LITERATURE SURVEY

INTRODUCTITON:

Crude oil is a yellow-black naturally occurring liquid found in geological formations beneath the Earth's surface, it can be separated into various kinds of consumer fuels through the process of fractional distillation. Crude oil is amongst the most important energy resources on earth right now. So far, it remains the world's leading fuel, with nearly one-third of global energy consumption. Petroleum products are also made of refined crude oil.

LITERATURE REVIEW:

Several research studies have been performed to understand the factors affecting changes in crude-oil prices. Kilian (2009) proposed that uncertainty plays the most important role in determining crude oil prices apart from demand and supply. Hamilton (2008) analysed the cause of 2008 crude-oil price rise and identified factors such as low price elasticity of demand for crude oil, increase in demand for the crude oil from China and other countries entering the industrialisation phase and global production of crude oil not matching the rising demand leading to the speculation in crude oil market contributing to the price rise. Chevillon and Rifflart (2009) found factors that were not part of the historical physical market behaviour in determining oil prices which included cointegrating relations between OPEC's behaviour to control the prices by using its market power and the coverage rate of OECD's expected future demand using inventory behaviours. In the recent times (Mulla, 2014) has shown that the fall in oil prices can be attributed to increased supply, less dependence on OPEC and stabilising geo-political situations.

Research has been conducted to understand the impact of crude-oil prices on interest rates and inflation in the international context. Reicher and Utlaut (2010) studied the relationship between the international crude oil prices and the long run nominal interest rates and showed that there was a strong positive relationship between the oil price and the interest rates, in the US. Cologni and Manera (2008) examined the impact of oil shocks on the inflation and the interest

rate of the G-7 countries and concluded that there was a considerable amount of impact on interest rates, which was caused due to the monetary policy decisions taken by the concerned authority to curtail the inflation. Yanagisawa (2012) showed that the importing country's purchasing power decreased significantly when oil prices rose, leading to a multiplier effect, which affected the consumers as well as the producers.

Studies have been done to study the impact of crude-oil prices on market returns. Maghyereh (2004) found that there was a very weak relationship between oil prices and returns from the stock market in several emerging economies due to inefficiency in capturing the information related to international crude oil prices. Ono (2011) showed a significant impact of oil price indicators on real stock returns in India, China and Russia. Casassus and Higuera (2013) studied the impact of oil prices on the industry portfolio returns using the Capital Asset Pricing Model (CAPM). Rise in oil price reduced the growth opportunities of industry and therefore negatively affected the price dividend ratio of the companies. Hedi Arouri and Khuong Nguyen (2010) examined the relationship between the international crude oil prices and the sector wise stock indices in Europe with both positive and negative relationships. Toraman et al. (2011) showed that the maximum impact of changes in Brent crude oil prices is on the industrial index in the Istanbul stock exchange.

REFERENCE:

[1]. Lakshmanan, Indhurani, and Subburaj Ramasamy. "An Artificial Neural-Network Approach to Software Reliability Growth Modeling" , Procedia Computer Science, 2015.

[2]. The 3rd International Conference on Emerging Data and Industry 4.0 (EDI40) April 6-9, 2020, Warsaw, Poland Crude Oil Price Prediction using Artificial Neural Network