



PARIS

APEXA INVESTMENT PRODUCT RECOMMENDATION SERVICE



AGENDA

- What is a neural network
- How do we build recommendation system
- Proposition
- PARIS
- Business impact (short & long term)
- Q&A

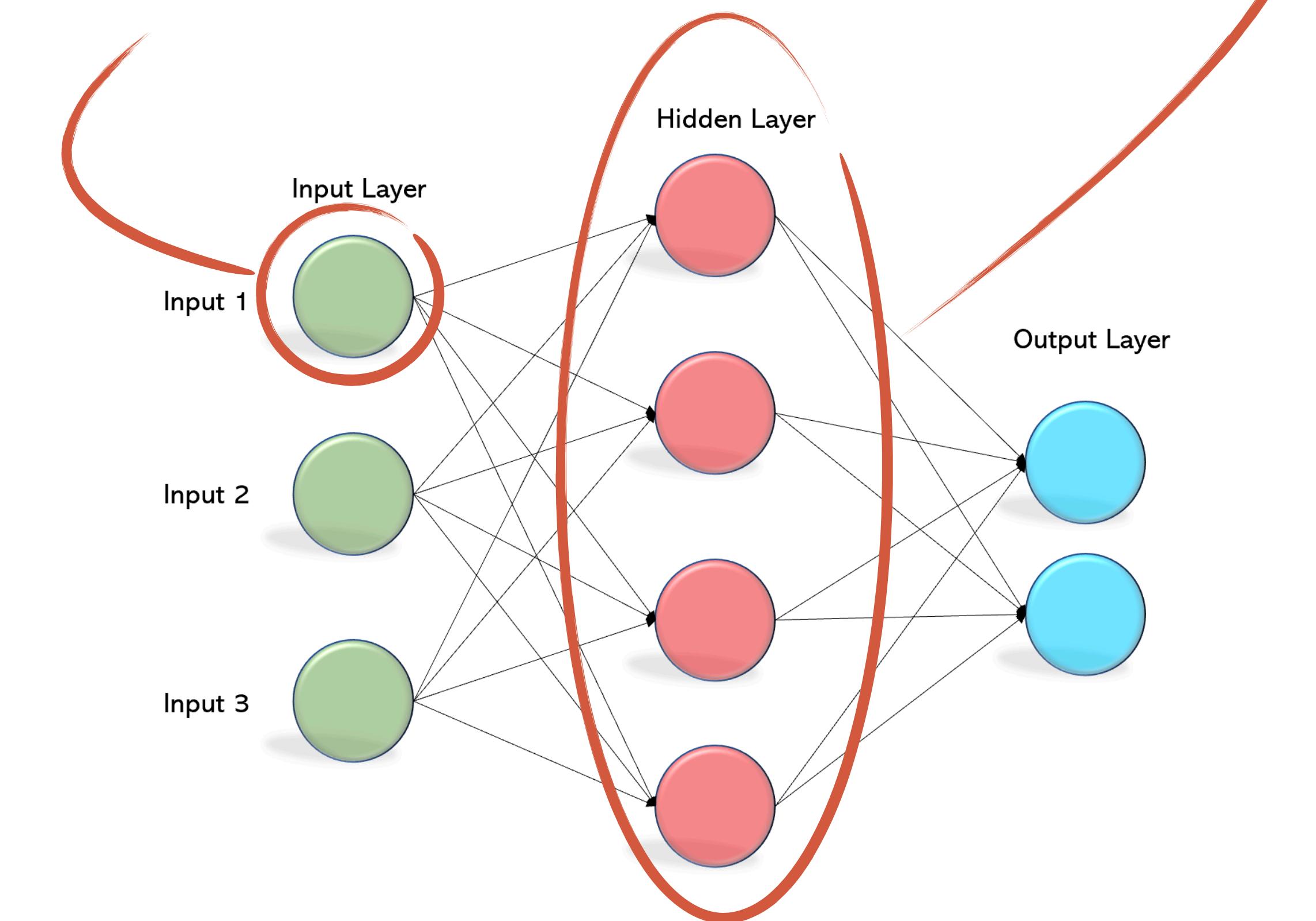
WHAT IS A NEURAL NETWORK



It is a method of finding the relationship between
a collection of inputs and its corresponding
outputs

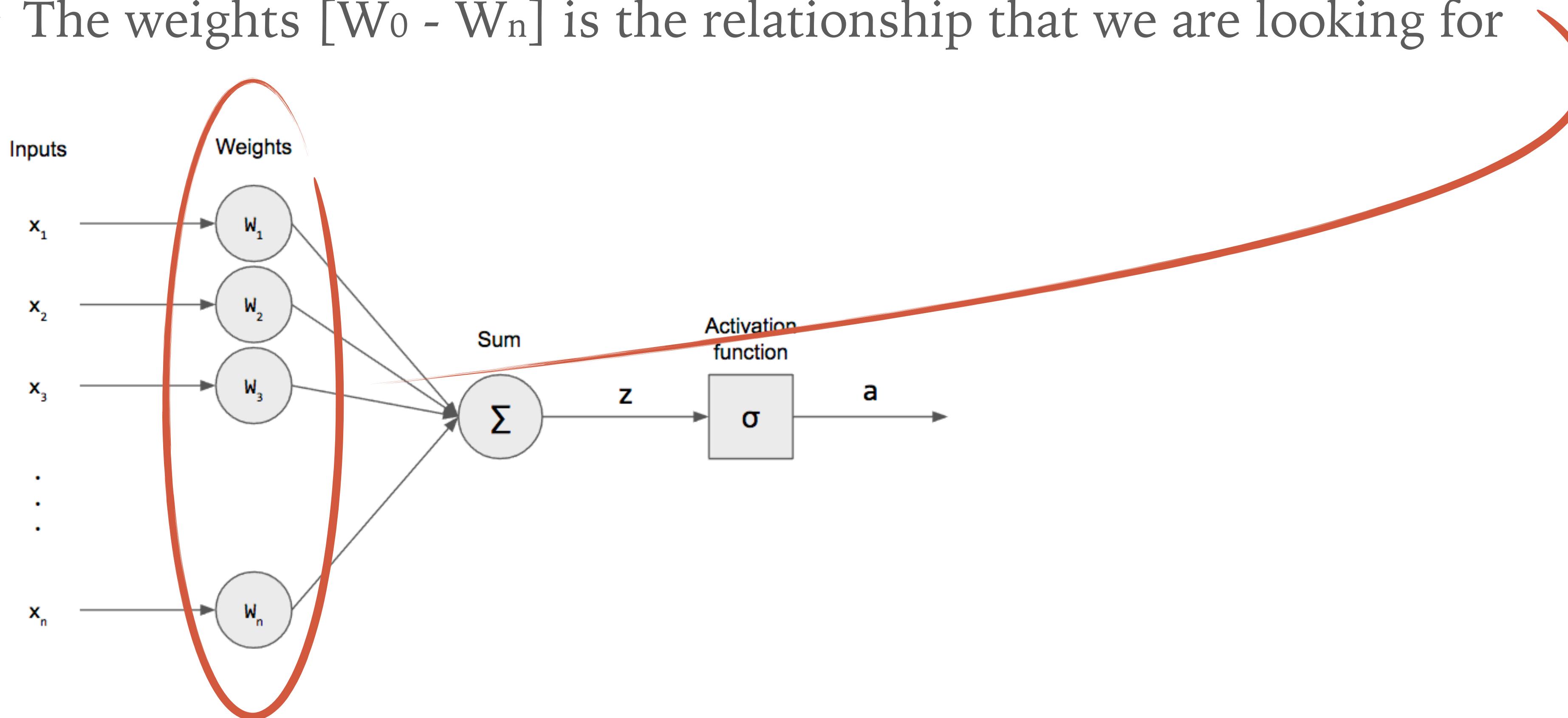


- It is made up of 1 or more layer
- Each layer is made up of 1 or more neuron (perceptron)



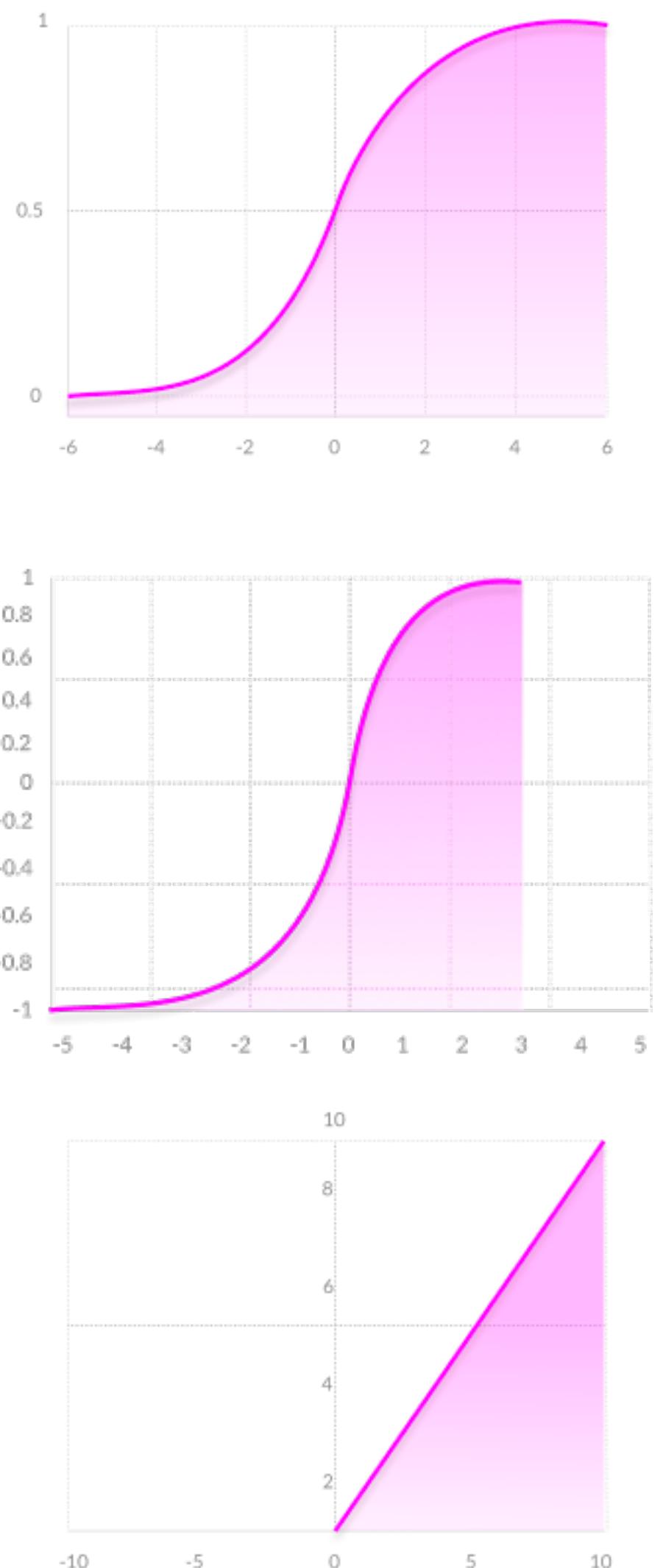
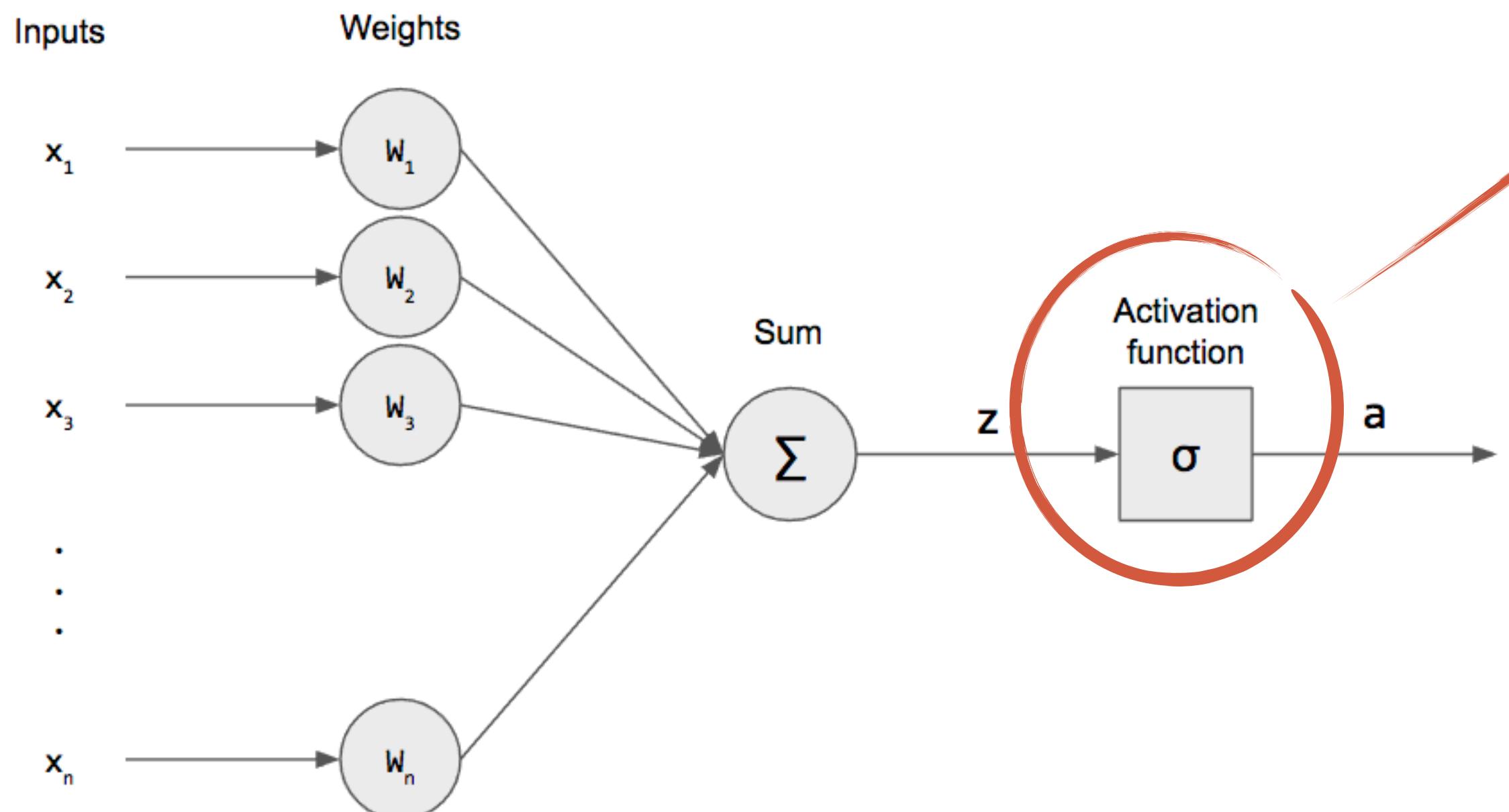
NEURON (PERCEPTRON)

- It is the most basic unit in a neural network
- The weights [$W_0 - W_n$] is the relationship that we are looking for



STEP FUNCTION AKA ACTIVATION FUNCTION

- A function to limit the output's data range
- Add non-linearity into a neural network



HOW TO INTERPRET NEURAL NETWORK RESULT (LOSS / ACCURACY)

- Loss is a measurement of the difference between the actual and predicted values
- Accuracy is a measurement of how many predictions the model has got right



We train the neural network to workout 1 set of weights that work across the entire dataset (seen or unseen) and we are using the weight for predictions

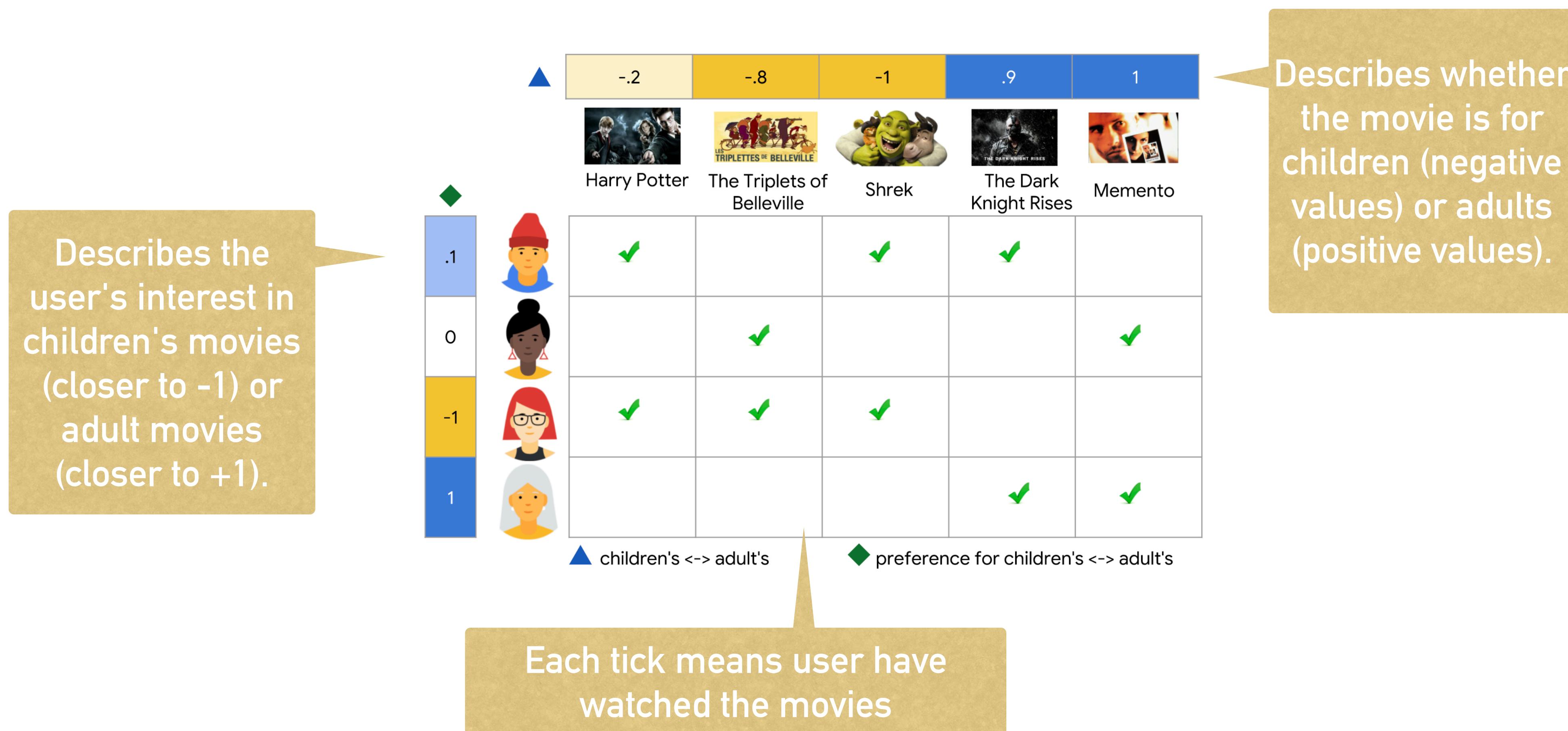
HOW DO WE BUILD RECOMMENDATION SYSTEM (FROM PAST TO PRESENT)

MATRIX FACTORISATION (MF)

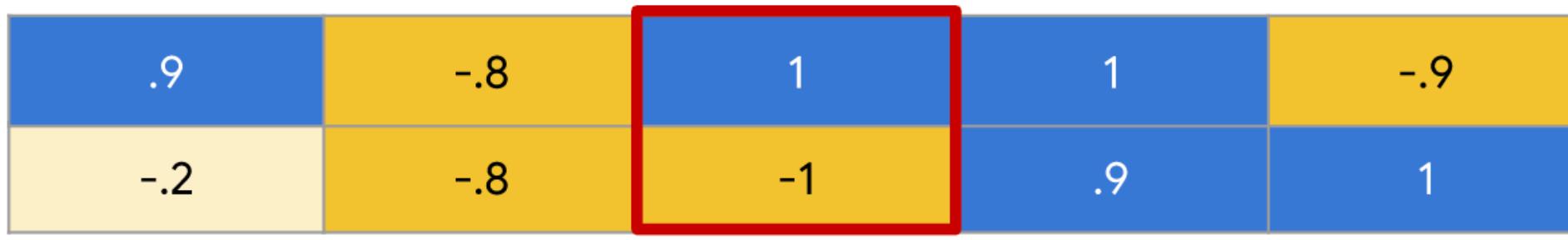
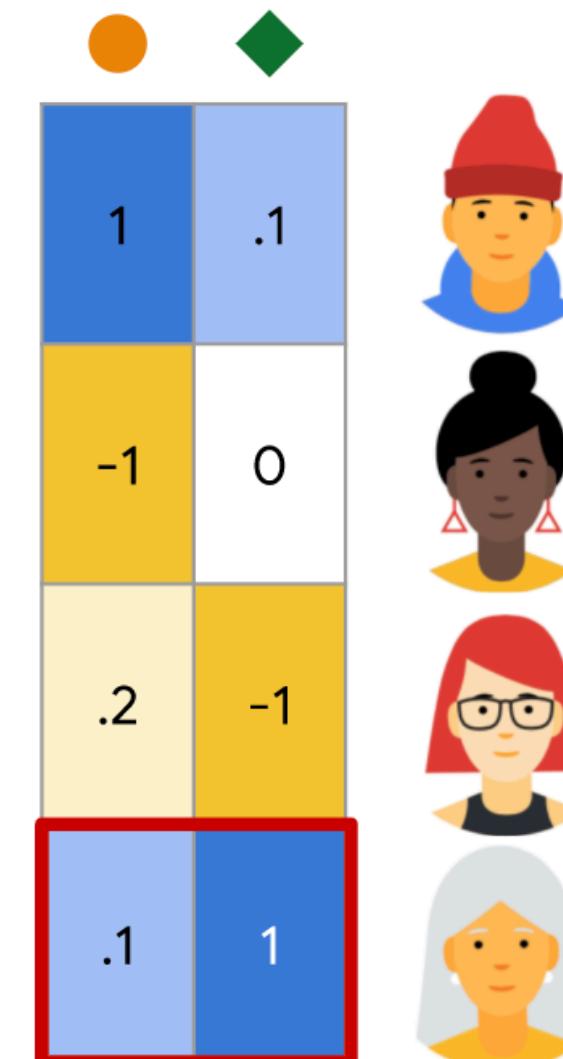
A VARIANT OF COLLABORATIVE FILTERING (CF)

WHAT IS A MATRIX FACTORIZATION (MF)

- A dot product of 2 matrix to approximate the level of interest between the customers and the products

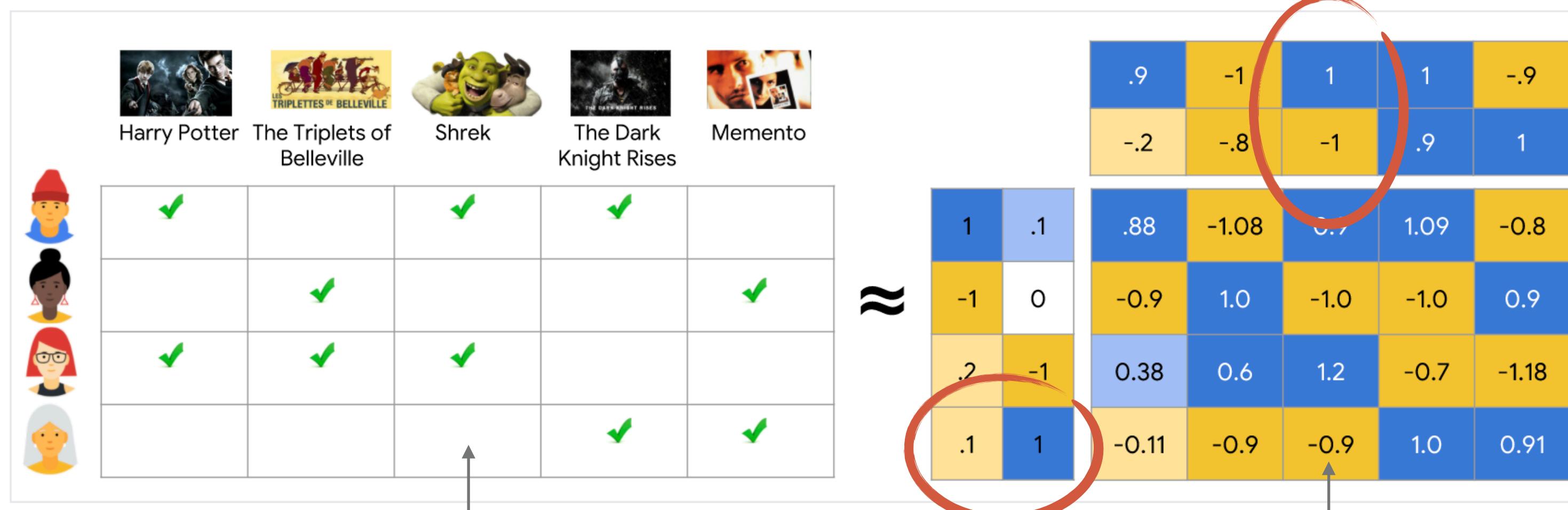


Describes the user's interest in Arthouse (closer to -1) or Blockbuster (closer to +1)



Describes whether the movie is Arthouse (negative values) or Blockbuster (positive values)

We can use dot product between 2 matrix to find the missing values



Dot Product of $[0.1, 1]$ and $[1, -1]$ give us -0.9

LIMITATION

We can see very clearly that row U_4 is similar to row U_1 , U_3 and then row U_2

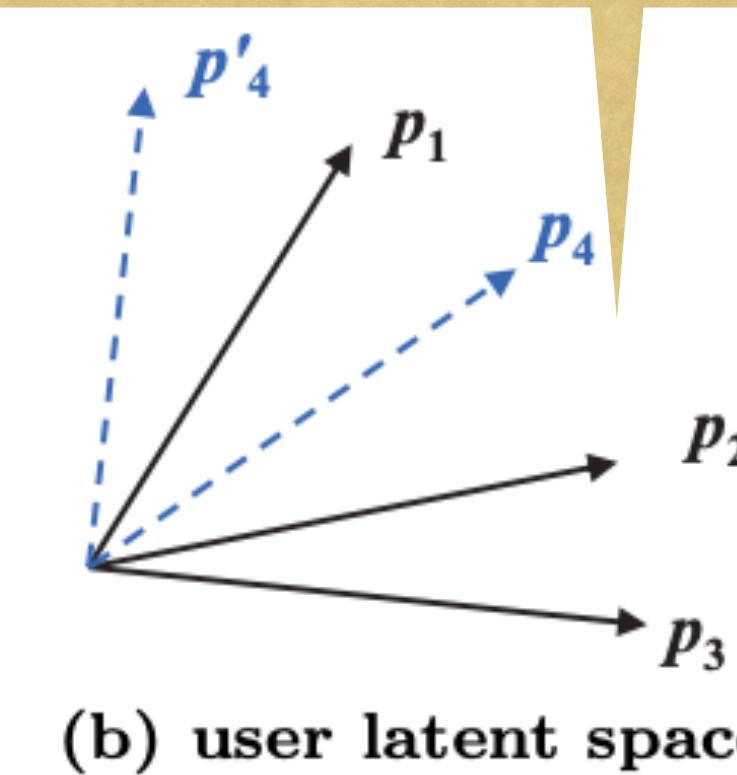
	i_1	i_2	i_3	i_4	i_5
u_1	1	1	1	0	1
u_2	0	1	1	0	0
u_3	0	1	1	1	0
u_4	1	0	1	1	1

(a) user-item matrix

Transform

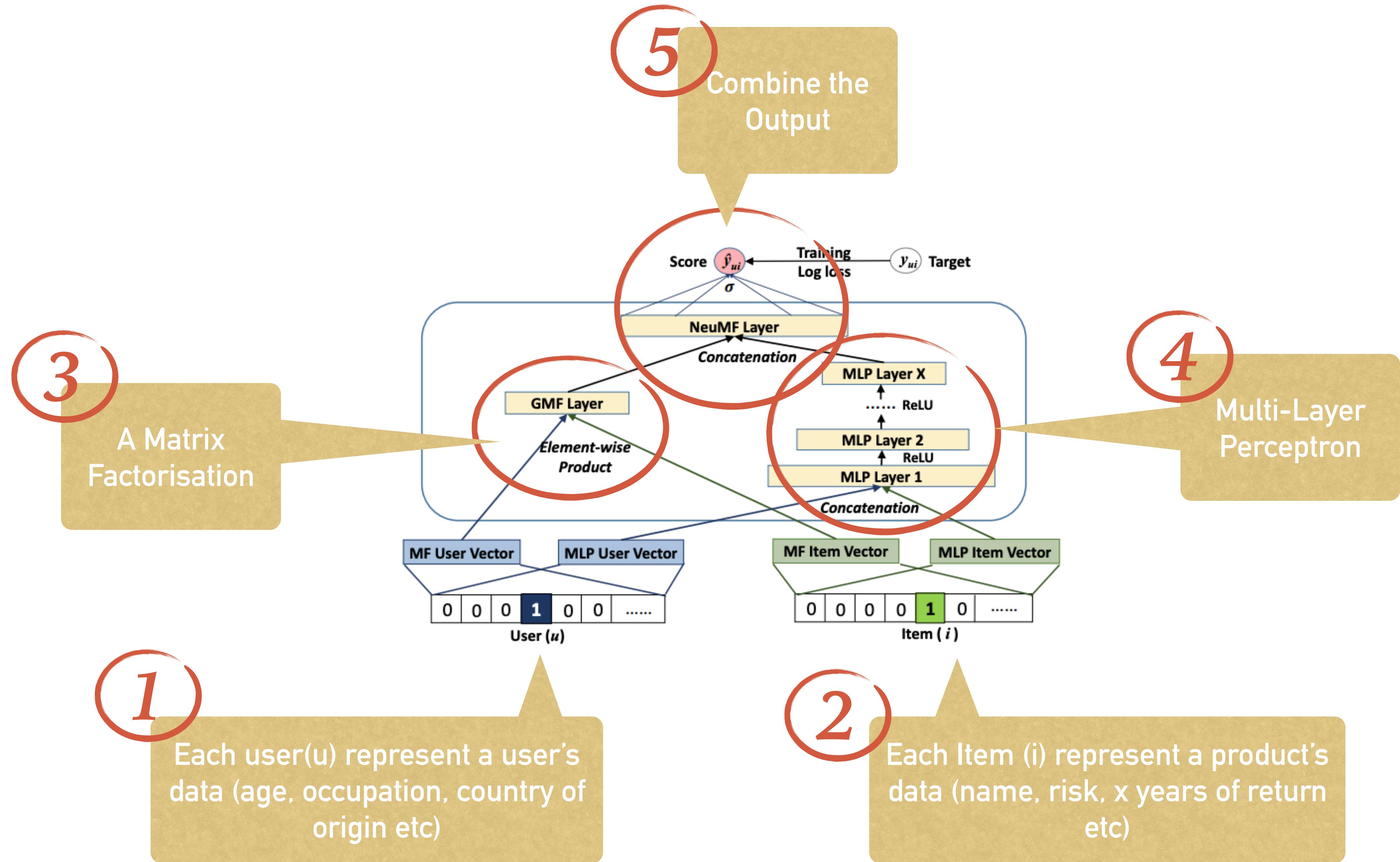
However if we transform each row to another plane, we see a different result

We can see that after transformation, P_4 is similar to P_1 , P_2 then P_3 which contradict to the 1st conclusion, incurring a large ranking loss



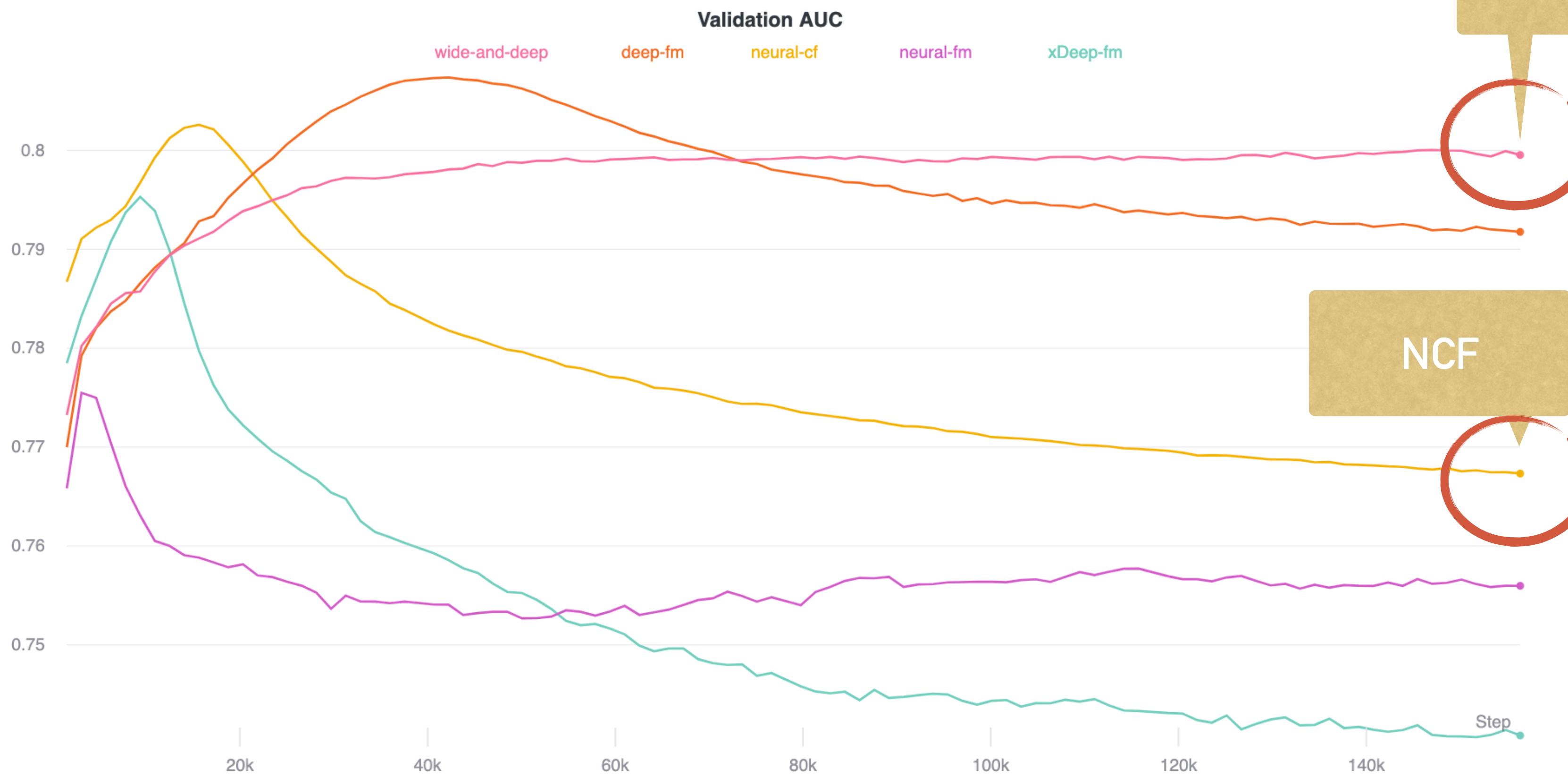
USE OF NEURAL NETWORK IN COLLABORATIVE FILTERING (NCF)

NEURAL MATRIX FACTORISATION (NEUMF) A VARIANT OF NCF



WHY NCF?

Wide-and-deep, developed by
GOOGLE and launched on PlayStore
(2006)



Model	Test AUC	Valid AUC	Runtime
wide-and-deep	0.7991	0.7995	1h12m15s
deep-fm	0.7915	0.7918	1h06m50s
xDeep-fm	0.7429	0.7408	2h15m17s
neural-fm	0.7589	0.7560	1h36m0s
neural-cf	0.7668	0.7673	54m15s

Minimal runtime with
outstanding accuracy

Mask R-CNN	Mask R-CNN
ShapeMask	ShapeMask: Learning to Segment Novel Objects by Refining Shape Priors
SpineNet	SpineNet: Learning Scale-Permuted Backbone for Recognition and Localization

On the Official TensorFlow

Natural Language Processing

Model	Reference (Paper)
ALBERT (A Lite BERT)	ALBERT: A Lite BERT for Self-supervised Learning of Language Representations
BERT (Bidirectional Encoder Representations from Transformers)	BERT: Pre-training of Deep Bidirectional Transformers for Language Understanding
NHNet (News Headline generation model)	Generating Representative Headlines for News Stories
Transformer	Attention Is All You Need
XLNet	XLNet: Generalized Autoregressive Pretraining for Language Understanding

Recommendation

Model	Reference (Paper)
NCF	Neural Collaborative Filtering

NCF is the only recommended model for Recommendation system

How to get started with the official models

- The models in the master branch are developed using TensorFlow 2, and they target the TensorFlow [nightly binaries](#) built from the [master branch of TensorFlow](#).
- The stable versions targeting releases of TensorFlow are available as tagged branches or [downloadable releases](#).
- Model repository version numbers match the target TensorFlow release, such that [release v2.2.0](#) are compatible with [TensorFlow v2.2.0](#).

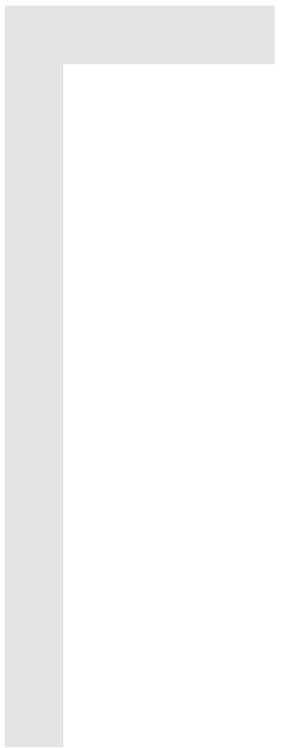
Please follow the below steps before running models in this repository.

Requirements

- The latest TensorFlow Model Garden release and TensorFlow 2
 - If you are on a version of TensorFlow earlier than 2.2, please upgrade your TensorFlow to [the latest TensorFlow 2](#).

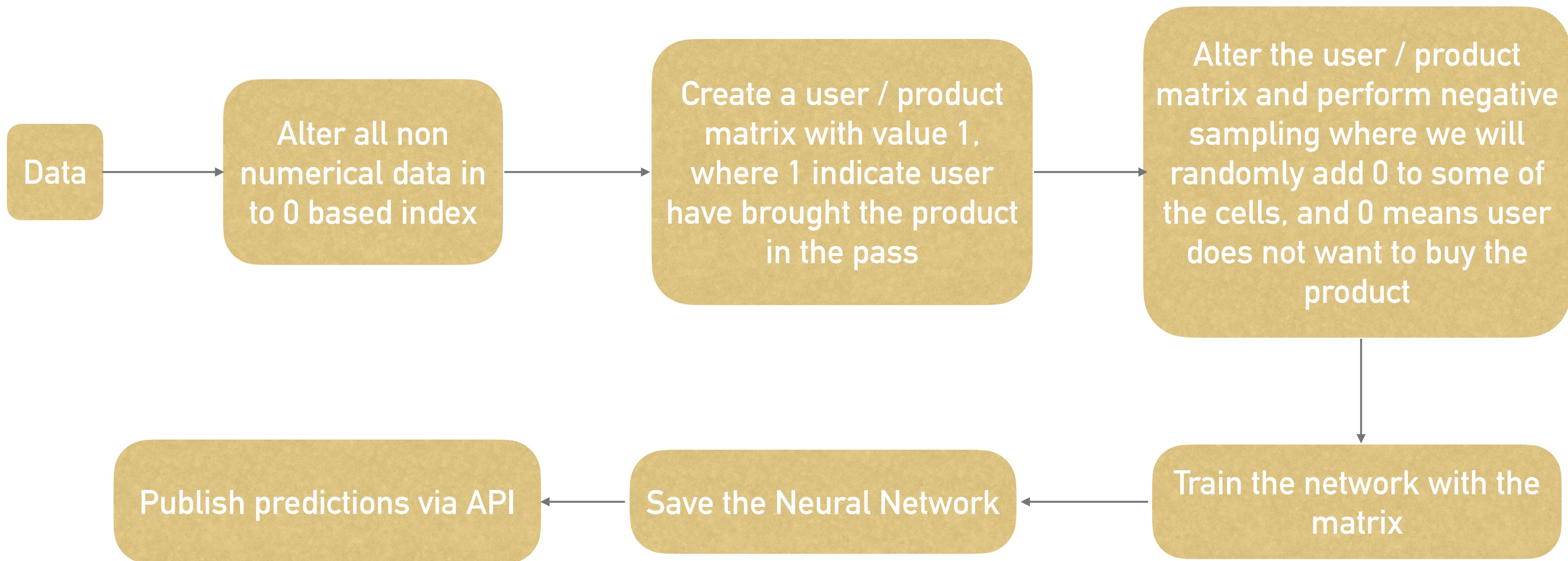
```
pip3 install tf-nightly
```

PROPOSITION



PARIS aim to compare different portfolios and predict whether a customer should be interested in certain products or not

BUILDING A RECOMMENDATION SYSTEM FROM SCRATCH



PARIS

1

Insomnia – product recommendation

POST http://localhost:5000/recomm... Send

200 OK 56.1 ms 427 B 5 Days Ago

No Environment Cookies

JSON Auth Query Header 1

Preview Header Cookie Timeline

Filter

Recommendation System API

POST product recommendation

GET user recommendation

GET get data

```
1 {  
2   "user": "CUST00000134",  
3   "age": 20,  
4   "gender": "M",  
5   "maritalStatus": "SINGLE",  
6   "haveChild": "N",  
7   "education": "SECONDARY"  
8 }
```

\$..store.books[*].author

Given a New / Existing user, we are able to compute a list of products that he/she is interested in

2

Insomnia – user recommendation

GET http://localhost:5000/recomm... Send

200 OK 1.16 s 44 KB Just Now

No Environment Cookies

JSON Auth Query Header 1

Preview Header 5 Cookie Timeline

Filter

Recommendation System API

POST product recommendation

GET user recommendation

GET get data

```
1 [  
2   {  
3     "product_name": "U62300",  
4     "3year_return": "11.37",  
5     "standard_deviation": "20.12",  
6     "dividend": "0.22",  
7     "asset_class": "Equity Developed Market"  
8   },  
9   {  
10    "probability (%)": 99.9965548515,  
11    "user": "CUST00000499"  
12  },  
13  {  
14    "probability (%)": 99.9965369701,  
15    "user": "CUST00000714"  
16  },  
17  {  
18    "probability (%)": 99.9961972237,  
19    "user": "CUST00000995"  
20  },  
21  {  
22    "probability (%)": 99.9959468842,  
23    "user": "CUST00000921"  
24  },  
25  {  
26    "probability (%)": 99.9957799911,  
27    "user": "CUST00000984"  
28  },  
29  {  
30    "probability (%)": 99.9955117702,  
31    "user": "CUST00000802"  
32  },  
33  {  
34    "probability (%)": 99.9950289726,  
35    "user": "CUST00000150"  
36  }]
```

\$..store.books[*].author

Given a New / Existing product, we are able to compute a list of customers that they are interested in

IMPROVEMENTS FOR THE FUTURE

- labeling data with 1 and 0 as what we want to predict yield a relatively high loss in training the neural network
- due to a limited dataset available, left us very little room for maneuver
- We require rich data set from various sources i.e.
 - How long did a user use the app, web, length of the meeting etc
 - How long did a user browse a product
- The model currently did not account for time series pattern, i.e.
 - If there is an economic breakdown, holding stocks might not be a good choice, in this case, the model should return gold, or bonds instead.
- The model is unable to handle sudden change in the market

QUESTION