

PROBLEM STATEMENT

1. Crude oil price fluctuations have a far-reaching impact on global economies and thus price forecasting can assist in minimizing the risks associated with volatility in oil prices. Price forecasts are very important to various stakeholders: governments, public and private enterprises, policymakers, and investors.
2. Unlike most products, oil prices are not determined entirely by supply, demand, and market sentiment toward the physical product oil futures contracts, which are traded heavily by speculators, play a dominant role in price determination.
3. Natural gas and electricity prices have soared to new records, incentivizing gas-to-oil switching in some countries. Crude oil is one of the most upstreams for world nations.