MODEL BUILDING- MODEL EVALUATION

Team ID	PNT2022TMID09686
Project Name	Crude Oil Price Prediction

In [1]:
```
import pandas as pd
import numpy as np
import matplotlib.pyplot as plt
```

In [2]:
```
data=pd.read_excel("/content/Crude Oil Prices Daily.xlsx")
```

In [3]:
```
data.isnull().any()
```

Out[3]:
```
Date            False
Closing Value    True
dtype: bool
```

In [4]:
```
data.isnull().sum()
```

Out[4]:
```
Date            0
Closing Value   7
dtype: int64
```

In [5]:
```
data.dropna(axis=0,inplace=True)
```

In [6]:
```
data.isnull().sum()
```

Out[6]:
```
Date            0
Closing Value   0
dtype: int64
```

In [7]:
```
data_oil=data.reset_index()['Closing Value']
data_oil
```

Out[7]:
```
0       25.56
1       26.00
2       26.53
3       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
```

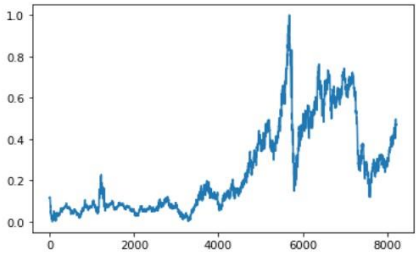
In [8]:
```
from sklearn.preprocessing import MinMaxScaler
scaler=MinMaxScaler(feature_range=(0,1))
data_oil=scaler.fit_transform(np.array(data_oil).reshape(-1,1))
```

In [9]:
```
data_oil
```

Out[9]:
```
array([[0.11335703],
       [0.11661484],
       [0.12053902],
       ...,
       [0.46497853],
       [0.47038353],
       [0.47149415]])
```

In [10]:
```
plt.plot(data_oil)
```

Out[10]: []



In [11]:
```
training_size=int(len(data_oil)*0.65)
test_size=len(data_oil)-training_size
train_data,test_data=data_oil[0:training_size,:],data_oil[training_size:len(data_oil),:1]
```

In [12]:
```
training_size,test_size
```

Out[12]: (5340, 2876)

In [13]:
```
train_data.shape
```

Out[13]: (5340, 1)

In [14]:
```
def create_dataset(dataset,time_step=1):
  dataX,dataY=[],[]
  for i in range(len(dataset)-time_step-1):
    a=dataset[i:(i+time_step),0]
    dataX.append(a)
    dataY.append(dataset[i+time_step,0])
  return np.array(dataX),np.array(dataY)
```

In [15]:
```
time_step=10
x_train,y_train=create_dataset(train_data,time_step)
x_test,y_test=create_dataset(test_data,time_step)
```

In [16]:
```
print(x_train.shape),print(y_train.shape)
```

```
(5329, 10)
(5329,)
```

Out[16]: (None, None)

In [17]:
```
print(x_test.shape),print(y_test.shape)
```

```
(2865, 10)
(2865,)
```

Out[17]: (None, None)

In [18]:
```
x_train
```

Out[18]:
```
array([[0.11335703, 0.11661484, 0.12053902, ..., 0.10980305, 0.1089886 ,
        0.11054346],
       [0.11661484, 0.12053902, 0.11550422, ..., 0.1089886 , 0.11054346,
        0.10165852],
       [0.12053902, 0.11550422, 0.1156523 , ..., 0.11054346, 0.10165852,
        0.09906708],
       ...,
       [0.36731823, 0.35176958, 0.36080261, ..., 0.36391234, 0.37042796,
        0.37042796],
       [0.35176958, 0.36080261, 0.35354657, ..., 0.37042796, 0.37042796,
        0.37879461],
       [0.36080261, 0.35354657, 0.35295424, ..., 0.37042796, 0.37879461,
        0.37916482]])
```

In [19]:
```
x_train=x_train.reshape(x_train.shape[0],x_train.shape[1],1)
x_test=x_test.reshape(x_test.shape[0],x_test.shape[1],1)
```

In [20]:
```
from tensorflow.keras.models import Sequential
from tensorflow.keras.layers import Dense
from tensorflow.keras.layers import LSTM
```

In [22]:
```
model=Sequential()
```

In [23]:
```
model.add(LSTM(50,return_sequences=True,input_shape=(10,1)))
model.add(LSTM(50,return_sequences=True))
model.add(LSTM(50))
```

In [24]:
```
model.add(Dense(1))
```

In [25]:
```
model.summary()
```

```
Model: "sequential_1"
_________________________________________________________________
 Layer (type)                Output Shape              Param #
=================================================================
 lstm (LSTM)                 (None, 10, 50)            10400

 lstm_1 (LSTM)               (None, 10, 50)            20200

 lstm_2 (LSTM)               (None, 50)                20200

 dense (Dense)               (None, 1)                 51

=================================================================
Total params: 50,851
Trainable params: 50,851
Non-trainable params: 0
_________________________________________________________________
```

In [26]:
```
model.compile(loss='mean_squared_error',optimizer='adam')
```

In [27]:
```
model.fit(x_train,y_train,validation_data=(x_test,y_test),epochs=3,batch_size=64,verbose=1)
```

```
Epoch 1/3
84/84 [==============================] - 11s 48ms/step - loss: 0.0023 - val_loss: 0.0010
Epoch 2/3
84/84 [==============================] - 2s 28ms/step - loss: 1.2599e-04 - val_loss: 8.0346e-04
Epoch 3/3
84/84 [==============================] - 2s 30ms/step - loss: 1.2479e-04 - val_loss: 9.4227e-04
```

Out[27]:

In [28]:
```
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[28]:
```
29.347830443269938
```