**LITERATURE REVIEW**

Crude oil is one of the most important resources in today’s world which is considered to be the chief fuel and its cost has a direct effect on the global habitat, exploitation and other activities [4].

Prediction of oil prices has become a recent need in today’s world. The evaporative nature of crude oil made its price prediction become extremely difficult [5]. Many studies have been performed to forecast the prices of crude oil. Although many methods have been developed for predicting oil prices, it

remains one of the most challenging forecasting problems due to the high volatility of oil prices.

[1] Nalini Gupta, Shobhit Nigam presented a model to predict crude oil prices using an artificial neural network. In this approach, they have continuously captured the unstable pattern of crude oil prices to predict the output. Lag calculation in any prediction model is extremely important as it makes you one step ahead, in any prediction model the maximum impact is due to the previous year’s values, hence lag values carry a lot of information of the future series of price and time.

[2] Shuang Gao and Yalin Lei proposed an approach of predicting crude oil price based on stream learning. In this, we have used tools from stream learning which will update whenever new oil price data are available, so the model continuously evolves over time, and can capture the changing pattern of oil prices.Unlike traditional machine learning algorithms that use “one-shot” data analysis and focus on homogeneous and stationary data, stream learning algorithms have been developed to handle applications where continuous data streams are generated from non-stationary processes .

[3] Wen Xie, Lean Yu, Shanying Xu and Shouyang Wang came up with their idea of predicting crude oil price with the support vendor machine.There exist four phases when developing a SVM for time series forecasting: data sampling, sample preprocessing, training & learning and out-of-sample forecasting. They trained the SVM model with previous records of price variation to predict the price of crude oil. They have claimed that due to specific optimization procedures it is assured that over-training is avoided. But high accuracy is not achieved with this approach.

**References:**

[1] <https://www.sciencedirect.com/science/article/pii/S1877050920305913>

[2] <https://www.sciencedirect.com/science/article/pii/S167498711630086X>

[3] <https://link.springer.com/chapter/10.1007/11758549_63>

[4]<https://corporatefinanceinstitute.com/resources/knowledge/economics/crude-oil-overview/>

[5] <https://www.digitalrefining.com/article/1002330/forecasting-crude-oil-prices#.YymJQHZBxPY>