Evaluation Metrics

1) MSE for LSTM – Since LSTM is used for forecasting continuous values, MSE gives a measure of closeness for predictions. It also punishes large errors due to the square which makes the model learn results more closer to the actual. Also MSE produces continuous differentiable error surface which makes the optimization task easier for adam to compute gradients and update weights in the right direction.
2) No metrics for anomaly detection – Since there are no clearly defined labels, calculating scores based on the statistically allocated labels could lead to severe class imbalances. There is also no notion of perfect KPI for anomaly detection, but being aware of not missing anything that seems way out of what is expected.