

## Ideation Phase

### Define the Problem Statements

|               |                                      |
|---------------|--------------------------------------|
| Date          | 19 September 2022                    |
| Team ID       | PNT2022TMID10046                     |
| Project Name  | Project - Crude Oil Price Prediction |
| Maximum Marks | 2 Marks                              |

#### Customer Problem Statement Template:

The Demand for Oil 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. The crude oil price movements are very important for the Oil importers, traders and it is subject to diverse influencing factors. Crude oil is amongst the most important resources in today's world, it is the chief fuel and its cost has a direct effect on the global economy. Prediction of oil prices has become the need of the hour, it is a boon to many large and small industries, individuals, and the government. The evaporative nature of crude oil, its price prediction becomes extremely difficult and it is hard to be precise with the same. Oil price forecasts are very useful to industries, governments and individuals.

Crude oil price prediction is a challenging task in oil producing countries. Its price is among the most complex and tough to model because fluctuations of price of crude oil are highly irregular, nonlinear and varies dynamically with high uncertainty. The crude oil prices plays an important role in trading market which is beneficial for producers, importers and traders.



| Problem Statement (PS) | I am (Customer)                       | I'm trying to                 | But   | Because   | Which makes me feel                              |
|------------------------|---------------------------------------|-------------------------------|---|---|--|
| PS-1                   | an Oil Producer, Oil Importer, Trader | sell, buy and trade crude oil | can't predict the Crude oil Prices to buy, sell and trade effectively | there is no effective and more accurate method of predicting the Crude Oil Prices | not to buy, sell and trade Crude Oil effectively |