2 31 Oct − 7 Nov (2 issues) COPP-14 Model is trained with historical data of crude oil prices which contains the data of past 40 years. TRAINING THE SYSTEM COPP-15 The model is implemented to check its working and accuracy. IMPLEMENTATION + Create issue COPP-16 Classify the data into training and testing data. CLASSIFICATION COPP-17 Predict the output where we will get prices of crude oil as output. PREDICTION + Create issue ▼ COPP Sprint 4 14 Nov – 21 Nov (3 issues) COPP-18 On accurate prediction of crude oil prices which helps the investors to gain knowledge about the prices earlier which increases their revenue. FINAL OUTPUT COPP-19 The customer needs are checked and satisfied. Know their perception and working based on it. CONTROLS AND HAS OVERVIEW O... COPP-20 All the past data are collected and stored for future reference. DATABASE

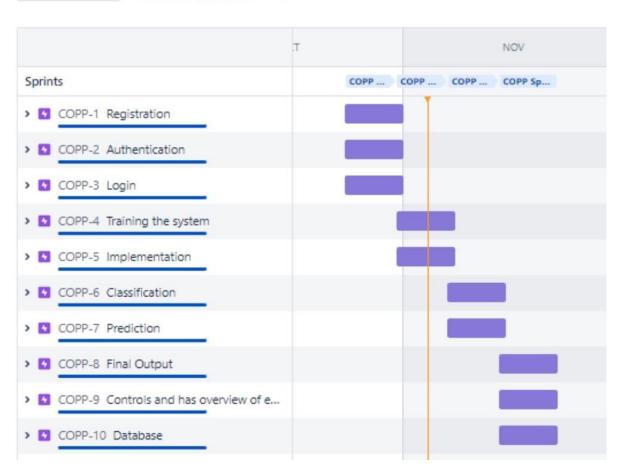




Projects / Crude Oil Price Prediction

Roadmap





FEATURES:

7.1 FEATURE

MinMax scaler subtracts the minimum value in the feature and then divides it by the range. The range is the difference between the original maximum and the original minimum. MinMax scaler preserves the shape of the original distribution. It does it meaningfully change the information embedded in the original data this scaling comprises all the inliers in the narrow range.

7.2 FEATURE 2

Removing null values from the data set is one of the important steps in data wrangling. These null values adversely affect the performance and accuracy of any machine learning algorithm. So it is very important to remove null values from the data set before applying any machine learning algorithm to the dataset.

```
In [3]: data= pd.read_csv("Crude_Oil_Prices_Daily.csv")
data
Out[3]:
          Date Closing Value
        0 02-01-1986 25.56
           1 03-01-1986
        2 06-01-1986 26.53
                            25.85
           3 07-01-1986
        3 07-01-1986 25.85
4 08-01-1986 25.87
        8218 03-07-2018 74.19
        8219 04-07-2018
                              NaN
        8220 05-07-2018 73.05
         8221 06-07-2018
                             73.78
        8222 09-07-2018 73.93
        8223 rows × 2 columns
In [4]: data.isnull().any()
Out[4]: Date
Closing Value
dtype: bool
In [5]: data.isnull().sum()
Out[5]: Date
Closing Value
```

```
In [6]: data.dropna(axis=0,inplace=True)
         data.isnull().sum()
Out[6]: Date
         Closing Value
dtype: int64
In [7]: data_oil=data.reset_index()['Closing Value']
Out[8]: 0
                 25.56
                 26.00
26.53
                 25.85
         4
                 25.87
         8211 73.89
         8212
                74.19
         8213 73.05
8214 73.78
8215 73.93
         Name: Closing Value, Length: 8216, dtype: float64
```

TESTING:

8.1 TEST CASES

8.2 USER ACCEPTANCE TESTING

Crude Oil Price Prediction

Oil demand is inelastic, therefore the rise in price is good news for producers because they will see an increase in their revenue. Oil importers, however, will experience increased costs of purchasing oil. Because oil is the largest traded commodity, the effects are quite significant. A rising oil price can even shift economic/political power from oil importers to oil exporters. The crude oil price movements are subject to diverse influencing factors.

This Project mainly focuses on applying Neural Networks to predict the Crude Oil Price. This decision helps us to buy crude oil at the proper time. Time series analysis is the best option for this kind of prediction because we are using the Previous history of crude oil prices to predict future crude oil. So we would be implementing RNN(Recurrent Neural Network) with LSTM(Long Short Term Memory) to achieve the task.

HOME

PREDICT

Crude Oil Price Prediction

Enter previous 10th day price Enter previous 5th day price

Enter previous 9th day price Enter previous 4th day price

Enter previous 8th day price Enter previous 3rd day price

Enter previous 7th day price Enter previous 2nd day price

Enter previous 6th day price Enter previous 1st day price

PREDICT

Crude Oil Price Prediction

{{showcase }}

HOME

PREDICT

RESULTS:

9.1 PERFORMACE METRICS

We have used Root Mean Square Error (RMSE) as the standard deviation of the residuals (prediction errors). Residuals are a measure of how far from the regression line data points are; RMSE is a measure of how to spread out these residuals. In other words, it tells you how concentrated the data is around the line of best fit. Root mean square error is commonly used in climatology, forecasting, andregression analysis to verify experimental results.

The formula is

$$RMSE = \sqrt{(f - o)^2}$$

Where:

f = forecasts (expected values or unknown results),

o = observed values (known results).

The bar above the squared differences is the mean (similar to \bar{x}). The same formula can be written with the following, slightly different, notation (Barnston, 1992):

RMSE_{fo} =
$$\left[\sum_{i=1}^{N} (z_{f_i} - z_{o_i})^2 / N\right]^{1/2}$$

Where:

 Σ = summation ("add up") (zfi – Zoi)2 = differences, squared N = sample size.

```
In [27]: train_predict=scaler.inverse_transform(train_data)
    test_predict=scaler.inverse_transform(test_data)
    ### Calculate RMSE performance metrics
    import math
    from sklearn.metrics import mean_squared_error
    math.sqrt(mean_squared_error(train_data,train_predict))
Out[27]: 29.347830443269938
```

ADVANTAGES AND DISADVANTAGES:

10.1 ADVANTAGES

- An RNN remembers each and every information through time where it is useful for time series prediction.
- ➤ The main advantage of this approach of **RNN** is that it continuously captures the unstable pattern of the crude oil prices.
- ➤ LSTM is capable of learning long term dependencies, especially in sequence prediction problems.
- Minimizing the risk associated with long time volatility in oil prices.
- ➤ Price forecasts are very important to various stake holders; government, public and private enterprises, policy makers and investors.
- > LSTM units include a 'memory cell' that can maintain information in memory for long period of time.
- > RNN can model a collection of record (ie., time collection)so that each pattern can be assumed to be dependent on previous ones.
- > This model is highly suggested because investors can use it not only to initiate trades but also has an effective tool.

10.2 DISADVANTAGES

- The previous algorithms does not execute very well solution when the dataset sounds high.
- ➤ It will take more time while training the data.
- > The changes in the stack prices have the same distribution and on independent of each other.
- ARIMA models are simply checked for their adequacy. However, the disadvantages of this method include the need for a large number of initial data and the absence of a simple method of adjusting the parameters of the model.
- > The performance of back propagation relies very heavily on the training data. Back propagation needs a very large amount of time for training.
- > The past movement or trend of a stock price or market cannot be used to predict its future movement.
- As the support vector classifier works by placing data points, above and below the classifying hyper plane there is no probabilistic clarification for the classification.

11. CONCLUSION:

In this project, an LSTM (Long Short Term Memory) model is presented with the task of determining the most favourable lag in the crude oil price data. The prediction is accurate till there is a massive and sudden change in the actual data, where it becomes challenging to predict the exact new price with the change, however, the proposed model has efficiently taken into consideration these patterns. Else ways, this also proves the theory that financial markets are unpredictable and change anytime because of known and unknown factors. This work indicates that the LSTM model is an effective tool for crude oil price prediction and can be efficiently used for long-term price forecasting by determining the optimal lags. The proposed model is powerful and highly suggested because investors can use it not only to initiate trades but also as a effective tool to judge various strategies relating to investments.

12. FUTURE SCOPE:

In the coming future, fundamental indicators and market trends have been plan to be In-corporated into a model which will help the proposed model perform more efficient.

13.APPENDIX:

SOURCE CODE:

App.py:

```
App.py
App.py
       import numpy as np
       from flask import Flask, render_template, request
       import tensorflow as tf
       from tensorflow.keras.models import load model
       tf.get_logger().setLevel('ERROR')
       app=Flask(__name__,template_folder='template')
       model = load_model('./crude-oil.h5')
      @app.route('/')
      @app.route('/about')
      def home1():
          return render template("index.html")
      @app.route('/predict')
      def home2():
           return render template("web.html")
       @app.route('/login', methods = ['POST'])
           x_input=str(request.form['year'])
           x_input=x_input.split(',')
          n = len(x_input) + 1
               x_input[i] = float(x_input[i])
           x_input=np.array(x_input).reshape(1,-1)
           temp_input=list(x_input)
           temp_input=temp_input[0].tolist()
           1st_output=[]
           n_steps=10
           while(i<1):
               if(len(temp_input)>10):
                   x_input=np.array(temp_input[1]:])
                   x_input=x_input.reshape(1, 1)
x_input = x_input.reshape((1, n_steps, 1))
                   yhat = model.predict(x_input, verbose=0)
                   temp_input.extend(yhat[0].tolist())
                   temp_input=temp_input[]:]
                   lst_output.extend(yhat.tolist())
                   i=i+1
```

Index.html

```
index.html X
template > 🥫 index.html > 😥 html > 🐼 style > 😭 body
                           <!DOCTYPE html>
<html lang="en">
                                 chead>
    cmeta charset="UTF-8" />
    cmeta http-equiv="X-UA-Compatible" content="IE=edge" />
    cmeta http-equiv="X-UA-Compatible" content="X-UA-Compatible" content="X
                                         cmeta name="viewport" content="width=device-width, initial-scale=1.0" />
<title>Crude Oil Price Prediction</title>
                                                height: 100%;
                                         body (
                                                 padding: 0;
                                               font-family: sans-serif;
background: linear-gradient( #141e38, #141e38);
                                                 padding: 40px;
margin: 4% auto;
                                                 background: Drgba(0, 0, 0, 0.5);
                                                 box-sizing: border-box;
box-shadow: 0 15px 25px | rgba(0, 0, 0, 0.6);
                                               margin: 0 0 30px;
                                                 padding: 0;
color: ■#fff;
                                         .navbtn {
  padding: 0.5rem 1rem;
  color:  white;
                                                 text-decoration: none;
background-color: ■#03e9f4;
                                                  font-weight: 500;
                                                 text-decoration: none;
                                                  letter-spacing: 3px;
                                                 background: #83e9F4;
                                                 color: ■#fff;
                                                 border-radius: 5px;
                                                box-shadow: 0 0 2px ■#03e9f4, 0 0 10px ■#03e9f4, 0 0 20px ■#03e9f4, 0 0 40px ■#03e9f4;
                                                 margin: 0 0 30px;
                                                 padding: 0;
color: ■rgb(215, 215, 215);
                                                  line-height: 140%;
```

```
.login-box .user-box {
 position: relative;
.login-box .user-box input {
 width: 100%;
 padding: 10px 0;
 font-size: 16px;
 color: #fff;
 margin-bottom: 30px;
 border: none;
 border-bottom: 1px solid ■#fff;
 background: transparent;
 position: absolute;
 left: 0;
 padding: 10px 0;
 font-size: 14px;
 color: #fff;
 pointer-events: none;
 transition: 0.5s;
.login-box .user-box input:valid ~ label {
 left: 0;
 color: #03e9f4;
 font-size: 12px;
.login-box form .logbtn {
 position: relative;
 display: inline-block;
 padding: 10px 20px;
color: ■white;
 background-color: #03e9f4;
 text-decoration: none;
 text-transform: uppercase;
 overflow: hidden;
 transition: 0.5s;
 margin-top: 40px;
 letter-spacing: 4px;
.login-box .logbtn:hover {
 border: none;
 background: #03e9f4;
 color: #fff;
 border-radius: 5px;
 box-shadow: 0 0 2px ■#03e9f4, 0 0 10px ■#03e9f4, 0 0 20px ■#03e9f4,
   0 0 40px #03e9f4;
```

```
border: none;
   background: #03e9f4;
   color: #fff;
   border-radius: 5px;
   box-shadow: 0 0 2px ■#03e9f4, 0 0 10px ■#03e9f4, 0 0 20px ■#03e9f4,
     0 0 40px #03e9f4;
 <div class="login-box">
   <h2>Crude Oil Price Prediction</h2>
     Oil demand is inelastic, therefore the rise in price is good news for
     producers because they will see an increase in their revenue. Oil
     importers, however, will experience increased costs of purchasing oil.
     Because oil is the largest traded commodity, the effects are quite
     significant. A rising oil price can even shift economic/political power
     from oil importers to oil exporters. The crude oil price movements are
     subject to diverse influencing factors.
     This Project mainly focuses on applying Neural Networks to predict the
     Crude Oil Price. This decision helps us to buy crude oil at the proper
     time. Time series analysis is the best option for this kind of
     prediction because we are using the Previous history of crude oil prices
     to predict future crude oil. So we would be implementing RNN(Recurrent
     Neural Network) with LSTM(Long Short Term Memory) to achieve the task.
       display: flex;
       justify-content: space-between; width: 50%;
       margin: 0 auto;
     <a href="/" class="navbtn">Home</a>
       <a href="/predict" class="navbtn">Predict</a>
  </div>
</body>
```

Web.html

```
web.html X
template > 5 web.html > 4 html > 4 style > 4 login-box .logbtn:hover
        <html lang="en">
            <meta http-equiv="X-UA-Compatible" content="IE=edge" />
<meta name="viewport" content="width=device-width, initial-scale=1.0" />
<title>Crude Oil Price Prediction</title>
              height: 100%;
              margin: 0;
              padding: 0;
              font-family: sans-serif;
             background: linear-gradient( #141e30, #141e30);
           .login-box {
             padding: 40px;
margin: 4% auto;
             background: ☐ rgba(0, 0, 0, 0.5);
             box-sizing: border-box;
             box-shadow: 0 15px 25px □rgba(0, 0, 0, 0.6);
              border-radius: 10px;
            .login-box h2 {
  margin: 0 0 30px;
              padding: 0;
              color: | #fff;
              text-align: center;
            .login-box .user-box {
             width: 100%;
              padding: 10px 0;
              font-size: 16px;
              color: □#fff;
              margin-bottom: 30px;
              border-bottom: 1px solid ■#fff;
              background: transparent;
             position: absolute;
              padding: 10px 0;
              color: #fff;
              pointer-events: none;
              transition: 0.5s;
```

```
top: -20px;
left: 0;
  color: #83e9f4;
.login-box form .logbtn {
  padding: 10px 20px;
  color: White;
  background-color: #83e9f4;
  text-decoration: none;
  text-transform: uppercase;
  margin-top: 40px;
  letter-spacing: 4px;
.login-box .logbtn:hover
 border: none;
background: ■#03e9f4;
color: ■#fff;
  border-radius: 5px;
  box-shadow: 0 0 2px ■#03e9f4, 0 0 10px ■#03e9f4, 0 0 20px ■#03e9f4,
    0 0 40px ##03e9f4;
<div class="login-box">
  <h2>Crude Oil Price Prediction</h2>
    action="/login"
    method="post"
    style="display: flex; justify-content: space-between"
        <label>Enter previous 10th day price</label>
        <input type="text" name="" required="" />
        <label>Enter previous 9th day price</label>
        <input type="text" name="" required="" />
<label>Enter previous 8th day price</label>
        <input type="text" name="" required="" />
        <label>Enter previous 7th day price</label>
      <div class="user-box">
        <label>Enter previous 6th day price</label>
      <input type="submit" class="logbtn" value="Predict" />
```

```
web.html X
template > 🥫 web.html > 🔗 html > 😭 style > ધ .login-box .logbtn:hover
                   <label>Enter previous 8th day price</label>
                 </div>
                 <div class="user-box">
                   <input type="text" name="" required="" />
                   <label>Enter previous 7th day price</label>
                 </div>
                 <div class="user-box">
                  <input type="text" name="" required="" />
                   <label>Enter previous 6th day price</label>
                 </div>
                 <input type="submit" class="logbtn" value="Predict" />
              </div>
                 <div class="user-box">
                  <input type="text" name="" required="" />
                   <label>Enter previous 5th day price</label>
                 </div>
                <div class="user-box">
                   <input type="text" name="" required="" />
                   <label>Enter previous 4th day price</label>
                 </div>
                 <div class="user-box">
                   <input type="text" name="" required="" />
                   <label>Enter previous 3rd day price</label>
                </div>
                 <div class="user-box">
                   <input type="text" name="" required="" />
                   <label>Enter previous 2nd day price</label>
                 </div>
                <div class="user-box">
                   <input type="text" name="" required="" />
                   <label>Enter previous 1st day price</label>
                 </div>
              </div>
             </form>
           </div>
         </body>
      </html>
```

Web1.html

```
web1.html ×
template > 🥫 web1.html > 🏈 html > 💝 style > 😘 login-box
         <html lang="en">
           <head>
  <meta charset="UTF-8" />
              <meta http-equiv="X-UA-Compatible" content="IE=edge" />
              <meta name="viewport" content="width=device-width, initial-scale=1.8" />
<title>IBM Project</title>
                height: 100%;
              margin: 0;
padding: 0;
                 background: linear-gradient( #141e30, #141e30);
              .login-box {
              width: 600px;
padding: 40px;
margin: 4% auto;
               background: ☐ rgba(0, 0, 0, 0.5);
               box-sizing: border-box;
box-shadow: 0 15px 25px □rgba(0, 0, 0, 0.6);
border-radius: 10px;
              padding: 0.5rem 1rem;
color: Wwhite;
text-decoration: none;
                background-color: #83e9f4;
                font-size: 16px;
font-weight: 500;
                text-decoration: none;
                letter-spacing: 3px;
text-transform: uppercase;
               background: ■#03e9f4;
color: ■#fff;
                border-radius: 5px;
box-shadow: 0 0 2px ■#03e9f4, 0 0 10px ■#03e9f4, 0 0 20px ■#03e9f4,
0 0 40px ■#03e9f4;
                 margin: 0 0 30px;
                padding: 0;
color: ■#fff;
               margin: 0 0 30px;
                padding: 0;
color: ■#fff;
                 text-align: center;
              .login-box .user-box {
  position: relative;
```

```
.login-box .user-box input {
 padding: 10px 0;
  color: #ffff;
  margin-bottom: 30px;
  border: none;
 border-bottom: 1px solid ■#fff;
  background: transparent;
.login-box .user-box label {
 left: 0;
 padding: 10px 0;
 color: #fff;
 transition: 0.5s;
.login-box .user-box input:focus ~ label,
 left: 0;
 color: #83e9f4;
 font-size: 12px;
.login-box form .logbtn {
 display: inline-block;
 padding: 10px 20px;
 color: white;
 background-color: #03e9f4;
 font-size: 16px;
  overflow: hidden;
 transition: 0.5s;
 margin-top: 40px;
 letter-spacing: 4px;
.login-box .logbtn:hover {
 border: none;
 background: ■#03e9f4;
color: ■#fff;
 border-radius: 5px;
 box-shadow: 0 0 2px ■#03e9f4, 0 0 10px ■#03e9f4, 0 0 20px ■#03e9f4,
   8 8 40px #83e9f4;
<div class="login-box">
 {{showcase }}
     display: flex;
     justify-content: space-between;
     width: 50%;
     margin: 0 auto;
```

```
template > 5 web1.html > 4 html > 4 style > 6 login-box
           letter-spacing: 4px;
       .login-box .logbtn:hover {
          border: none;
          background: #03e9f4;
          color: #ffff;
          border-radius: 5px;
          box-shadow: 0 0 2px ■#03e9f4, 0 0 10px ■#03e9f4, 0 0 20px ■#03e9f4,
            0 0 40px #03e9f4;
       <div class="login-box">
          <h2>Crude Oil Price Prediction</h2>
           {{showcase }}
             style="
               display: flex;
              justify-content: space-between;
               width: 50%;
              margin: 0 auto;
             <a href="/" class="navbtn">Home</a>
              <a href="/predict" class="navbtn">Predict</a>
          </div>
       </div>
      </html>
```

GIT HUB LINK:

https://github.com/IBM-EPBL/IBM-Project-13250-1659515191

DEMO VEDIO LINK:

https://youtu.be/xanIAiGjPJs