

DATA ANALYSIS OF COMMODITY PRICES

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of the requirements for the degree of*

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Computer Science & Engineering

by

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*Under the guidance of
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Jan 2016.**

Certificate

This is to certify that the thesis titled **DATA ANALYSIS OF COMMODITY PRICES** being submitted by **KAPIL THAKKAR** for the award of **Master of Technology** in Computer Science & Engineering is a record of bonafide work carried out by him under my guidance and supervision at the **Department of Computer Science & Engineering**. The work presented in this thesis has not been submitted elsewhere either in part or full, for the award of any other degree or diploma.

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Abstract

Timeseries is a collection of values which characterizes behavior of some object. Analysis of timeseries can reveal various types of intrinsic properties about object. Timeseries analysis for detection of outliers can spot different interesting events or observations which are anomalous to the normal behavior of the object. These anomalous situations are often of great interest to users.

This project focuses on building a general purpose library for detecting anomalies in multiple timeseries of a system. We have performed the analysis of onion supply chain system using this library. The library spotted multiple anomalous situations which were cross verified by the news articles present on onion by different news sources. The anomalies primarily in case of onion supply chain is the one caused because of artificial deficit of stocks created by traders nexus.

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Chapter 1

Introduction

1.1 Motivation

Supply demand imbalance, natural calamities etc. may not always be the reason behind the rise in the price of a commodity. It may be a consequence of artificial supply deficit planned intelligently by traders nexus for profiteering through manipulation of supply of commodity and hence indirectly controlling their prices. Our attempt is to locate such hikes in prices which seem suspicious (we call them anomalies). To detect and analyse the characteristics of anomalies in the prices of commodities. Currently we have considered the case of onion and based on that we have developed one library which has multiple functions to detect anomalies in the time series.

1.2 Objective

Our objective is that we need to highlight anomalies which may be an indicator of illegal market manipulation act by traders nexus in the provided time series. For this purpose we have created library with set of functionalities to detect anomalies in the given input time series. Anomalies will be reported based on the hypothesis stated by the user. For different scenarios user can pass appropriate parameters to functions and functions will report anomalies to user based on that.

1.3 Relevance of Project

Anomaly detection techniques help to explore situations which might be different from the expected behaviour and could reveal interesting facts. It is used in many areas which are explained in detail in next chapter. The

project aims to raise potential red flags for days which are suspect of illicit market manipulation activities by set of traders. This type of monitoring system may help people monitor and hence control these illicit market manipulations better. For example, unnecessary hike in the prices may be due to wrong government policies, loopholes in the supply chain of commodity, intention of profiteering by traders etc. So our project will help journalist or end user interested in detecting such abnormal behaviour.

Chapter 2

Literature Survey

2.1 What is Anomaly Detection?

According to Wikipedia, anomaly detection (or outliers detection) is the identification of items, events or observations which do not conform to an expected pattern or other items in a dataset.

Here, our major focus is on detecting anomalies in the time series data. Time series usually considers data about price of some commodity, production, sell, etc. Usually, these time series follow some normal pattern. Some time series may be independent or behaviour of some may depend on other time series. It may also consist of seasonality and trend along with some noise. So, considering all these factors our aim will be to detect some points on time line during which these time series does not follow a normal pattern.

Reasons for presence of anomaly may be different depending upon the type of time series. We have considered time series of onion data as a use case. In case of onion presence of anomalies could be because of unseasonal rainfall, hoarding, price manipulation by traders' nexus, effect of import/export of onions, variation in production, etc. Being a seasonal crop, some part of onions are stored during harvest, so that demand can be met in lean season. But some traders hoard huge stocks for the purpose of profiteering. According to Wikipedia, in economics, hoarding is the practice of obtaining and holding scarce resources, possibly so that they can be sold later to customers for more profit. So during this time also, we are able to see anomalies.

2.2 Onion Case

Onion is a staple ingredient for almost every Indian kitchen and hence its demand is almost constant throughout the year but not the supply. In order to supply onions throughout the year, they are stored during harvest and released into markets in lean seasons. Its importance can be well estimated by the fact that it is one among few essential commodities and often rise in its price has resulted into downfall of state and central government.

One major tragedy in onion market occurred in end of year 2010. The prices of the onion increased so much that it was out of reach from poor people. There was a study conducted by the CCI (Competitive Commission of India) for this case and they created report on that [20]. In this [20], they tried to find out the reasons behind this scenario. They came with the following things in their study:

- Large wholesalers/traders mainly operates in metropolitan city markets and large number of farmers dispose their bulk of produce in nearby markets because of absence of storage facility, immediate cash need for loans, family expenses, purchase of inputs of next season, etc.
- Concentration of large storage capacities with traders, Vertical Integration of various market functions by onion traders(one name, many roles), existence of established traders and barrier to new entry
- On December 23 of 2010, The Times of India published in an article that on Tuesday alone, wholesale traders in Delhi bought onion at about Rs.34 per kg while it was sold in retail at Rs. 80 per kg, the margin of Rs. 46 per kg or 135 %.
- In the weeks of November and December, wholesale price remains high, so retailers do not get much profit, but even after that when wholesale price go down, retailers particularly in metro cities, show strong rigidity in holding price and earn margin from 60 to 110 %. This clearly shows that along with traders, retailers also exploit the situation of crisis for their own benefits.

- If we take this forward, then government policies also had a great role in the December 2010 high price episode (export of 1.33 lakh tones onion in October 2010).

So if we consider its overall picture, then there was unseasonal rainfall in the month of September and October 2010, but after that also government policy regarding export of onion was unexplainable. The news article published in Times of India also questions why there is so much difference in the wholesale and retail price of onions. Study also suggests that all the traders operating in the market have experience of many years (20 years on an average) and this is sort of family business for them. Due to limited entries, there is also barrier for new traders in entering to the market. So no new person enters and because of existing traders monopoly, they operate in the market together by forming the nexus. So many times they can alter the prices in many regions so that farmer has to pay money they decide. Traders have monopoly in onion markets and due that prices do not follow normal behavior of demand-supply and goes out of the way.

2.3 Other Cases

2.3.1 Sugarcane Case

This [23] study on sugarcane shows the connections between Politicians and Sugar Mills in Maharashtra and explains how such connection may benefit to firms and politicians. Sugar mills are cooperatives and regions are formed according to mills present. Each sugarcane farmer has to sell his produce to the mill present in his region, he can not sell it to some other mill. Each mill pays its farmers a single price per metric tonne of cane every year, based on weight (not on the quality).

This study investigates how price of the sugarcane, paid to farmers, changes in the election year. Usually, chairman of the sugar mills are politicians who stands in election. They need funding for elections, so here author explains how sugarcane mills and election funding may be related. And if some chair

person wins the election then what is effect on prices offered to farmers. Some findings are:

- Prices are lowered by about Rs. 20 a ton in politically controlled mills during election years
- The results were robust to including rainfall and mill capacity as controls, as well as including mill-specific outcomes such as the recovery rate - sugar produced per unit cane, a measure of productivity - as well as various other mill level shocks such as mill breakdowns and cane shortages
- Price fall may be due to mill closure, i.e. mill is not operating for profitably, but politicians has kept mill open as a way to gain votes. But analysis shows that mill closure is not affected by political control
- Paying farmers Rs. 20 per ton less for their cane amounts to a total of Rs. 6 million
- Mills whose chairmen won national elections pay Rs. 80 per ton more in the year after elections
- Author finds that when the party affiliated with the mill chairmen is in power in Maharashtra, the mill pays Rs. 23 more in cane price and also Chairmen who win national elections seem to be able to keep their mills open far more successfully than chairmen who lose

So here author has strong belief that all facts indicates that funding for election campaign comes from these sugarcane mills if mill is politically controlled. Reason why farmers supports this may be that, with average probability 1/3rd of winning election, on an average farmer gets Rs. 27 on their principal of Rs. 20, so still in profit. The overall effect on farmer welfare is difficult to determine. On average, cane prices and recovery rates in politically connected mills are no different than those in non-politically connected mills, and the levels of public goods are no different either.

So this example explains how time series may go out of their normal behavior though there is no supply-demand crisis or any other case.

2.3.2 Builder-Politician Case

This [21] study shows in developing countries like India, where elections are costly and accountability mechanisms are poor, politicians often turn to private firms for illicit election finance. Land is one of the highly regularized sector in India which provides discretionary power in the hands of state (indirectly in the hands of politicians). It is easy for politicians to accumulate resources than to hide them. To hide these assets from scrutiny politicians often use real estates as medium because of its features which are absorptive capacity, liquid asset and Contract enforcement. As elections approach, however, builders are often compelled to provide politicians with money with which to contest elections; the mechanism can be a simple under-the-table transfer or an in-kind contribution. Although builders have to transfer funds back to politicians around elections, the transaction brings long-term benefits in terms of future goodwill. Based on this author have quoted following hypothesis:

- Cement consumption should exhibit a significant contraction during the month of the state election. Because builders are a leading source of election finance, one would expect activity in the sector to slow down during the month-long campaign period prior to Election Day.
- Contraction in cement consumption will be significant in national elections, though of a smaller magnitude than in state-level elections
- The magnitude of the contraction in cement consumption to be larger for dual elections than if only a state or national election is being held.
- cement consumption should exhibit a larger contraction in urban versus rural states.
- The contraction in cement consumption should be comparatively larger in more competitive elections

The paper was able to bring the quid pro quo relation between builders and politicians quantitatively.

Chapter 3

Study of Onion Data: Collection and Analysis

3.1 System

For now, we are working on the onion supply chain system. We have three actors in model: Farmers who are producers of onion, traders who are collectively responsible for supply of onions across country and consumers who purchase onions.

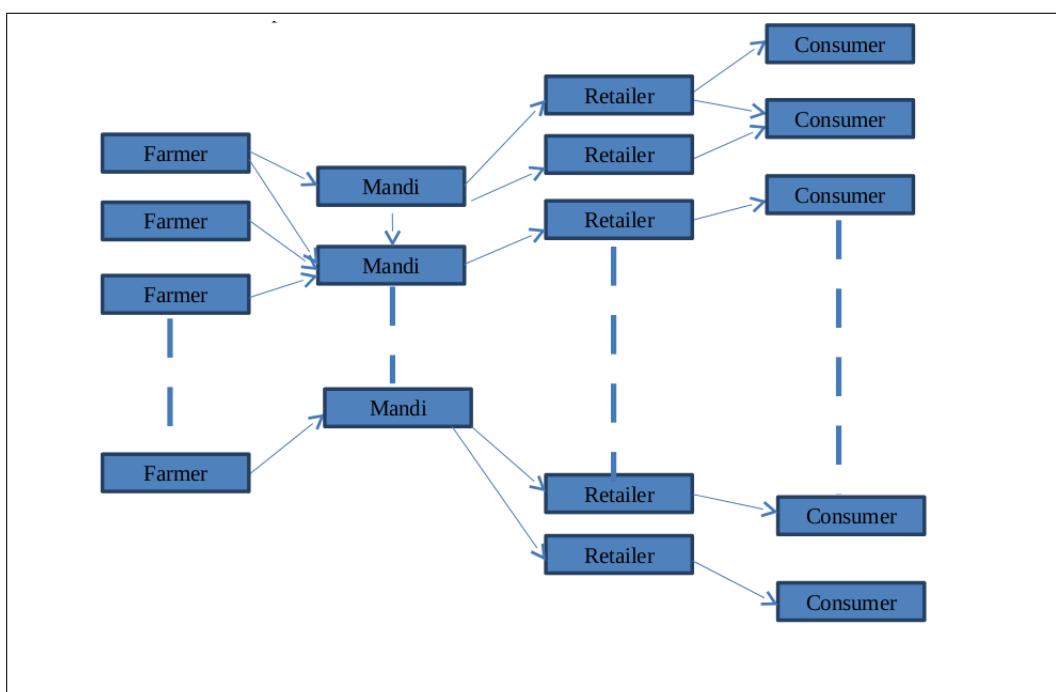


Figure 3.1: Normal Supply Chain

Farmers sell their produce to traders in nearest mandi offering better price. These traders sell these commodities to traders in other mandis or to retailers. Consumers purchase commodities for consumption from one of the retail

stores. This way commodity reaches consumers from farmers following a huge chain of traders and retailers.

Under APMC act, mandis were established at different places across country so that farmers can sell their produce directly in mandi and get good returns (wholesale price). There are around 1500 mandis located in different places across country which log their daily arrival of onion, minimum, maximum, modal selling price per quintal of onion data to AGMARKNET. Retailers purchase from these mandis and sell to end customers at retail price. There are around 70+ centres across country which maintains retail price of onion on Ministry of consumer affairs website.

3.2 Data we have

We have following data:

1. Daily wholesale price of onion for 1514 mandis
2. Daily arrival of onion information for 1514 mandis
3. Daily retail price of onion for 76 centres
4. Dates and location for hoarding reports from news articles (Total 453 news articles)
5. Longitude and latitude of mandis and centres

Onion Data was collected from the government websites,[2] for arrival and wholesale price data and [5] (Department of Consumer Affairs) for retail price data. Crawlers were written to collect the data from these date-wise for the period of approximately 9.5 years, starting from 1st January 2006 to 6th July 2015. More data can be added simply by running crawlers again.

Note that news articles were collected two times. First time to study what is called anomaly in the case of onion and how news source says, on what basis, that there is anomaly. We collected some set of article by manual

search. We studied this to understand the characteristics of anomalies, so that we can build our system on that. These articles are studied thoroughly in this chapter in section 3.6. After that, when our system/library got ready, to match our results, we collected news articles rigorously. We have total 453 news articles regarding onion price from 1st December 2010 to 6th July 2015. First these articles were processed using Alchemy API [3] and Diffbot [4] to get the date, place and keywords in the article to analyse them. But we found that many of these collected articles were irrelevant, places fetched using Alchemy API was not up to the mark and date extracted from article was often wrong. Also, articles were related to onion prices. So, these APIs cannot tell us, whether article is about price hike or price dropped. Plus it was difficult for us to fetch reason of price hike from these automatic analysis . Because of all these reasons, those articles were studied manually to find out reason stated by news articles for price hike, place mentioned in news article, number of days which are being compared to state that there is unusual price hike and any other comment if present in article. After studying each and every article manually, we found that only 267 articles are relevant to this project.

3.3 Normal market behavior

1. Wholesale price is inversely proportional to arrival of commodity. Higher production of crop will lead to more and more crop hitting market for sell. Hence more arrival which will result in surplus supply leading to drop in wholesale prices.
2. Retail price is directly proportional to wholesale price. Commodities reach customers through a long chain of traders and retailers, adding value at every stage of chain. So, retail price at which customers purchase commodities are more than wholesale.

Any divergence from these characteristics of normal market leads to suspicious price hike situations/anomalies.

3.4 What are the reasons for anomaly?

Primarily there are 3 main reasons of anomaly.

1. **Government Policies:** When the production is low in the country, still government allows the export of onion in large amount, or supports it by keeping low minimum price then the prices can rise up drastically.
2. **Unseasonal Rainfall:** Due to insufficient, heavy or unseasonal rainfall, onion crop may get affected and the produce is low and wholesale price may rise up. But, this reason still is validating that wholesale price is inversely proportional to arrival, it may be just prices will be little higher than what was supposed to be.
3. **Hoarding:** When traders/wholesalers store the onion and does not release the stock in the market in the expectation of the good prices in the future, it will create the artificial deficit in the market and will shoot up the onion prices in the retail market due to low arrival in the retail market. The reason people do this is to expect the higher prices in the time of low production or may be for security. For example, if it is expected that in some year the rainfall is not good, then people may predict production to be low in the future and so they will start storing onion so that they can gain more profit. It will also create deficit in the market and price will go up.

So our study will focus on detection of anomalies in data and if possible comment on the possible reason for the anomaly.

3.5 Mapping of wholesale price to retail price

Voronoi Diagram is used to map every mandi to nearest possible centre. The centres with retail data were considered fixed points and country was divided into 76 regions. All the mandis falling in that region are mapped to the respective centre.

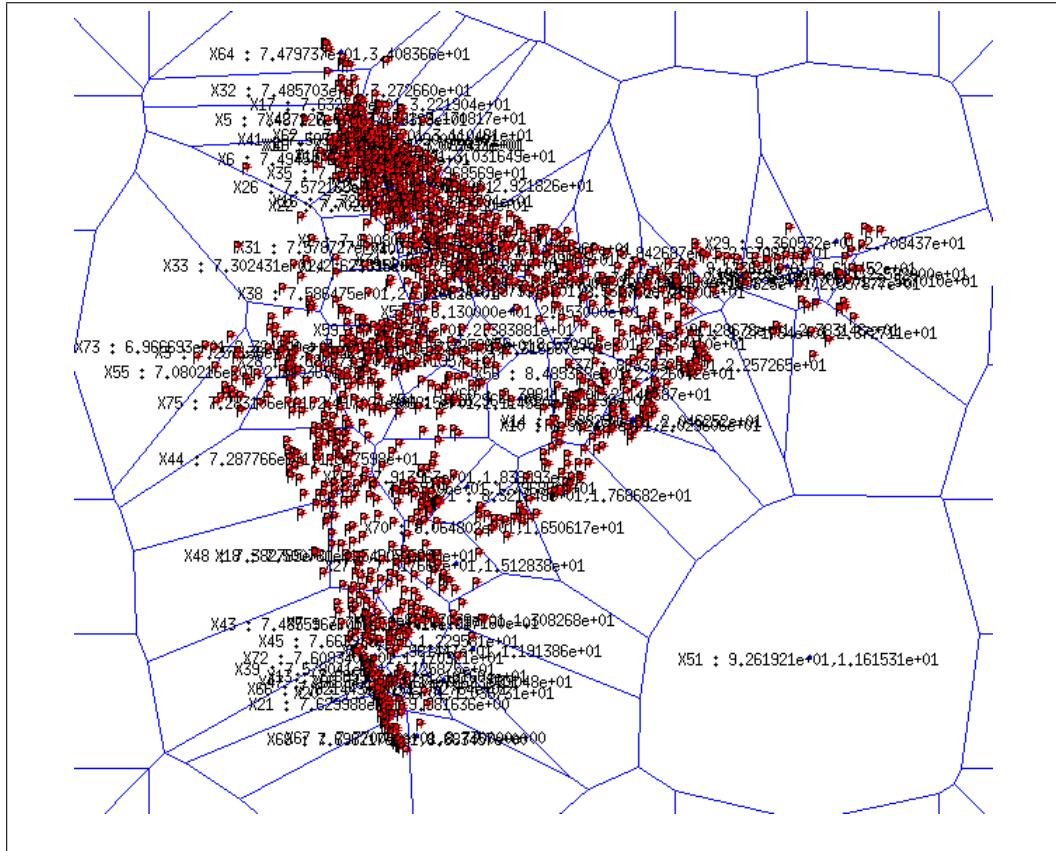


Figure 3.2: Voronoi Diagram

After all the mandis are mapped to their nearest centre, wholesale and arrival at every centre is computed. Wholesale price at centre is average of modal price of all mandis in its region and arrival was computed as the sum of the arrival at the mandis in its region. While calculating the wholesale price, the distance between centre and the mandi was not considered.

3.6 How to Define Anomaly?

To answer this question, we went through the series of the news articles when the hoarding is in the news. Then looking over those articles, we try to see that why they are reporting in news, what happened so that these news articles are calling it a case of hoarding.

3.6.1 Summary Of News Articles

First such incident was reported in the 1998. The article [17] dated on 21st September 1999 states as follows:

"Onions were retailed at Rs 6 a kilo two weeks back. Today, the price was almost 100 per cent up, hovering in the Rs 10-12 band in different parts of the country."

So this article is comparing the retail price of today with the price before 2 weeks. The rise upto 100% is what has come to notice. Also article says that,

"There is talk in the market that the government is likely to lift the ban on onion exports. Apparently, some traders are resorting to hoarding in anticipation of demand from markets abroad."

As stated previously also, government policy also plays a major role in this. After that Onion was in news in 2010. NDTV [18], TOI [8] and many more reported the incident. In 2010, unseasonal rainfall and the government policy on export price were also the reason for hike in the price. The report dated Dec 23, 2010, TOI states the follows (in Delhi):

"On Tuesday alone, wholesale traders in Delhi bought onions at about Rs 34 per kg while it was sold in retail at Rs 80 per kg. That's a margin of Rs 46 per kg or 135%!"

Here, they have compared the difference between the wholesale price and the retail price. The margin of 135% is reported. When we looked into data we have, we got the following results for Dec, 2010. (See figures 3.3 and 3.4)

So, as per our data, the maximum price difference observed was of 100%. Note that the retail prices we have is the minimum price observed in the market.

NDTV on Dec 22, 2010 reported the following (NASIK):

"The average purchase rate of a trader here is about Rs. 3,000, but they go to the cities and claim it's nearly Rs. 8,000 and that's how the rates go up. It's all the fault of the traders. They loot the people," said Sangdeorao Holkar, Director, National Agricultural Cooperative Marketing Federation of India.

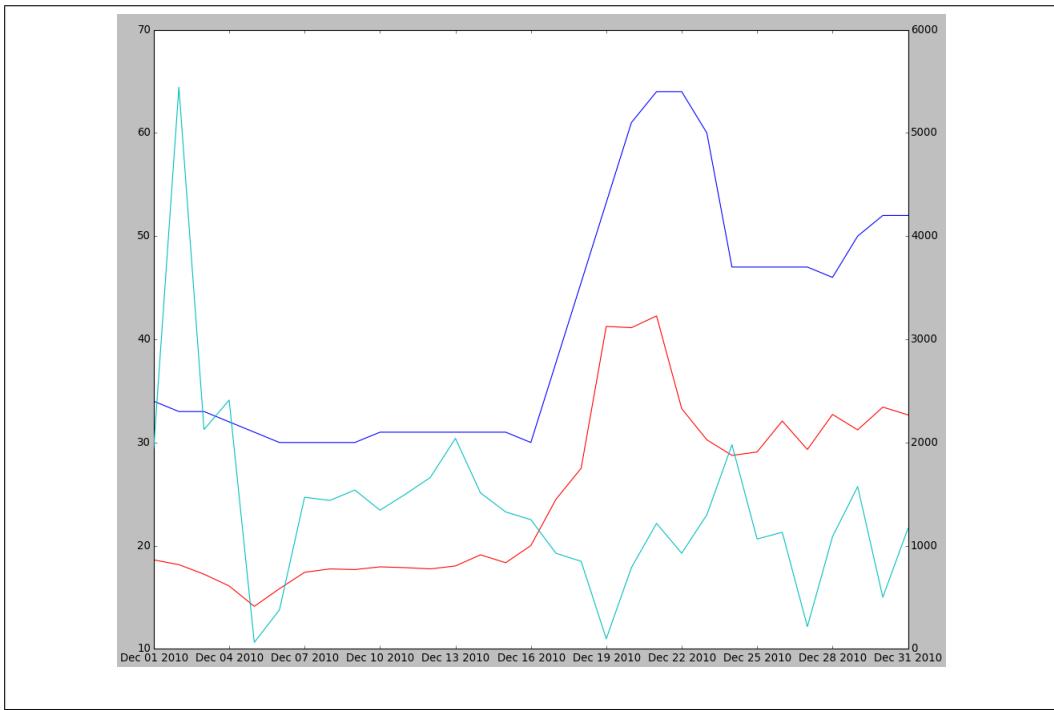


Figure 3.3: Delhi, Dec 2010. (Blue - Retail price, Red - Wholesale Price, Cyan - Arrival)

Here also, as we see they have mentioned price difference between retail and wholesale in the market. It is approximately $\tilde{1}66\%$.

Report also adds the following:

The government, on a back foot, banned exports last evening. In less than 24 hours, prices in Lasalgaon crashed by 25 per cent.

Navi Mumbai: Wholesale price

Tuesday: Rs. 60 per kg

Wednesday: Rs. 45 per kg

And this is finally what the consumer in Mumbai is paying:

Mumbai: Retail price

Tuesday: Rs. 60 to Rs. 70 per kg

Wednesday: Rs. 60 to Rs. 70 per kg

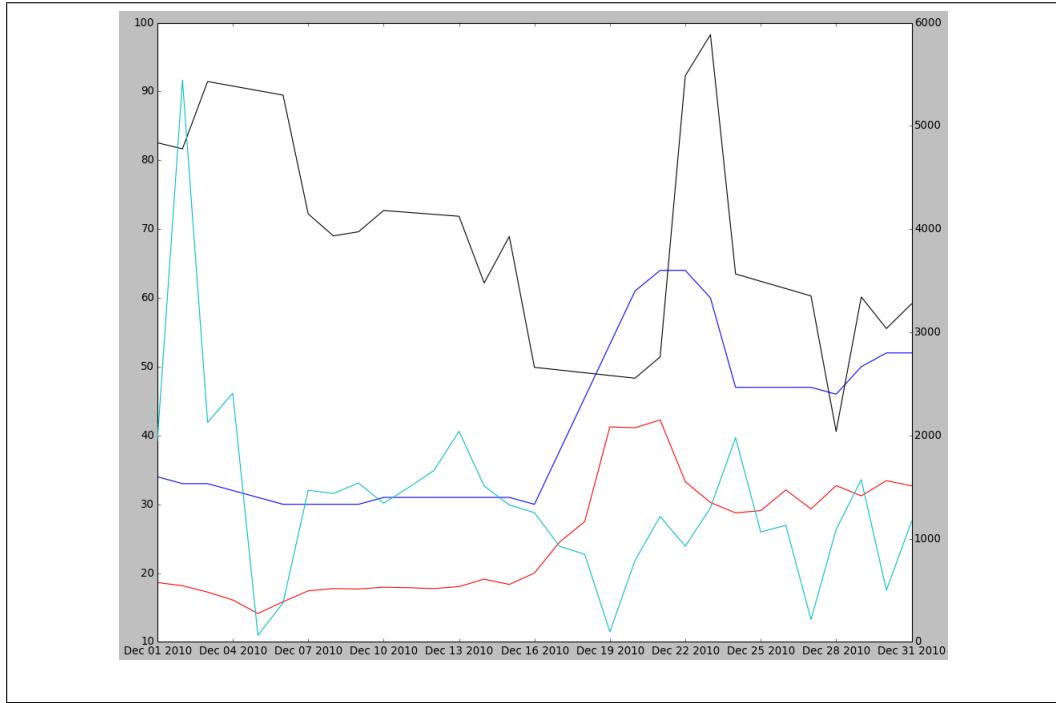


Figure 3.4: Delhi, Dec 2010. (Blue - Retail price, Red - Wholesale Price, Cyan - Arrival, Black - Relative difference %)

So as we can see, there is significant drop in the wholesale price, but no drop in the retail price, so that has been reported. Also difference in the hike in retail price, from 40 to 60 was reported in one week. What our data says:

As we can see from the Figures 3.5, 3.6, 3.7 and 3.8, the difference between retail and wholesale went as much high as 200% in both overall Maharashtra as well as in the Mumbai. Also, as per report [15], this trend was also continued in the next month, i.e. January 2011, which can be seen in the following graph. (See figures 3.9 and 3.10)

Next hoarding news was reported in the last week July 2013. As per the Business Standard Report [6],

"Onion prices in Nashik, Pune and Ahmednagar have increased to Rs 2,400 a quintal as on July 21, compared to Rs 1,500-1,800 a quintal during the corresponding period of last year. Arrival of onions in Nashik, which contributes 35-40 per cent to the state production, has been 83,000 quintals compared with

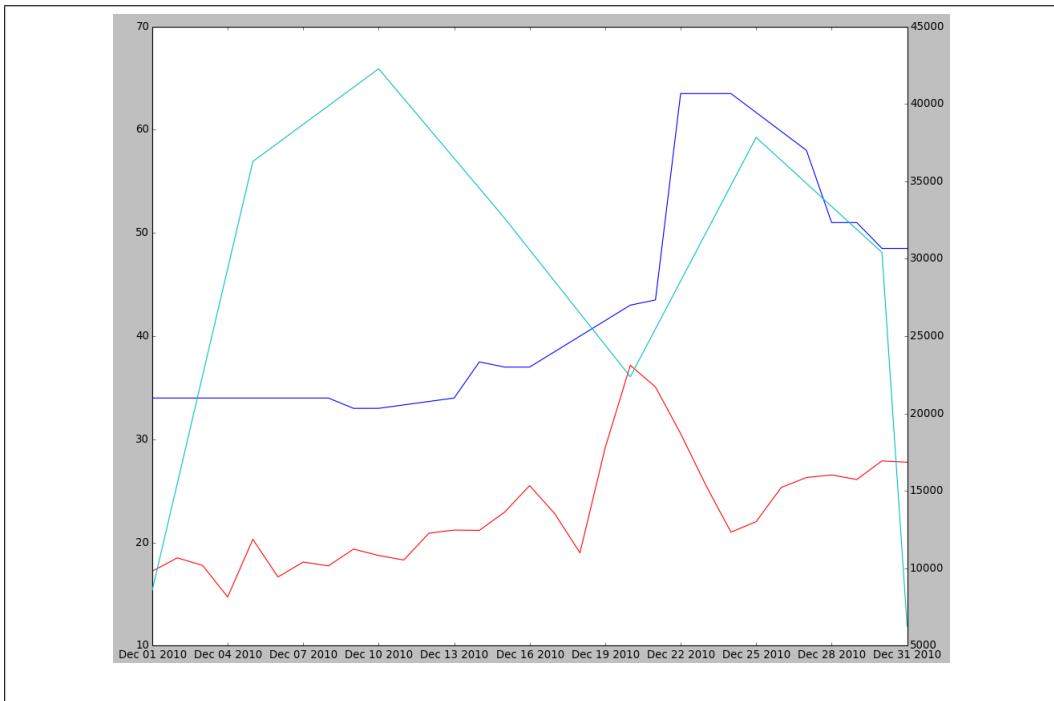


Figure 3.5: Maharashtra, Dec 2010. (Blue - Retail price, Red - Wholesale Price, Cyan - Arrival)

82,000 quintals last year”

Also, In the month of August, September and October of 2013, the price rise of the Onion in various parts of countries like Bangalore ([12]), New Delhi ([9],[13],[11]) and Gandhinagar ([[7]]) was in the news. Reports of Bangalore and New Delhi has just reported the hike in the retail price. DNA report on Gandhinagar says,

“Retail onion prices in the city have increased from around Rs. 40 per kg, a month ago, to Rs. 70/kg on Saturday. In the wholesale market, onion prices have increased around Rs. 35 per kg till last week to Rs. 45 per kg on Saturday. The wholesale price is Rs. 40 to 45 per kg. Ideally, in the retail market the price should not be more than Rs. 60 per kg”

Let's look at the data we have. As from the figures 3.11 and 3.12, the wholesale rates around the mandis present around the Mumbai in the month of July, 2012 was about Rs. 5/Kg, but during the same time period in the 2013,

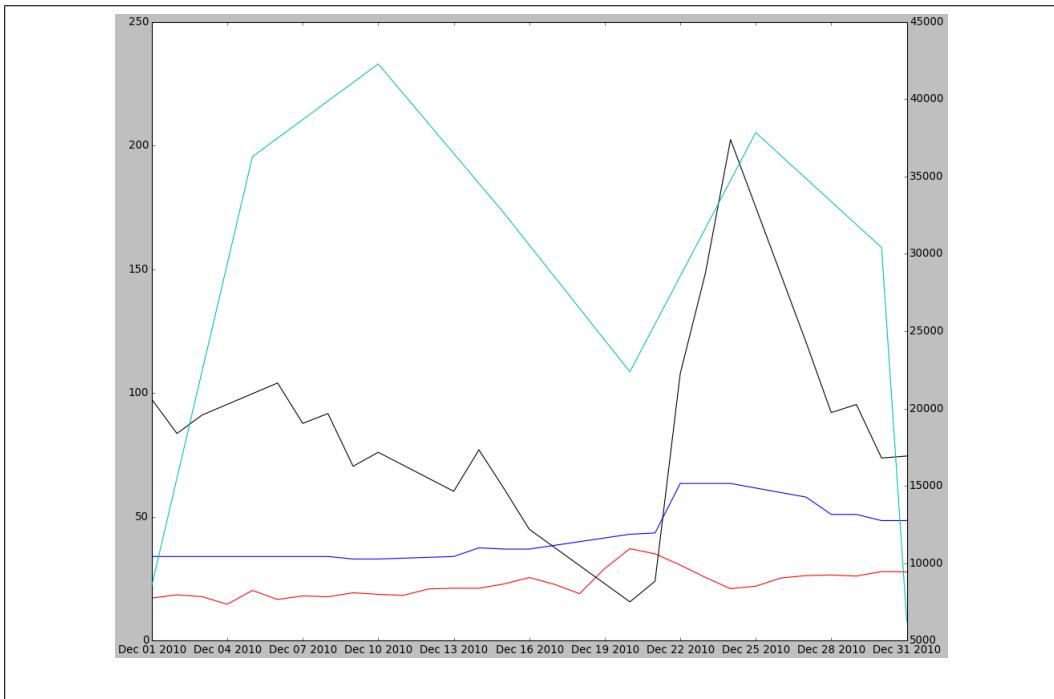


Figure 3.6: Maharashtra Dec 2010. (Blue - Retail price, Red - Wholesale Price, Cyan - Arrival, Black - Relative difference %)

the wholesale prices went from Rs. 15/Kg to Rs. 25/Kg. Although, there was decrement in the arrival by 7% as compared to July 2012, but the rise in the wholesale price is very much high.

Figures 3.13 and 3.14, states the scenario of Gujarat. There also the wholesale as well as the retail prices became suddenly almost double in the month of August 2013.

Also, in year 2014, price hike of Onions was in the news. There were reports from Mumbai [14], Kerala [10] and Hyderabad [16] which stated the hike in the prices of the onion. Let's look at the graph of the Mumbai for the year of 2014. As we can see from the graph (Figure 3.15) that for the period of July to October the wholesale price were decreasing, but still that was not reflected in the retail price and instead of decreasing, the retail price kept on increasing.

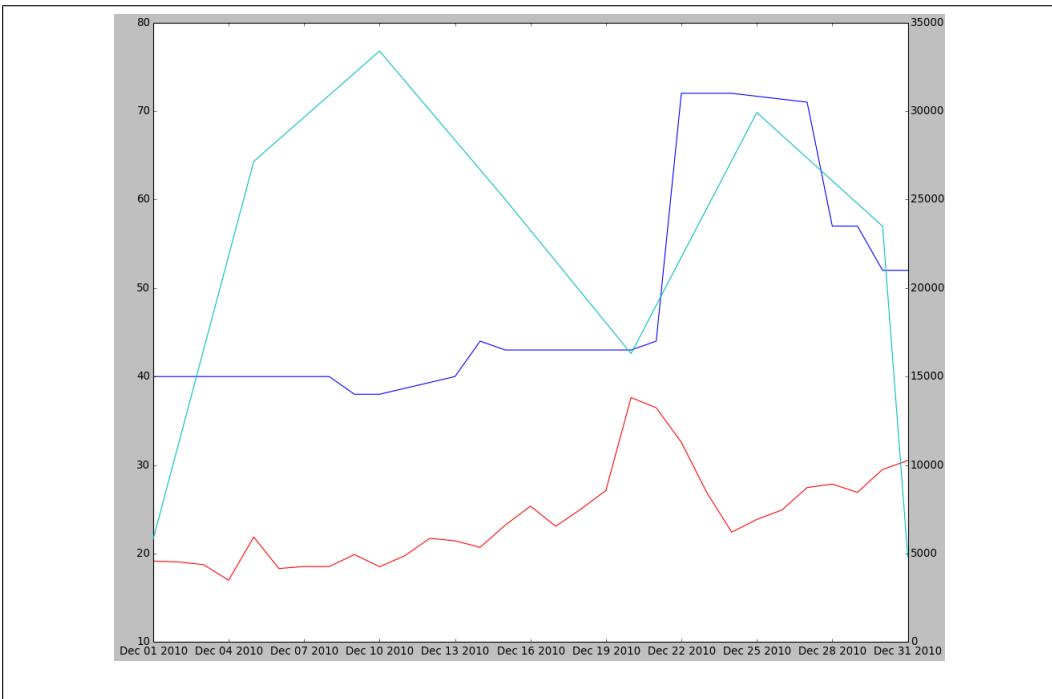


Figure 3.7: Mumbai , Dec 2010. (Blue - Retail price, Red - Wholesale Price, Cyan - Arrival)

3.7 Characteristics of anomaly

Hoarding of commodities in excess, results in anomaly. We segregated news articles on hoarding of onion and tried to spot some characteristics of data for anomalies.

So, major characteristics of hoarding spotted in newspapers are following:

1. Huge difference in wholesale and retail prices
2. Sudden rise in wholesale or retail price
3. Rise in wholesale prices when arrival is enough/high

We can also generalize anomaly cases as shown in table 3.1 and 3.2. The estimated arrival, wholesale and retail price data is labelled up, down and constant based on if it exceeds actual data value. Red flags are raised based on the following tables if the condition falls under the category marked with As.

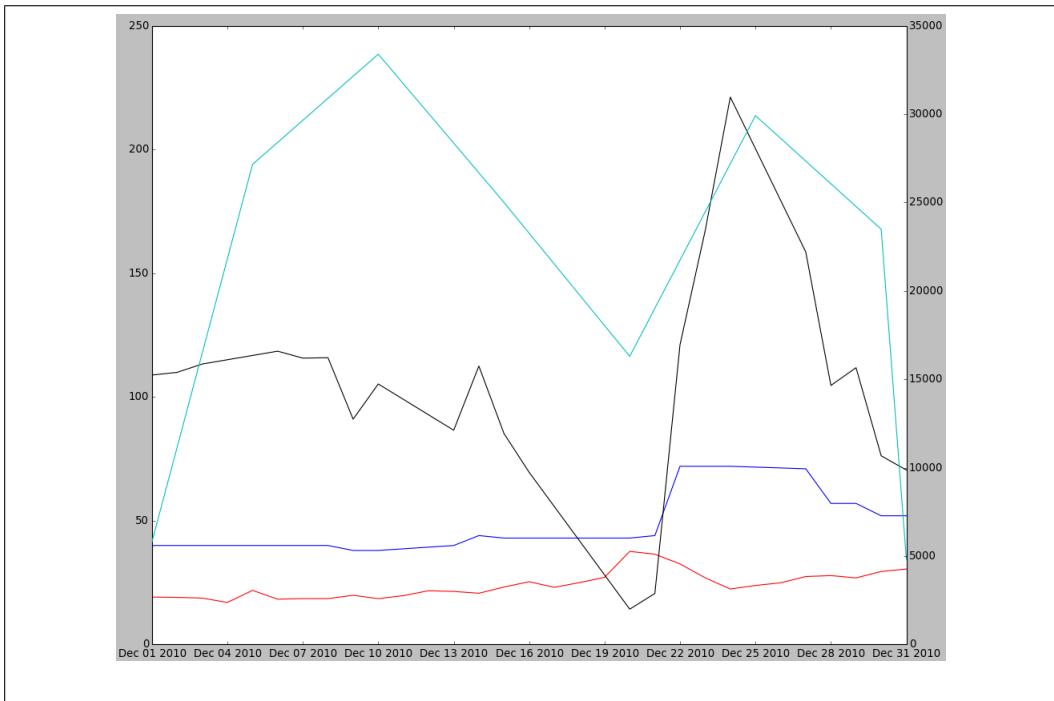


Figure 3.8: Mumbai, Dec 2010. (Blue - Retail price, Red - Wholesale Price, Cyan - Arrival Black - Relative difference %)

$W \setminus A$	\uparrow	\leftrightarrow	\downarrow
\uparrow	-	A	A
\leftrightarrow	-	-	A
\downarrow	-	-	-

Table 3.1: Anomaly Scenarios - 1

3.8 Hypothesis

So from the above analysis of all news reports, we conclude four hypothesis.

Wholesale price is inversely proportional to arrival in the market and we assume it is the only factor on which wholesale price is dependent. We also noticed in our literature review that most of the farmers don't hoard in India. So, from this relation, we have the following hypothesis:

H1. If there is increase in arrival pattern, there should be decrease in the wholesale price and if there is decrease in arrival pattern, there should be increase in the wholesale price consider-

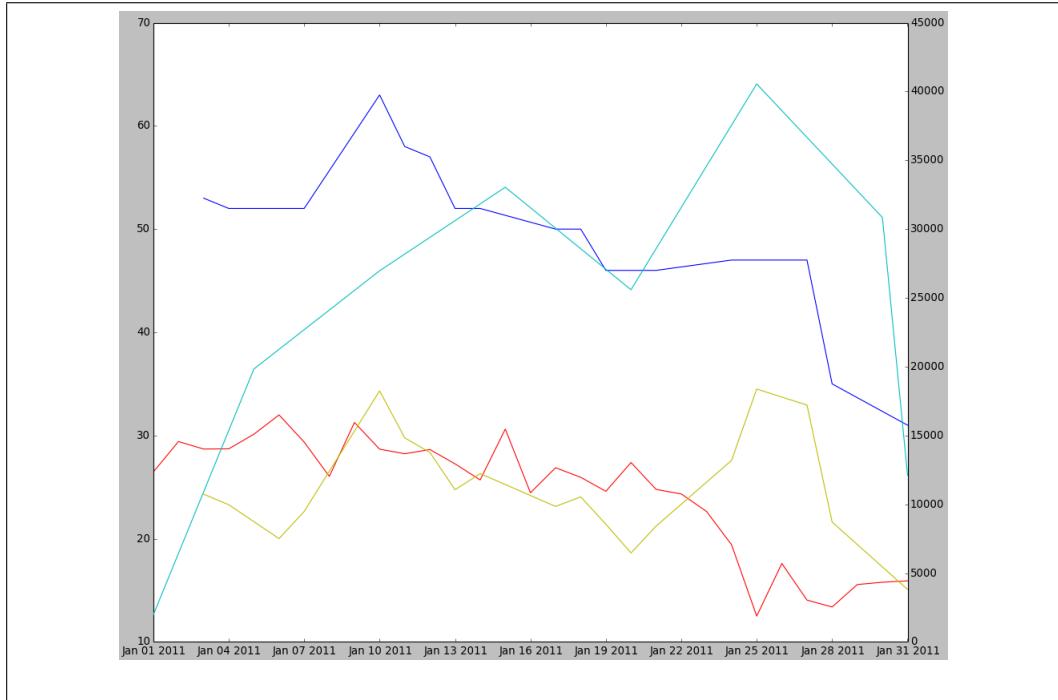


Figure 3.9: Mumbai , Jan 2011. (Blue - Retail price, Red - Wholesale Price, Cyan - Arrival)

$W \setminus A$	\uparrow	\leftrightarrow	\downarrow
\uparrow	A	A	-
\leftrightarrow	A	-	-
\downarrow	-	-	-

Table 3.2: Anomaly Scenarios - 2

ing a lag factor of 15 days.

Retailers purchase onions from the wholesale markets, mandis, etc. So, rate at retail level should be directly proportional to wholesale price in that region. We assume here that demand remains constant and there is no supply shock created because of excessive export of onion So from here we get the following hypothesis.

H2. *If there is increase in the wholesale price of onion, then there will be corresponding increase in the retail price and vice-versa assuming demand remains constant and there is no supply shock created because of excessive export of onion.*

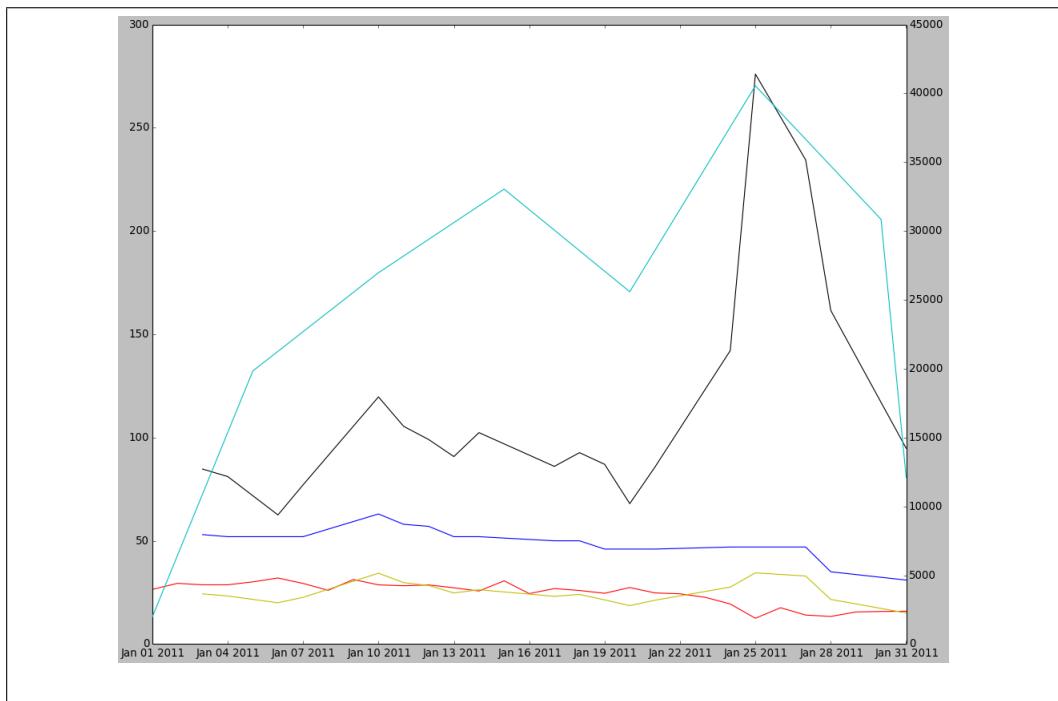


Figure 3.10: Mumbai, Jan 2011. (Blue - Retail price, Red - Wholesale Price, Cyan - Arrival Black - Relative difference %)

Similarly, we can state that if there is no change in the arrival for some period, then wholesale may remain same and if wholesale price remains same for some period than retail price may remain same. So from that we get following two hypothesis:

H3. The deviation between arrival - wholesale and wholesale-retail should not vary much compared to values for same time in past years.

Also, one should make a note of that, even in H1 and H2, when wholesale price or retail is increasing, then it should be in considerable amount. It should not be like, there is marginal increase in wholesale price and retail price is boosting up or there is little decrement in arrival and wholesale price goes up by unacceptable level.

Also, we assume that mandis in the same region will behave in similar manner, because production and effect of other factors will be same in one region. So, based on that we have following hypothesis:

H4. Mandis in the same region should follow the same relation-

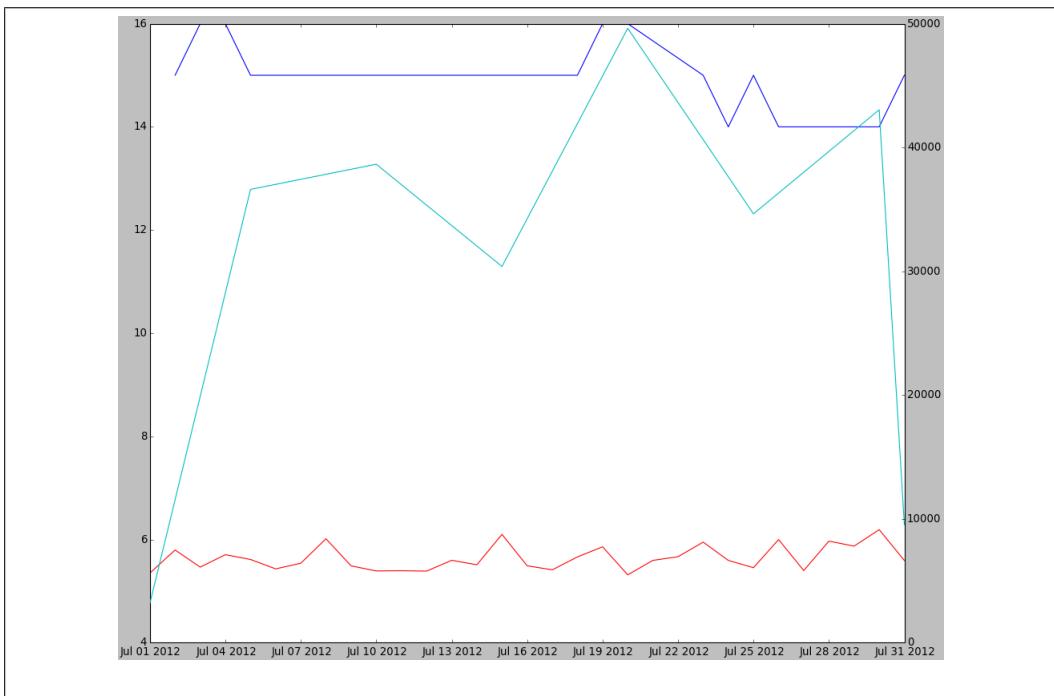


Figure 3.11: Mumbai , July 2012. (Blue - Retail price, Red - Wholesale Price, Cyan - Arrival)

ship between arrival and wholesale price, as that of, taken whole region altogether.

OR

Retail prices across various centres should follow same relationship among themselves taken effect of them combinely.

So we have created a library which takes all these series as an input and try to detect possibilities of above stated anomalies or highlight all the important unusual behavior of parameters seen in the input series.

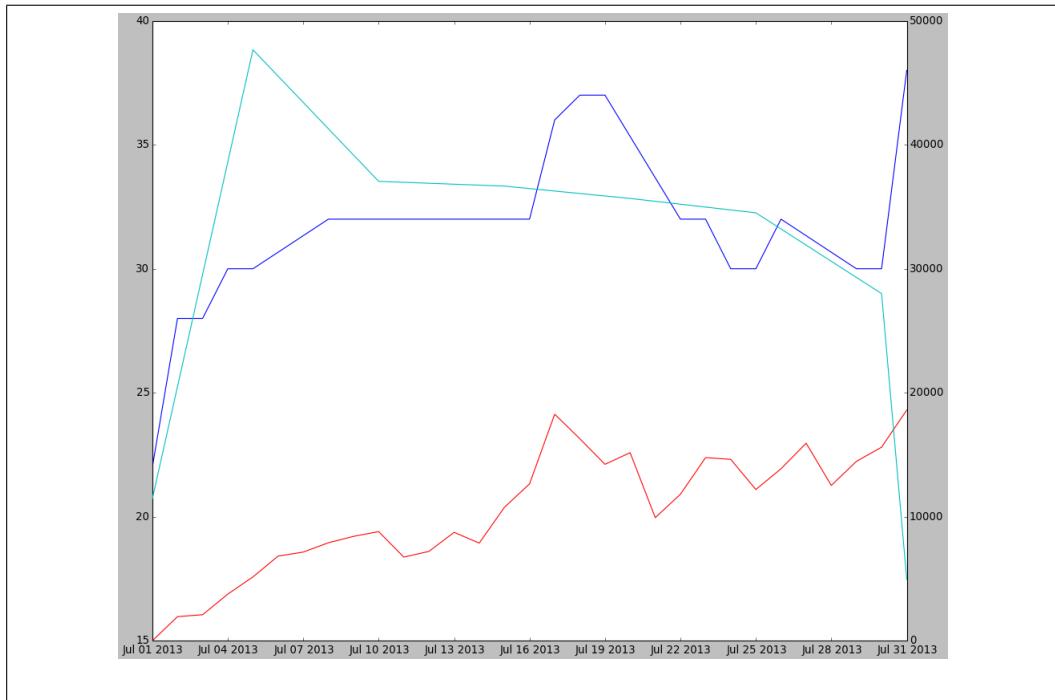


Figure 3.12: Mumbai , July 2013. (Blue - Retail price, Red - Wholesale Price, Cyan - Arrival)

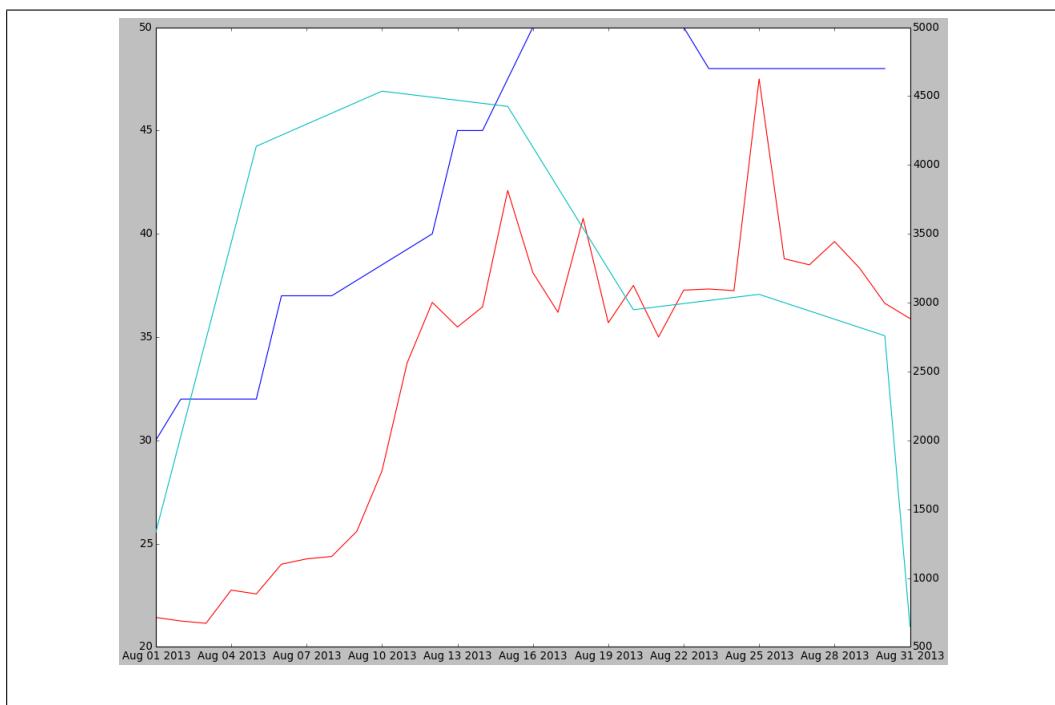


Figure 3.13: Ahmedabad , Aug 2013. (Blue - Retail price, Red - Wholesale Price, Cyan - Arrival)

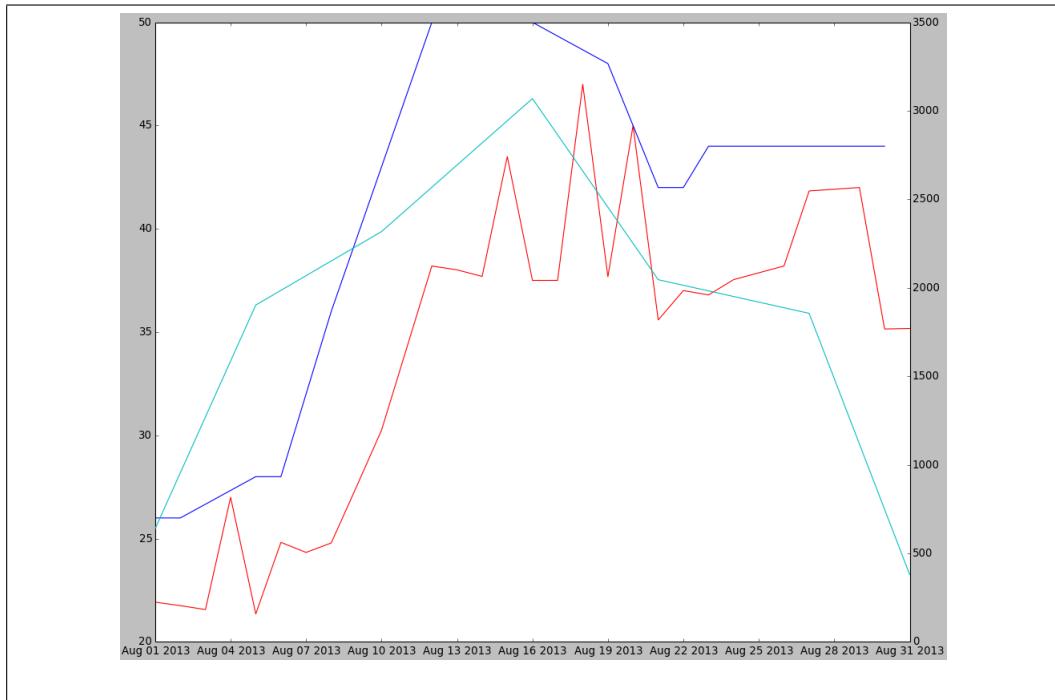


Figure 3.14: Rajkot , Aug 2013. (Blue - Retail price, Red - Wholesale Price, Cyan - Arrival)

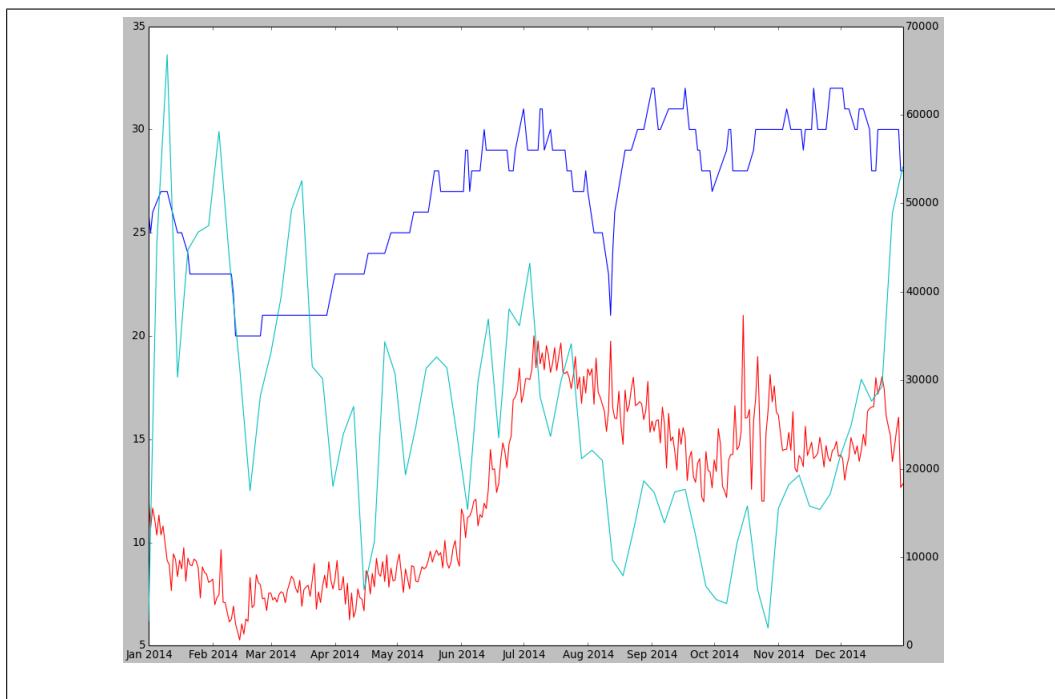


Figure 3.15: Mumbai , 2014. (Blue - Retail price, Red - Wholesale Price, Cyan - Arrival)

Chapter 4

Design and Framework

4.1 System Design

Figure 4.1 explains the overall design of the system and its modules.

We have multiple time-series as input. These time-series are to be read from file manually using python script and generate 2D list of the time-series. These 2D lists has first column as date and then we have one or more columns corresponding to one or more values for that date. In the next stage depending upon what time-series we need to compare, we select appropriate time-series and pass this as input to various functions. Note that it is required to have all time-series of equal length and time period for which time-series are considered should be same for all time-series.

We have implemented 5 functions till now as shown in figure 4.1 viz. Correlation, Slope Based, Linear Regression, Graph Based and Multivariate. Detail about each function is explained in the next section. These functions takes either 2 or multiple time-series as input and has various parameters. Depending upon how time-series should behave with respect to each other (directly proportional or inversely proportional) parameters are tuned. We take union of results of first three functions and rest of the two functions as shown in figure. After taking union, we take intersection of two results of union as shown in figure. This is final result produced by the system. This result states the anomalies in the time-series.

To verify result produced by system, we match it with the news articles present for the test case considered (here onion test case). We match system results with news articles present and check how well system is performing. Note that it is not necessary that for each and every anomaly case, we have

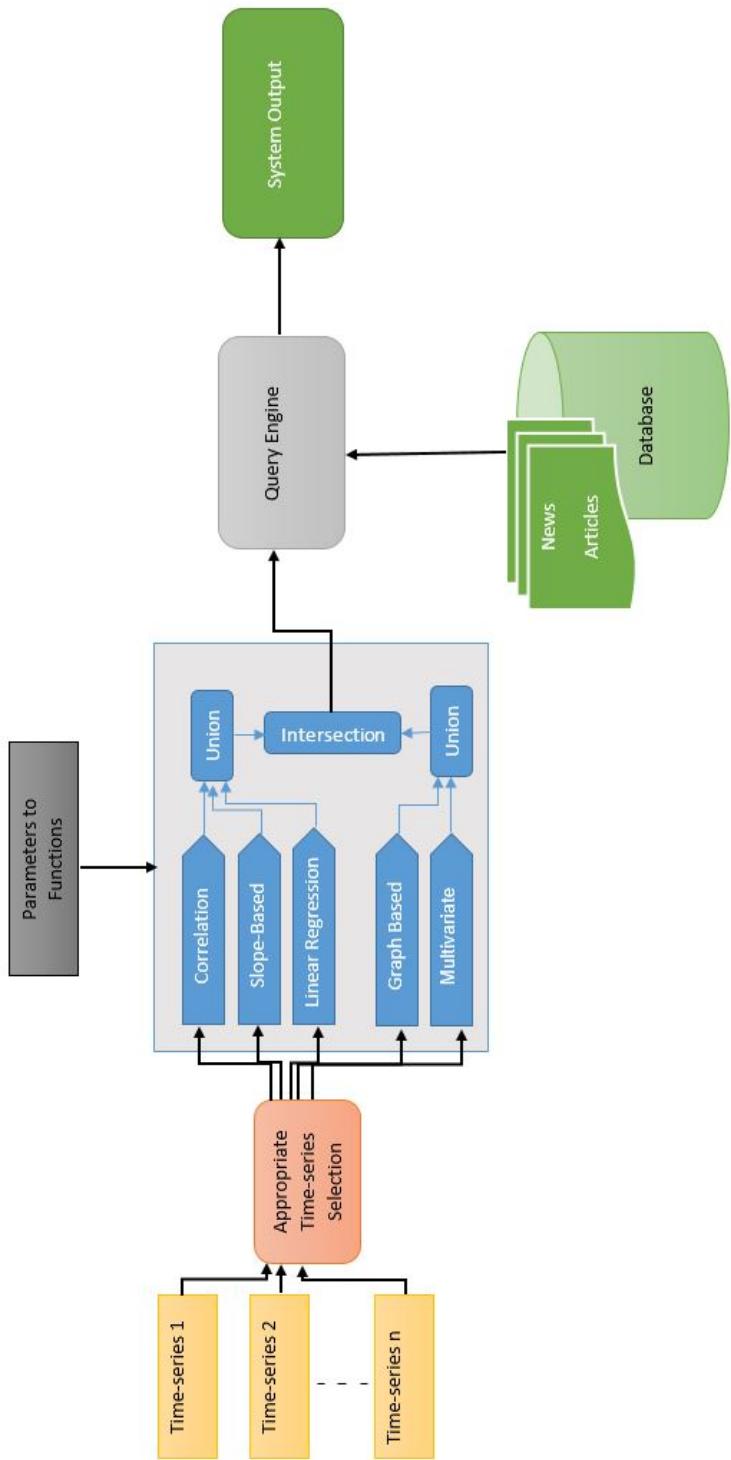


Figure 4.1: System Framework

news article present. If not, then we manually check behavior of time-series on that date. If some news articles do not match with system result then we also study, why they did not match and what are limitations of system.

4.2 Anomaly Detection Library

Following methods are implemented in the library to detect anomalies in given timeseries:

4.2.1 Window Based Correlation

The method finds anomalies between two timeseries. If the two timeseries are supposed to be positively correlated, then it reports all the tenures where the timeseries deviates from showing positive correlation between them.

Similarly if the two timeseries are supposed to be negatively correlated, then it reports all the tenures where the timeseries deviates from showing negative correlation between them. The significant deviations are reported based on either the default significance value of 0.01 or it can be customized based on the need. For more information refer Appendix A.

4.2.2 Slope Based Detection

The method calculates the rate of change of one timeseries with respect to the other. The tenures are reported where one timeseries varies to a large extent from the other. For more information refer Appendix B.

The threshold is decided based on the MAD outlier detection test or it could be set manually.

4.2.3 Linear Regression

The method builds a linear model between two timeseries. Values are predicted based on this linear model and error is calculated. All the tenures

with error values breaching the threshold are reported as anomaly. The threshold can be decided by MAD outlier detection technique or it can be configured manually. For more information refer Appendix C.

4.2.4 Graph Based Anomaly

Graph based anomaly detection technique considers each day as a node of a graph. Similar nodes are connected to each other by some weight. Similarity of nodes are calculated by making use of the values of that node i.e. value(s) of timeseries on that date. Based on this similarity, edge weights are also assigned. Then random walk algorithm is applied on this graph structure and connectivity value of each node is calculated. Graph nodes having the least connectivity values are reported as anomaly.

The method also takes into account the trend, seasonality etc of timeseries. Top few points (can be configured) are reported as anomaly by the system. For more information refer Appendix D.

4.2.5 Multivariate- Vector Autoregressive

The method uses vector autoregressive framework for multivariate time-series analysis in order to forecast values. The framework treats all the variables as symmetrical and all the variables are modelled as if they influence each others equally.

Error percentage is calculated between actual and forecasted values. These error values are used to filter anomalous conditions from non-anomalous conditions by setting a threshold value which can be automatically computed by MAD outlier detection test or it can be manually configured to the required value. For more information refer Appendix E

4.3 Hypothesis Testing

These methods can be used for testing various hypothesis by changing the parameters in the library functions. The details are as following:

- Hypothesis 1: If the two timeseries are expected to be not in tandem then the tenures where they don't, needs to be reported as anomaly. It can be tested using above mentioned methods by changing some parameters. The details as follows:
 - Window based correlation: positive_correlation needs to be set to false. default_threshold is set to true if user wants threshold to be decided by MAD outlier detection test otherwise it is set to false and the threshold is passed.
 - Slope Based Detection: what_to_consider is set to -1. default_threshold is set to true if user wants threshold to be decided by MAD outlier detection test otherwise it is set to false and the threshold is passed.
 - Linear Regression: param is set to 1 in order to consider all the positive error values. default_threshold is set to true if user wants threshold to be decided by MAD outlier detection test otherwise it is set to false and the threshold is passed.
- Hypothesis 2: If the two timeseries are expected to be in tandem then the tenures where they don't, needs to be reported as anomaly. It can be tested using above mentioned methods by changing some parameters. The details as follows:
 - Window based correlation: positive_correlation needs to be set to true. default_threshold is set to true if user wants threshold to be decided by MAD outlier detection test otherwise it is set to false and the threshold is passed.
 - Slope Based Detection: what_to_consider is set to 1. default_threshold is set to true if user wants threshold to be decided by MAD outlier detection test otherwise it is set to false and the threshold is passed.
 - Linear Regression: param is set to 1 in order to consider all the positive error values. default_threshold is set to true if user wants threshold to be decided by MAD outlier detection test otherwise it is set to false and the threshold is passed.

- Hypothesis 3: Trend and seasonality in the data are to be taken care for this case. Following two methods are used:
 - Graph Based Anomaly- numOfPtsReqd is set to get the required number of anomalous points.
 - Multivariate- Vector Autoregressive- All the points which does not fall in the range of threshold are reported.
- Hypothesis 4:
 - Since the slope based detection, window based detection and linear regression methods works only on the two timeseries at a time. So, in order to compare all the centres in one go, average of the timeseries of centers is computed and used for anomaly detection.
 - For Graph based and multivariate- autoregressive anomaly detection methods, all the timeseries of centers are used to find anomalies.

Note (Applicable to Onion Case): Results returned by H1 and H2, consists of all the time periods where arrival-wholesale price and wholesale price-retail price pairs go out of line. There may be case where, for each time of that year it may be going out of line and might not be anomaly. So, to remove such false positives, we can take intersection of results of H1 and results of H3. Similar thing can be done with H2 also, by taking intersection of results of H2 and results of H3.

Chapter 5

Analysis of System Results

We executed our library functions on the onion data. This data consists of Wholesale Price, Retail Price and Arrival since 1st January 2006 to 6th July 2015. In this chapter, we will show results produced by our system and will analyse these results along with each method.

5.1 Overview of System Results

We have performed 4 types of analysis and result for each of this method is as follows. Note that these are primary results. Data for 2 centres are considered - Mumbai and Delhi.

Here are some results related with Mumbai Center. Table 5.1 shows the result of anomalies reported by our system, with details about anomalies reported by each method. So here First 5 columns corresponds to each method. Column 6 is union of results of first 3 methods and column 7 is union of results of method 4 and 5, as described in table. Column 8 is intersection of results of column 6 and column 7, which is final result of our system.

Methods	Slope Based (1)	Correlation (2)	Linear Regression (3)	Graph Based (4)	Multivariate (5)	1 U 2 U 3 (6)	4 U 5 (7)	$6 \cap 7$
Retail Vs Average	471	180	258	300	177	806	362	125
Retail Vs Arrival	266	375	353	500	167	835	573	323
Retail Vs Wholesale	322	300	310	300	167	799	367	160
Wholesale Vs Arrival	329	360	282	500	186	858	586	332

Table 5.1: Anomalies Reported

Table 5.2 shows the result of number of articles matched with the dates reported by our system as anomaly for each method. So here First 5 columns corresponds to each method. Column 6 is union of results of first 3 methods and column 7 is union of result of method 4 and 5, as described in table.

Column 8 is intersection of results of column 6 and column 7, which is final result of our system.

Methods	Slope Based (1)	Correlation (2)	Linear Regression (3)	Graph Based (4)	Multivariate (5)	$1 \cup 2 \cup 3 \cup 4 \cup 5 \cup 6$	$4 \cup 5 \cup 7$	$6 \cap 7$
Retail Vs Average	67	47	50	122	122	142	162	64
Retail Vs Arrival	42	74	167	121	119	220	159	153
Retail Vs Wholesale	30	55	40	117	119	107	150	52
Wholesale Vs Arrival	64	64	174	122	139	219	174	168

Table 5.2: Number of news articles matched with system

Note that total number of articles present for center Mumbai is **99** and all these articles are present after 2010. Apart from Graph Based Anomaly and Multivariate- vector autoregressive method, all methods are producing results from 2006 onwards as input data is from that time. The following pie chart(see figure 5.1) shows the analysis of article showing what news articles states as the reason for the price hikes of onion.

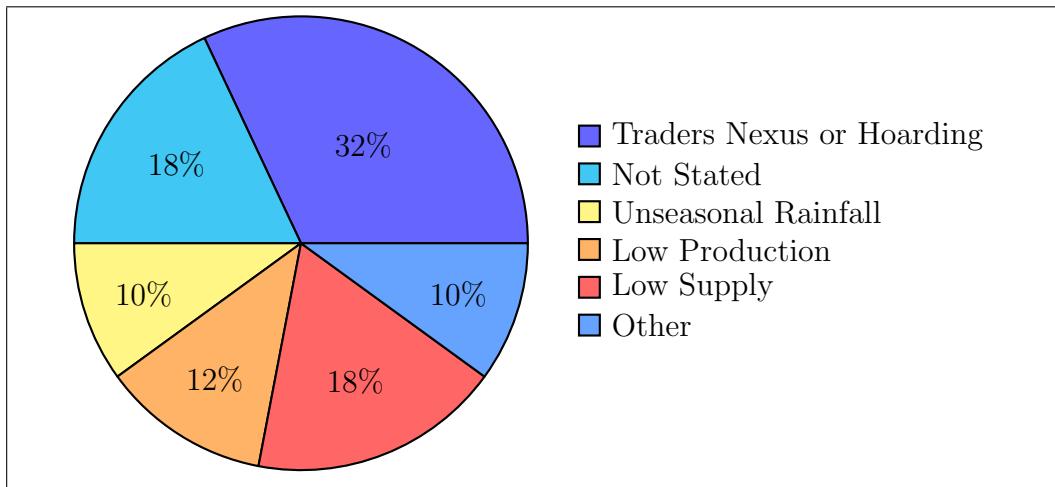


Figure 5.1: Reasons stated by news articles for onion price hike

While finding the news article match for every anomaly, we check for all the news articles 5 days before and 5 days after the reported date. In case we find any news article in this tenure, we consider it as a match for that date. For one date of anomaly, multiple articles may be present but for this analysis we have considered only the nearest article for that anomaly date. Following

bar charts represents distribution of how far is the news article from the date of anomaly.

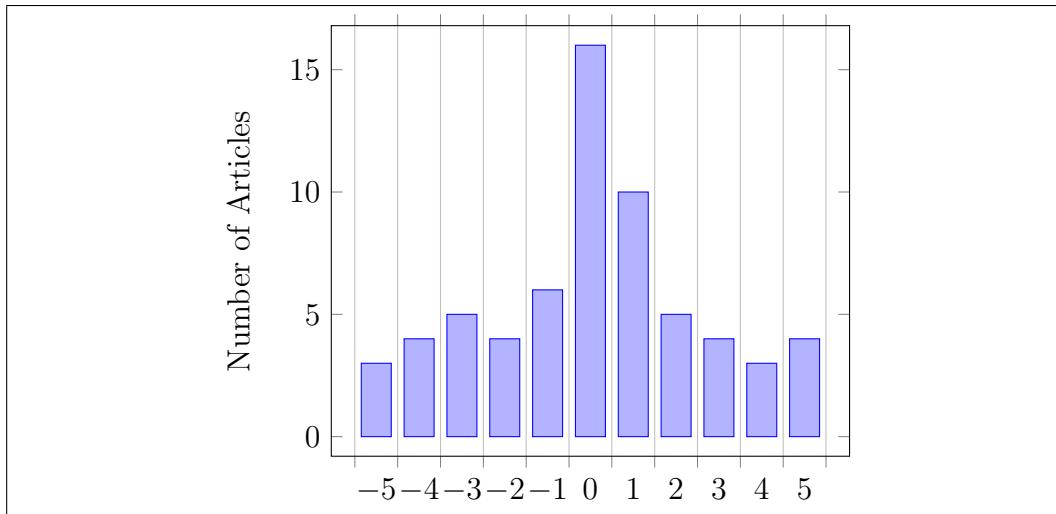


Figure 5.2: Article Distribution for Retail Price VS Average Retail Price

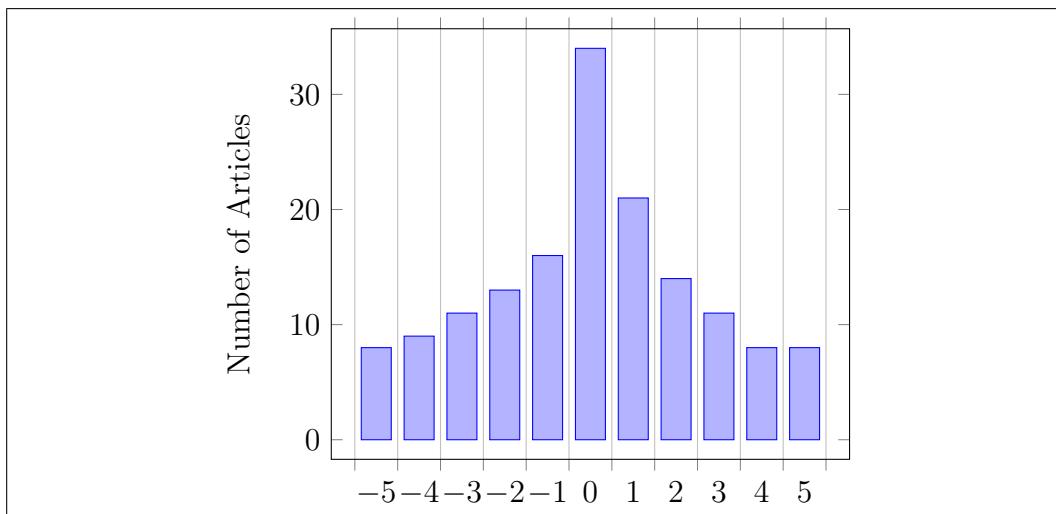


Figure 5.3: Article Distribution for Retail Price VS Arrival Of Onion

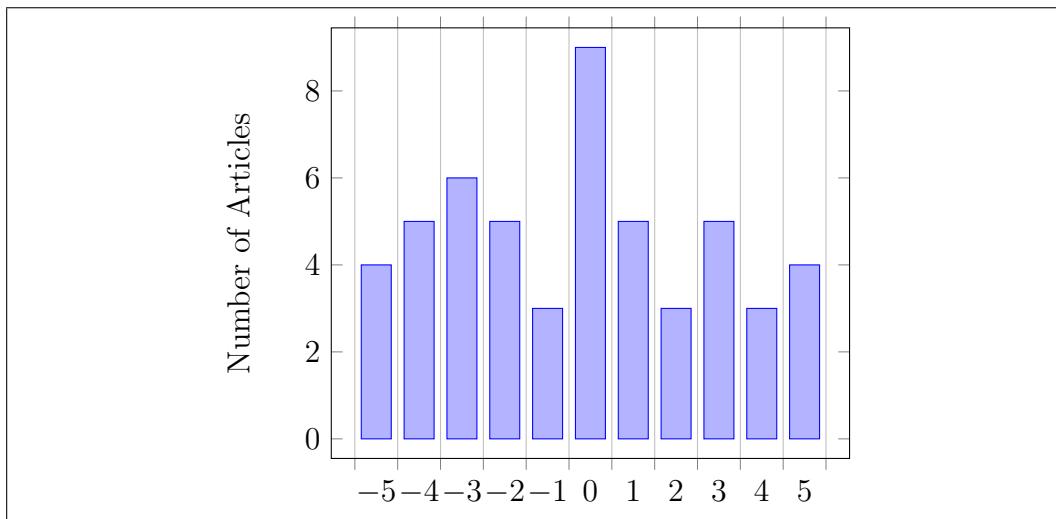


Figure 5.4: Article Distribution for Wholesale Price VS Retail Price

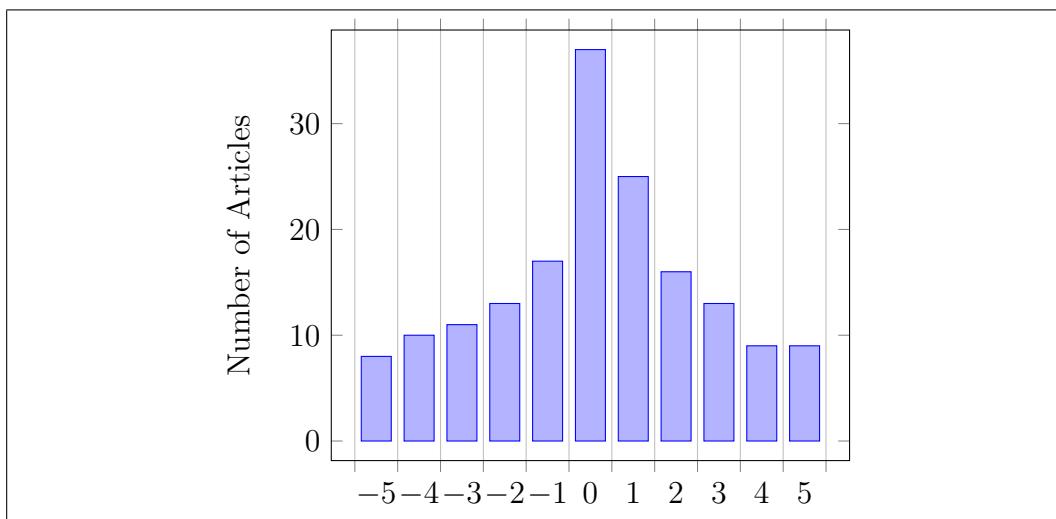


Figure 5.5: Article Distribution for Wholesale Price VS Arrival Of Onion

Such results for different cities can also be calculated.

5.2 Analysis of Each Method

In this section, we try to analyse strengths, weaknesses and limitations of every method. So, we will describe each method one by one. Note that we have articles from 2010 onwards, so we will be focussing on anomalies reported after 2010 and compare them with the news articles we have.

Note that all the graphs and results described in following sections are for centre Mumbai. Mumbai is in Maharashtra state, which is the largest producer of onion in India. Also in graphs, Yellow highlighted region corresponds to anomalies reported by system, red region corresponds to dates for which our system reported anomaly and news article was present for that and blue region corresponds to date for which news article was present but that date was not reported as anomaly by our system.

5.2.1 Slope Based Anomaly Detection

The main functionality of this method is to find change in one variable with respect to other. Given two time-series, here we try to find, between two points in time series, how much dependent variable changed corresponding to independent variable. If this change is huge, then it is reported as anomaly.

We have four types of analysis which are as following:

1. **Retail Price vs Average of Retail Price:** Here, we first take average of retail price at all centres and than compare change in retail price with respect to change in average of retail price for different time window.
2. **Retail Price vs Arrival of Onion:** Here, we try to find change in retail price with respect to change in arrival of onion for different windows.
3. **Retail Price vs Wholesale Price:** Here, retail price is dependent on wholesale price and we try to find change in retail price with respect to change wholesale price for different windows.
4. **Wholesale Price vs Arrival of Onion:** Here, we try to find change in wholesale price with respect to change in arrival of onion for different window size.

So, in each of the case, we try to find change with respect to another, and if this change is huge, crossing threshold than it is reported as anomaly. Note that in analysis 1 and 3 stated above, both the time series are directly proportional to each other and in the analysis 2 and 4 both the time series are inversely proportional to each other. So, limitations faced by this method for analysis 1 and 3 will be similar and for analysis 2 and 4 will be similar. While describing this method, each analysis will be referenced by its corresponding number.

First we will start with analysis 1 and 3. Following are the few observations:

- In case of analysis 1, dates are reported as anomalies if retail price at centre is increasing more as compared to average retail price and in case of analysis 3, it is reported if retail price at centre is increasing more as compared to wholesale price.

Following tenures are some cases reported by this method:

- *Analysis 1*: June 2010, August 2010, May 2011, June 2011, May Jun Nov 2012, Apr May 2013 (Prices went too high as compared to average) (See Figure 5.6)
- *Analysis 3*: Apr July Oct Dec 2010, Jan 2011, May June 2014 (See Figure 5.7)



Figure 5.6: Slope Based Anomaly Detection (Green line - Centre Retail Price, Blue Line - Average Retail Price)

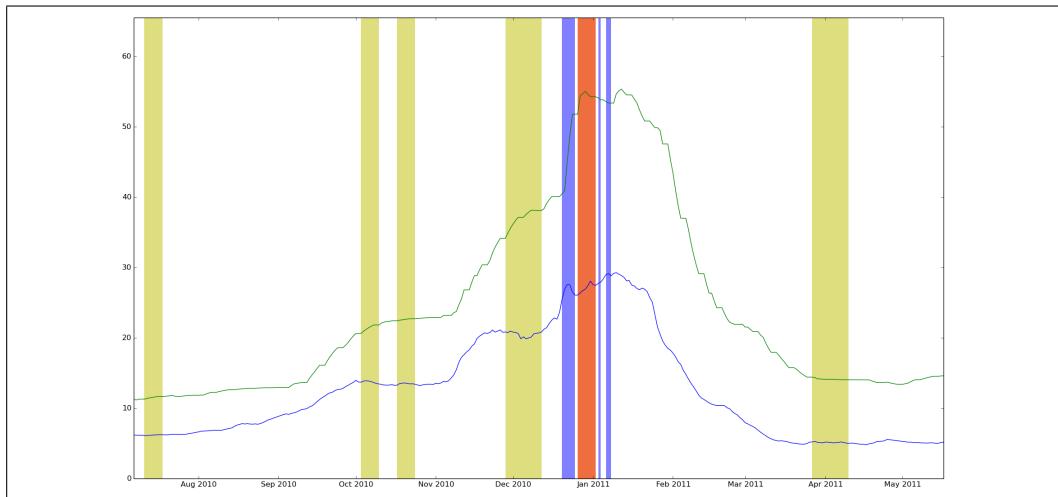


Figure 5.7: Slope Based Anomaly Detection (Green line - Retail Price, Blue Line - Wholesale Price)

So, even though we do not have articles for these anomalies, but method is behaving as it should be.

- One of the limitation for this method is that there are some cases where drop in retail price for one center is quite huge as compared to drop in average retail price (in case of *analysis 1*) or wholesale price (in case of *analysis 3*). This is good thing for customers at that centre and should not be treated as anomaly. But in this case, slope value goes high and

that's why our method reports that tenure as anomaly.

Following tenures are some cases reported by this method:

- *Analysis 1*: January 2010, June Aug 2012, Jan 2013, Feb Oct 2014, Feb 2015 (See Figure 5.8)
- *Analysis 3*: Feb May 2010 (See Figure 5.9)

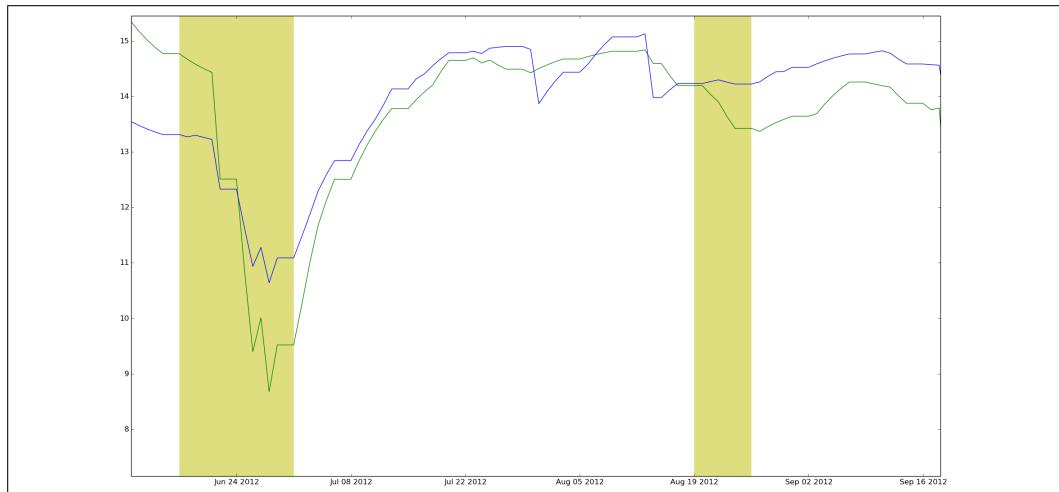


Figure 5.8: Slope Based Anomaly Detection (Green line - Centre Retail Price, Blue Line - Average Retail Price)

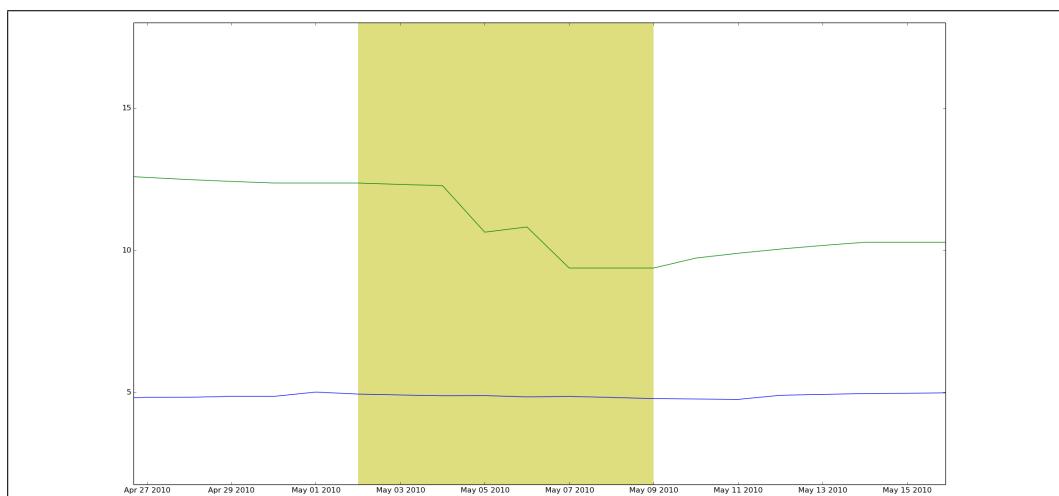


Figure 5.9: Slope Based Anomaly Detection (Green line - Retail Price, Blue Line - Wholesale Price)

- Other observation is related to why few anomalies were reported in

news but not by our system. Reason for that is we are comparing relative change in two time series. Now for some dates, where news article is present but our system did not report, value of both time series increased together. Although, prices went too high, but still relative change, i.e. slope value remained relatively low as compared to others. So that was not reported by our system.

Following tenures are some cases reported by this method:

- *Analysis 1*: Dec 2010, Jan Feb 2012, June 2013, May June 2015
(See Figure 5.10)
- *Analysis 3*: Feb 2013, July 2014 (See Figure 5.11)

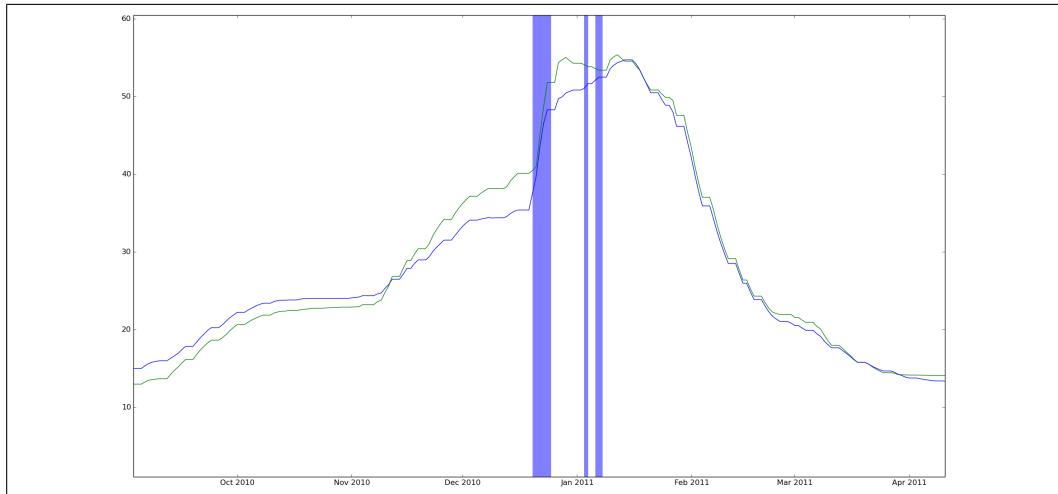


Figure 5.10: Slope Based Anomaly Detection (Green line - Centre Retail Price, Blue Line - Average Retail Price)

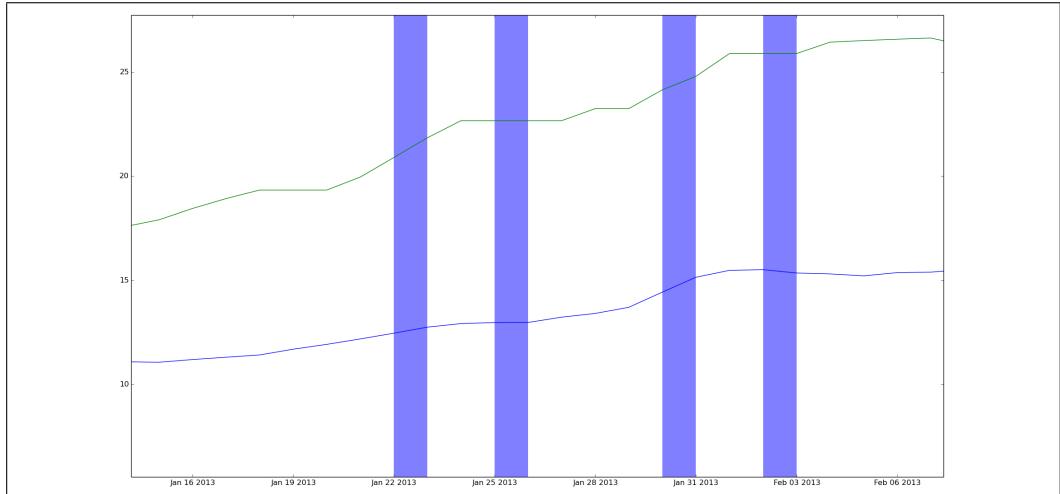


Figure 5.11: Slope Based Anomaly Detection (Green line - Retail Price, Blue Line - Wholesale Price)

- In some cases, original retail price was running less than average retail price for some time and then suddenly prices in the centre increased drastically. So such cases were reported as anomaly in this method, which is quite normal. Such cases were found in *Analysis 1* for Nov 2011, Feb Mar 2012 and Dec 2014. (See Figure 5.12)

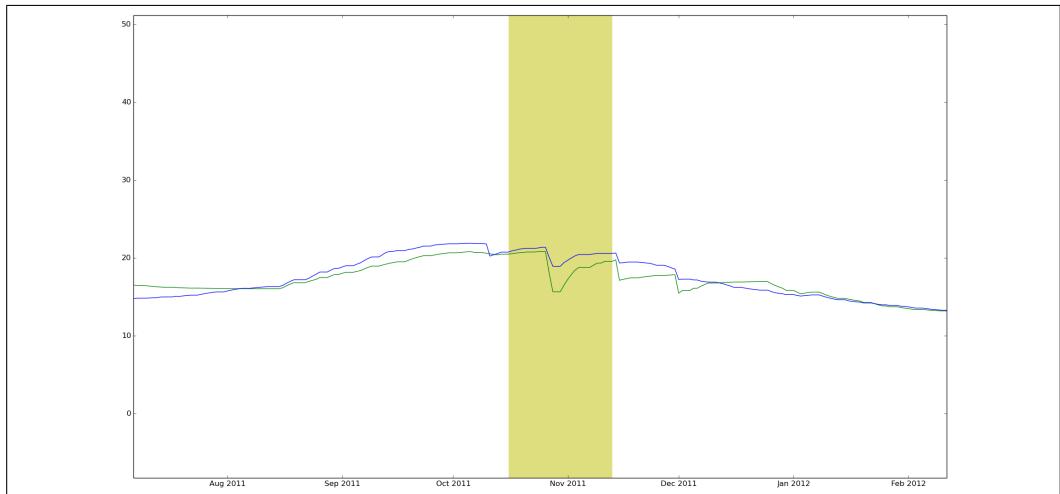


Figure 5.12: Slope Based Anomaly Detection (Green line - Centre Retail Price, Blue Line - Average Retail Price)

- In some cases, tenure reported as anomaly is quite large, because situations were abnormal for long time. But is not necessary that news

articles should be present for such a large tenure and anomaly reported was justifiable. For *Analysis 1*, such tenure was reported for March end to May start 2014. (See Figure 5.13)



Figure 5.13: Slope Based Anomaly Detection (Green line - Centre Retail Price, Blue Line - Average Retail Price)

- In *Analysis 1* for June 2014, method has reported tenure up to mid June when prices started increasing but it remained high and due to that some news articles are present around June 21. We have missed because at that time relative slope value became normal. But since prices were high, it was covered by news articles. (See Figure 5.14)

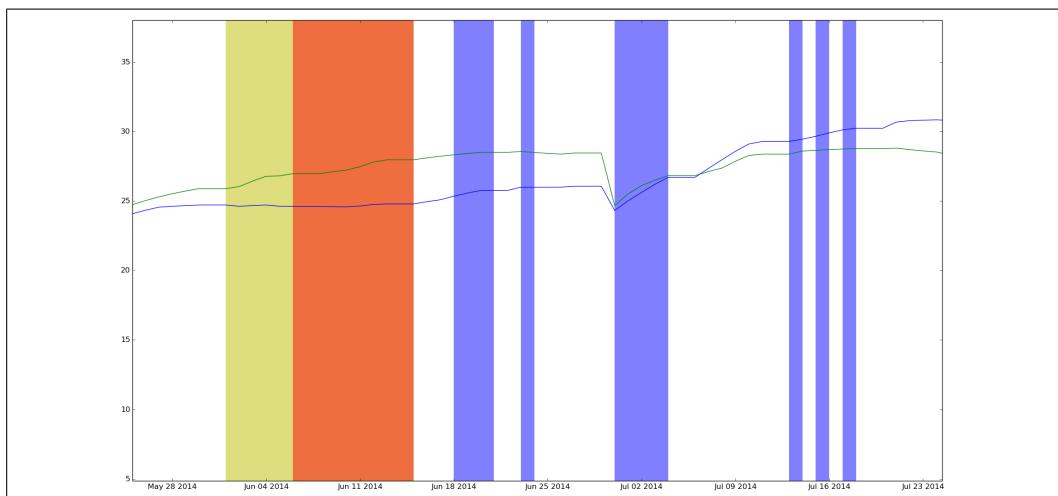


Figure 5.14: Slope Based Anomaly Detection (Green line - Centre Retail Price, Blue Line - Average Retail Price)

- There exist some cases in *Analysis 3* where retail price were decreasing but wholesale price kept on increasing, this created negative slope value, whereas in this scenario, we were looking for only positive slopes and that's why this method missed it. Such periods were in July Aug Sept 2013, Nov Dec 2013. (See Figure 5.15)

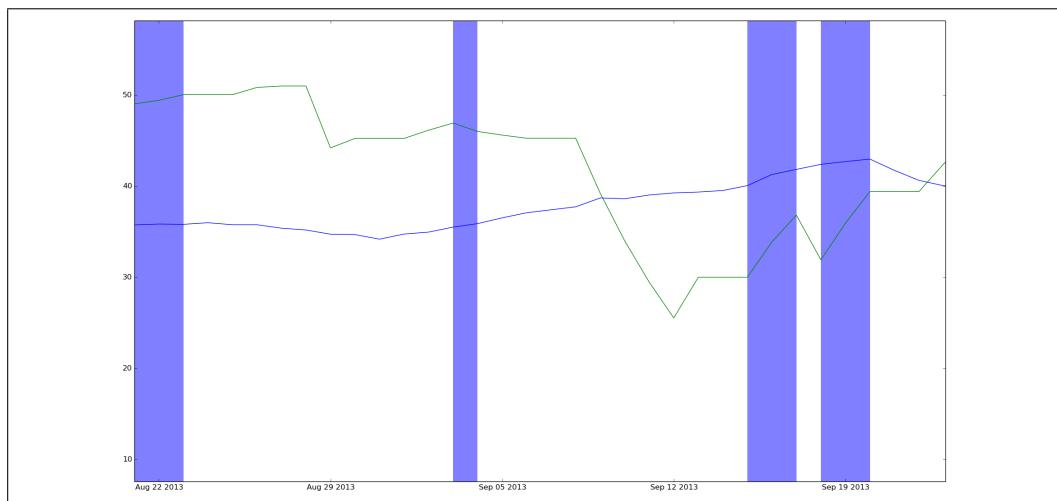


Figure 5.15: Slope Based Anomaly Detection (Green line - Retail Price, Blue Line - Wholesale Price)

Now we present few observations for Analysis 2 and 4.

- If change in retail price or change in wholesale price is more as compared to change in arrival (prices went too high, even for small drop in arrival), then it is reported as anomaly by this method.

Following tenures are some cases reported by this method:

- *Analysis 2*: Oct Dec 2010, May Jun 2013 (See Figure 5.16)
- *Analysis 4*: Sept Oct Nov 2010, Jun 2013, Jun 2015 (See Figure 5.17)

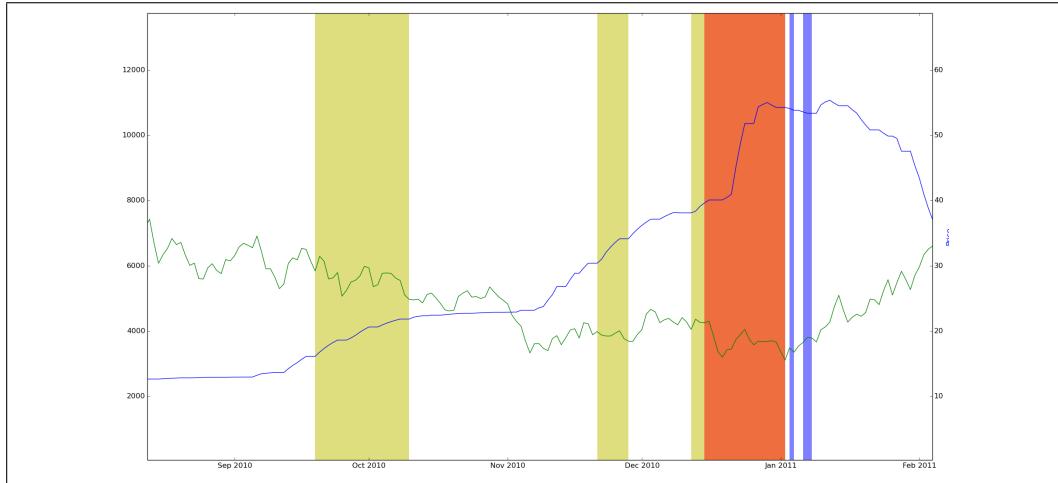


Figure 5.16: Slope Based Anomaly Detection (Green line - Arrival Data of Onion, Blue Line - Retail Price)



Figure 5.17: Slope Based Anomaly Detection (Green line - Arrival Data of Onion, Blue Line - Wholesale Price)

- But in above described scenario, when change in price is high, but prices are decreasing and when arrival is increasing, and if drop in price is too high, then also it will be reported as anomaly. So this is limitation of this method and reports false positives in this case.

Following tenures are some cases reported by this method:

- *Analysis 2*: Feb Mar 2011, Jan Feb 2014 (See Figure 5.18)
- *Analysis 4*: Oct Dec 2011, Jan 2014, Mar 2011 (See Figure 5.19)



Figure 5.18: Slope Based Anomaly Detection (Green line - Arrival Data of Onion, Blue Line - Retail Price)

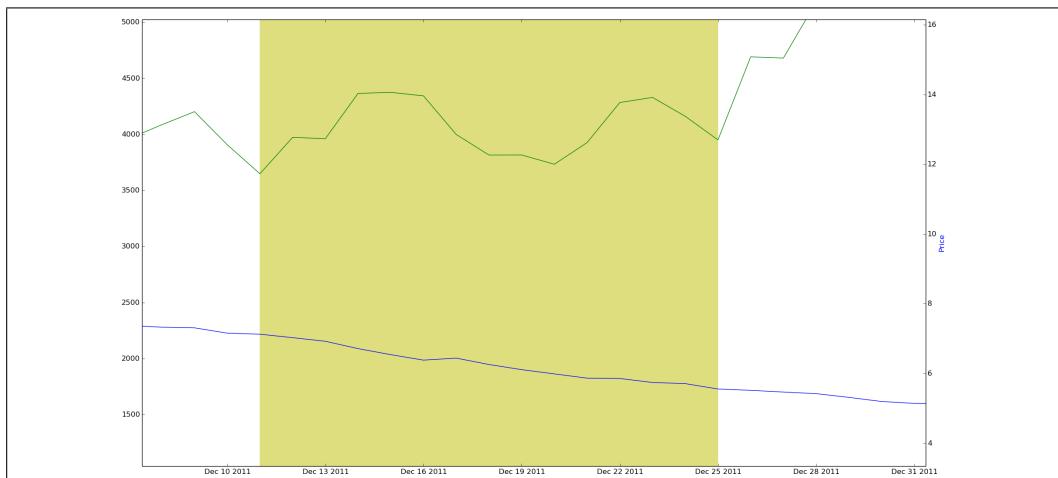


Figure 5.19: Slope Based Anomaly Detection (Green line - Arrival Data of Onion, Blue Line - Wholesale Price)

- One more limitation of this method is when arrival is increasing but along with that retail or wholesale price is also increasing. This will result into a positive slope and in this scenario we are only looking for negative slope and that's why, this will not be reported as anomaly and news articles corresponding to this tenure will not be matched by results of this method.

Following tenures are some cases reported by this method:

- *Analysis 2:* Jan Feb July Nov 2013, June July 2014 (See Figure 5.20)
- *Analysis 4:* Jan Feb 2013, July 2014, June 2015 (See Figure 5.21)

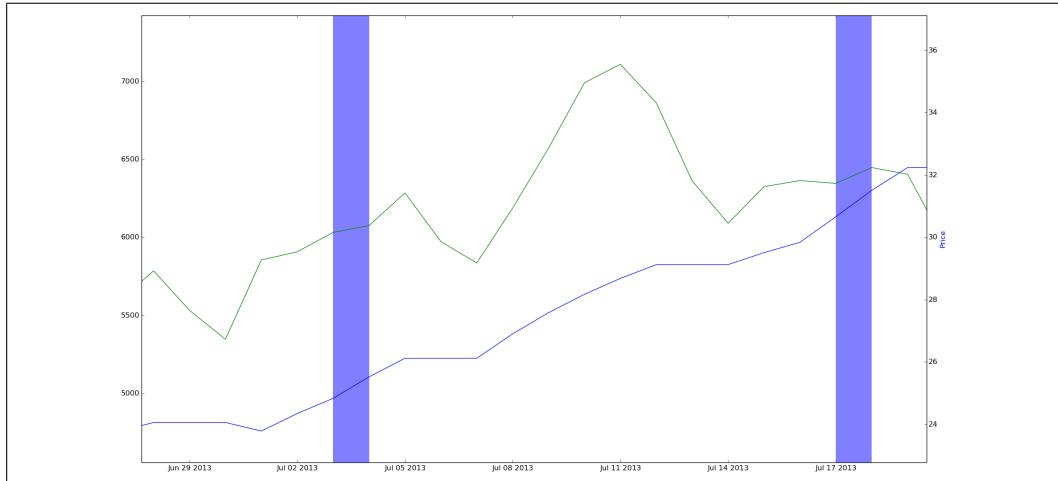


Figure 5.20: Slope Based Anomaly Detection (Green line - Arrival Data of Onion, Blue Line - Retail Price)

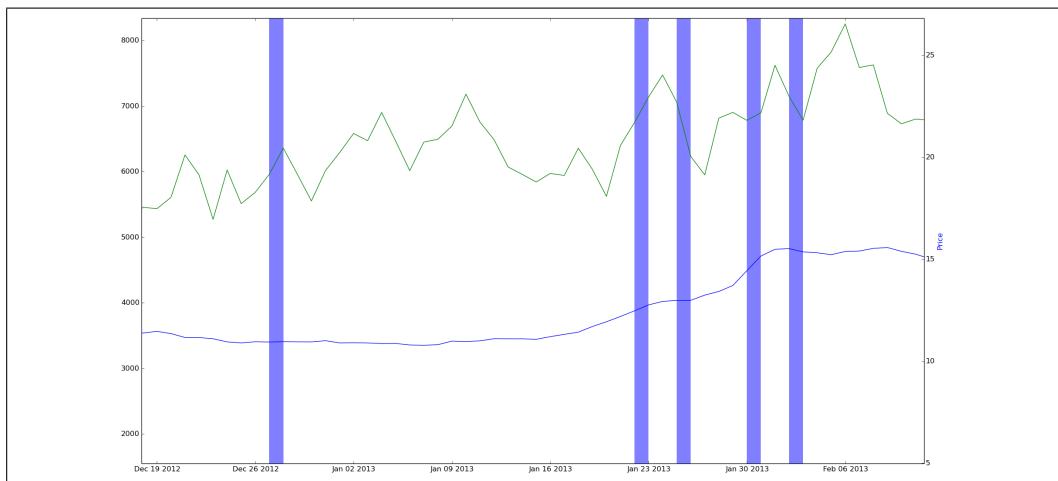


Figure 5.21: Slope Based Anomaly Detection (Green line - Arrival Data of Onion, Blue Line - Wholesale Price)

- There exist some cases where due to low arrival, prices went high and when slowly arrival started entering into market, prices were going down slowly. This period of slow decrement of prices is not reported by this method but since prices were still high, this system could not

report dates for news articles corresponding to this tenure. Such cases occurred in *Analysis 2* for Dec 2010 and Jan 2011 (See Figure 5.22) and in *Analysis 4* for Nov 2013 (See Figure 5.23). Also, note that these articles were mainly on Pakistan banned exports and article on inflation stating that inflation rate went high and onion prices are playing an important role in this.

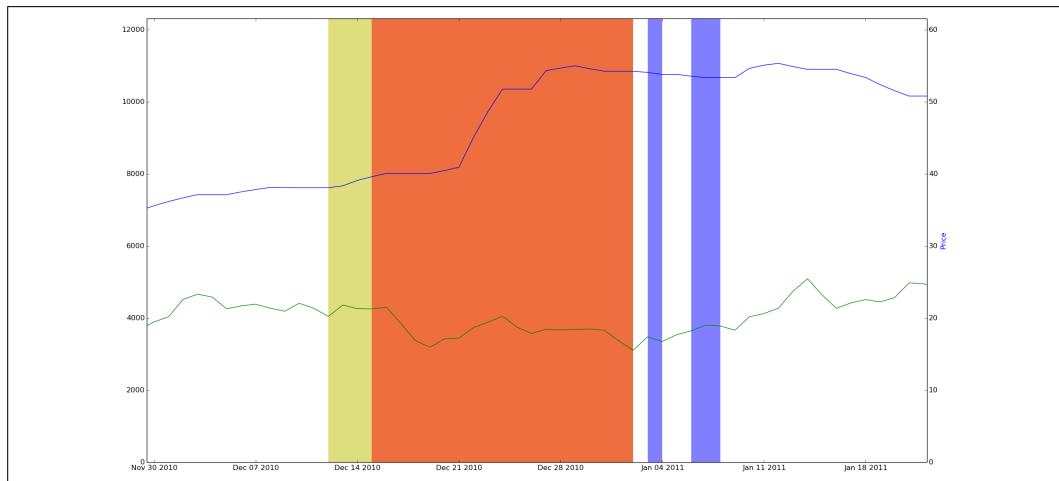


Figure 5.22: Slope Based Anomaly Detection (Green line - Arrival Data of Onion, Blue Line - Retail Price)

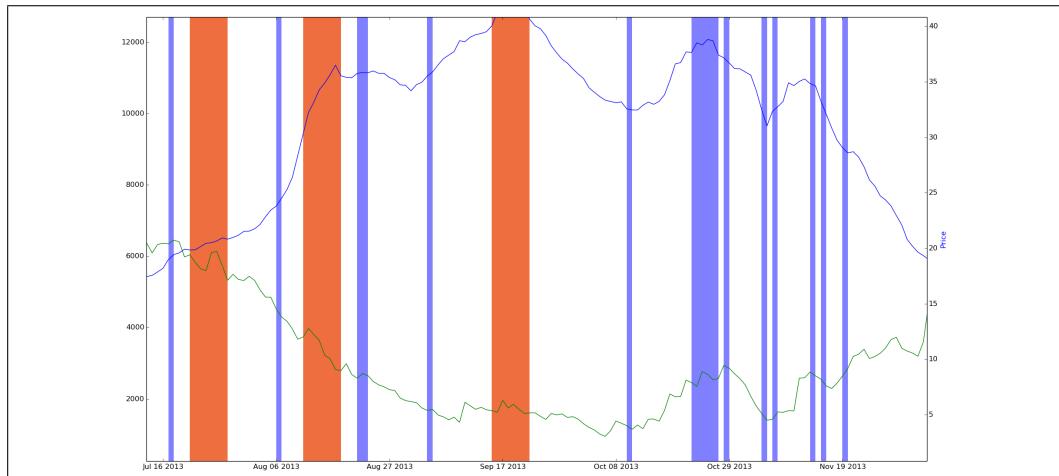


Figure 5.23: Slope Based Anomaly Detection (Green line - Arrival Data of Onion, Blue Line - Wholesale Price)

- In some of the cases where arrival fell drastically and due to that retail price went high drastically. Since retail prices went high too much, it

got reported in news articles but this was expected as arrival was less. But here both the changes were high, so ultimately slope value was not so high and was not reported by system. Such cases in *Analysis 2* exist for Aug Sept 2013 (See Figure 5.24).

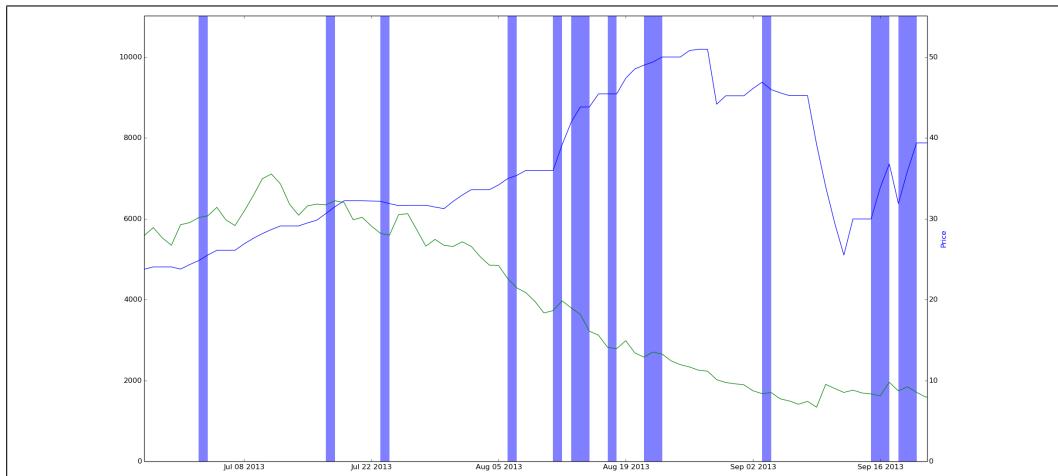


Figure 5.24: Slope Based Anomaly Detection (Green line - Arrival Data of Onion, Blue Line - Retail Price)

- Another limitation of this method is when retail price remained constant and there was change in arrival. As retail price was constant, slope value became zero and method did not report them and due to that few news articles could not be matched by dates reported by this method for example in *Analysis 2*, this thing occurred for June July 2015 (See Figure 5.25).

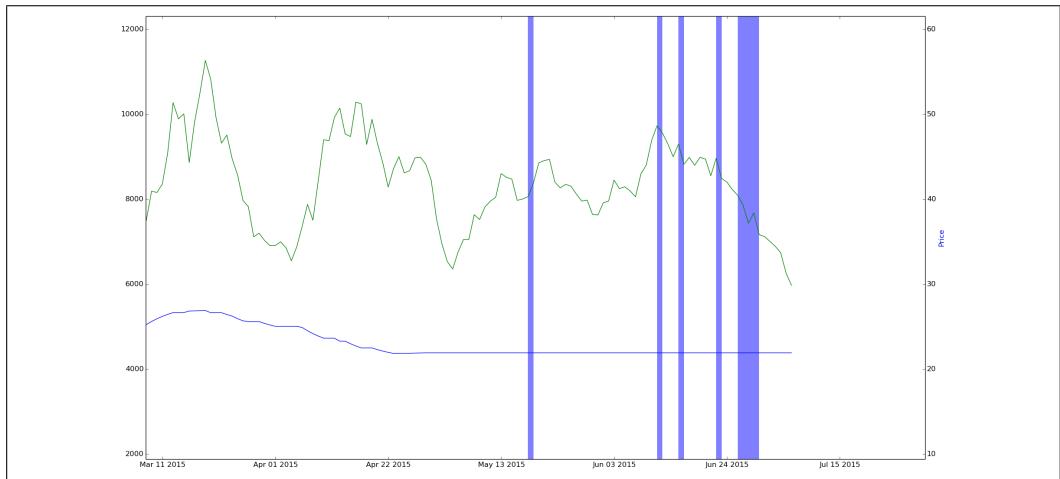


Figure 5.25: Slope Based Anomaly Detection (Green line - Arrival Data of Onion, Blue Line - Retail Price)

Also, note one thing that this method reports anomaly as whole window of few days (here 7 days). So because of that too, method tends to report more anomaly dates.

5.2.2 Linear Regression

The main functionality of this method is to find what should be ideal value of the dependent variable given value of independent variable. This method first finds out linear relationship between 2 variables, whose time series is given as input and one of them is dependent on another. After finding out this equation, we see for a given value of independent variable what should be ideal value of dependent variable and note down the relative difference. If this difference is large, then it is reported as anomaly.

We have four types of analysis which are as follows:

1. **Retail Price vs Average of Retail Price:** Here, we first take average of retail price at all centres as independent variable and retail price as dependent variable.
2. **Retail Price vs Arrival of Onion:** Here, we take retail price as dependent variable and arrival of onion as independent variable.

3. **Retail Price vs Wholesale Price:** Here, we take retail price as dependent variable and Wholesale Price as independent variable.
4. **Wholesale Price vs Arrival of Onion:** Here, we take Wholesale price as dependent variable and arrival of onion as independent variable.

So, in each of the case, we try to find relative difference between ideal value and its real value, and if it is huge (crosses threshold) then it is reported as anomaly. Now, note that in analysis 1 and 3 stated above, both the time series are directly proportional to each other and in the analysis 2 and 4 both the time series are inversely proportional to each other. So, limitations faced by this method for analysis 1 and 3 will be similar and for analysis 2 and 4 will be similar. While describing this method, each analysis will be referenced by its corresponding number.

First we will start with analysis 1 and 3. Following are the few observations we made:

- This method will report any tenure as anomaly when there is large gap i.e. more than expected between retail price of a center and average retail price (for *Analysis 1*) or wholesale price (for *Analysis 3*).

Following tenures are some cases reported by this method:

- *Analysis 1*: Dec 2010, Near to Jan 2011, May June July 2011, Jan May June 2012, June 2013 (See Figure 5.26)
- *Analysis 3*: Feb Mar 2011, Jan 2012, June 2012, Jan Feb 2014, Apr 2015 (See Figure 5.27)

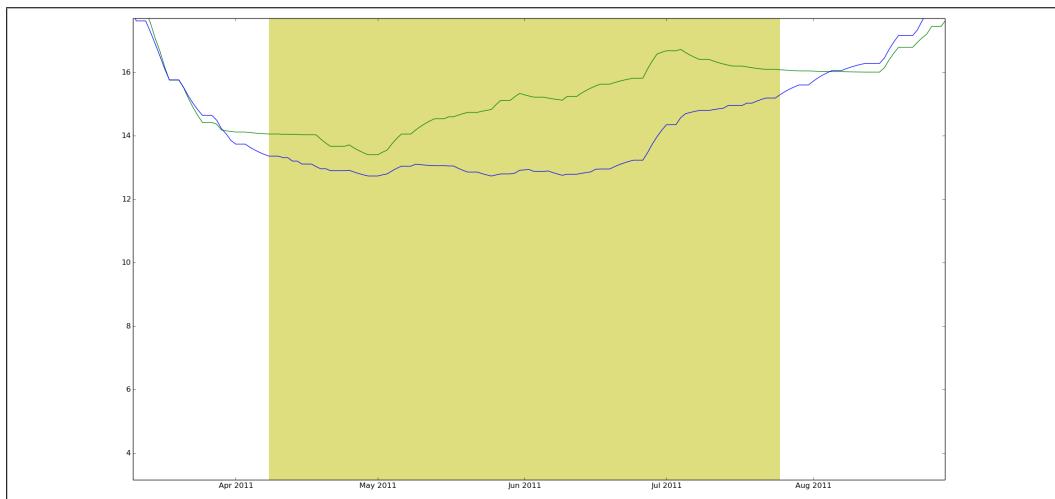


Figure 5.26: Linear Regression (Green line - Centre Retail Price, Blue Line - Average Retail Price)

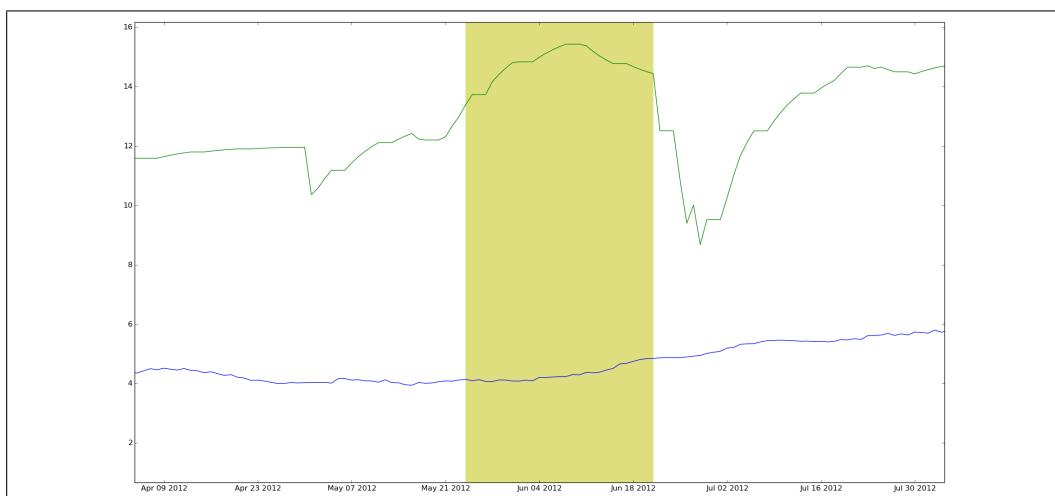


Figure 5.27: Linear Regression (Green line - Retail Price, Blue Line - Wholesale Price)

- One limitation of this method is that, if both the series have high values for some time period and difference between them is not so huge then that will not be reported as anomaly.

Following tenures are some cases reported by this method:

- *Analysis 1*: Jan 2011, Jan Feb Aug Sept Oct Nov 2013, July 2014, June July 2015 (See Figure 5.28)

- *Analysis 3*: Feb 2013, Aug Sept Oct Nov 2013, June July 2015
(See Figure 5.29)

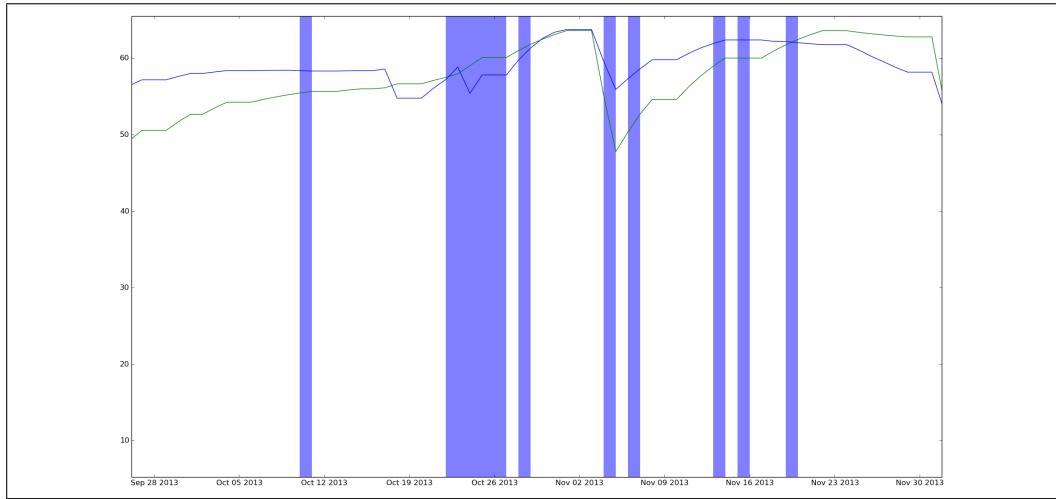


Figure 5.28: Linear Regression (Green line - Centre Retail Price, Blue Line - Average Retail Price)

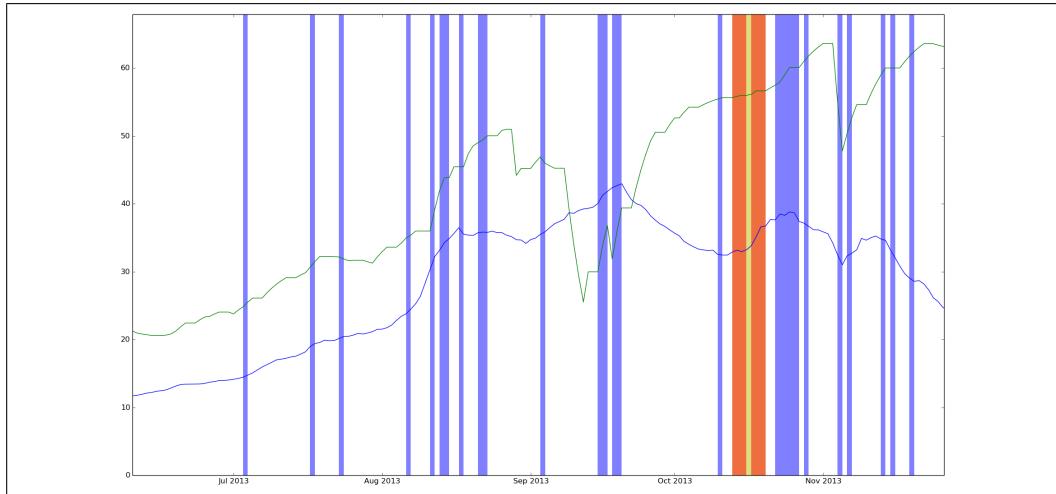


Figure 5.29: Linear Regression (Green line - Retail Price, Blue Line - Wholesale Price)

- Note that in the tenure of Oct Nov 2013 (for *Analysis 1*) prices are usually high and as the prices are high, tolerance level also increases little bit. So, even if for some difference it is reported as anomaly at lower price, it is not necessary that for the same difference, it will be reported as anomaly at higher prices. (See Figure 5.28)

Now we present few observations for Analysis 2 and 4.

- Here, in this method, it tries to predict what should be retail price or wholesale price based on the arrival of the product. So if the price is too high for the given arrival then it will be reported as anomaly. Following tenures are some cases reported by this method:
 - *Analysis 2*: Dec 2010, Jan Feb 2011, Aug Sept Oct Nov 2013, Oct Dec 2014 (See Figure 5.30)
 - *Analysis 4*: Dec 2010, July Aug Sept Oct Nov Dec 2013, July 2014 (See Figure 5.31)



Figure 5.30: Linear Regression (Green line - Arrival Data of Onion, Blue Line - Retail Price)

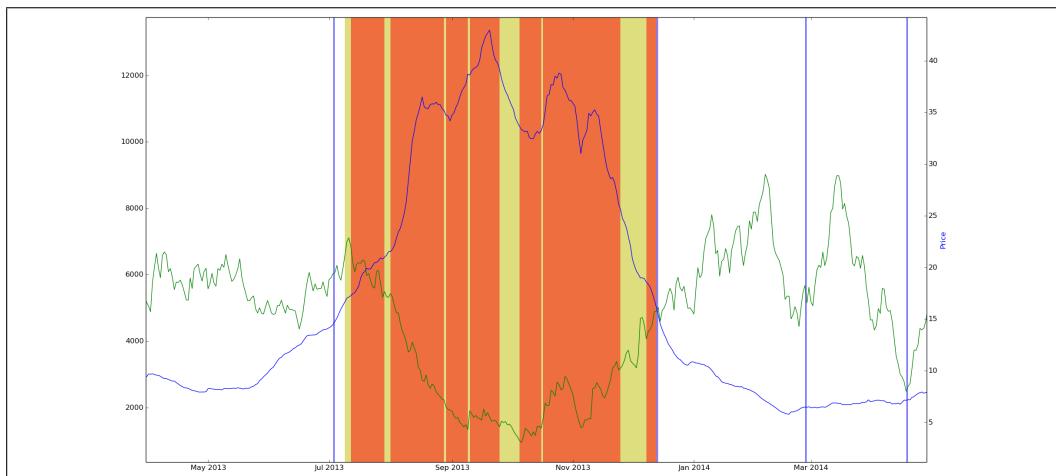


Figure 5.31: Linear Regression (Green line - Arrival Data of Onion, Blue Line - Wholesale Price)

- Now, this method has also missed few of the articles for this analysis as well. Now, looking at the graphs we could not interpret what may be exact reason why they were missed. But method may have found prices to be moderate and that's why they might have been missed.

Following tenures are some cases reported by this method:

- Analysis 2:* Jan Feb 2013, July 2014, June July 2015 (See Figure 5.32)
- Analysis 4:* Jan Feb 2013, June July 2013, June 2015 (See Figure 5.33)

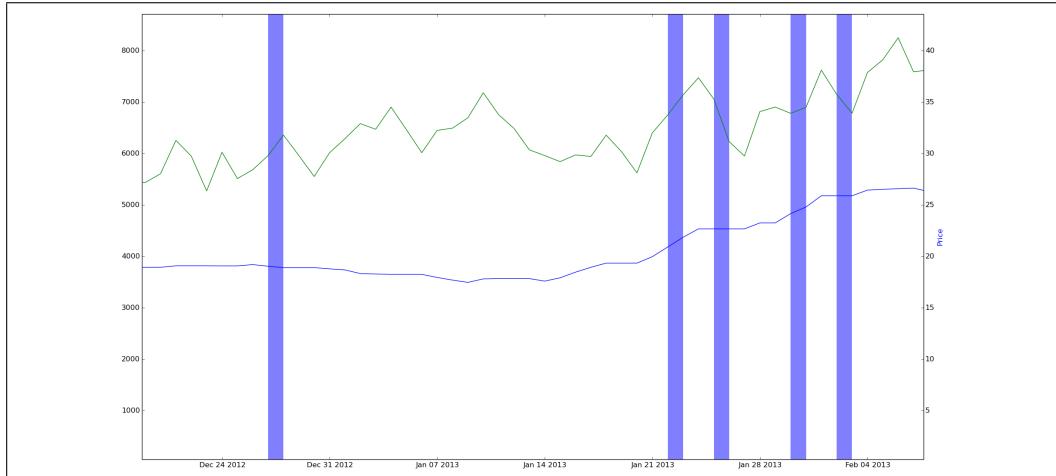


Figure 5.32: Linear Regression (Green line - Arrival Data of Onion, Blue Line - Retail Price)

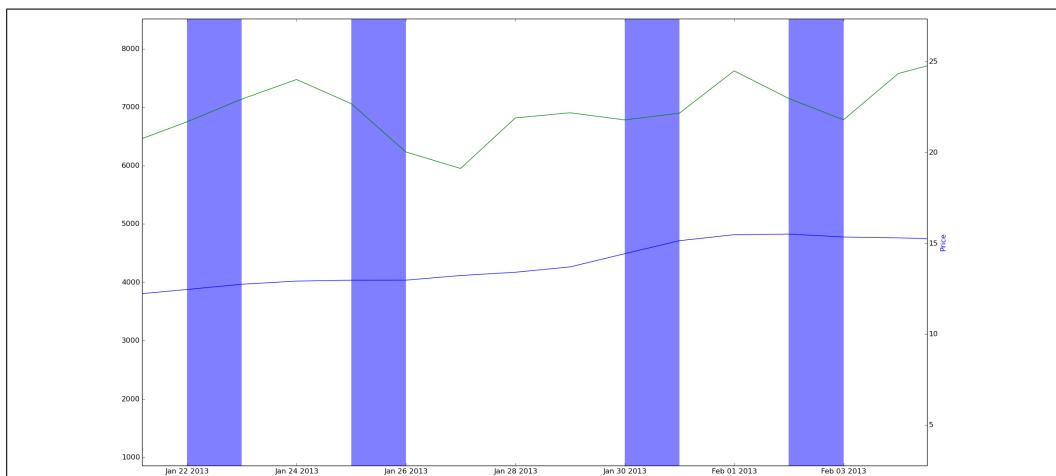


Figure 5.33: Linear Regression (Green line - Arrival Data of Onion, Blue Line - Wholesale Price)

5.2.3 Window Based Correlation

This method checks if the provided two timeseries moves in tandem or not. If not, then what are the time periods when they are not following the desired behavior. In order to find such time periods in the timeseries, the whole timeseries is divided into smaller windows and correlation value computed for that window is used to determine if that period is anomalous or not. The P-value of 0.01 is used in order to check the significance of correlation value.

The function is tested with different set of timeseries. Following are the four tests which were performed:

1. **Retail Price vs Average of Retail Price:** This test tries to find if any centre deviates from other centres abruptly. Average of timeseries of all the centres is taken as a representative timeseries for the behavior of all the centres which is compared with every centre in order to find time periods where these two did not move in tandem
2. **Retail Price vs Arrival of Onion:** Retail timeseries is expected not to move in tandem with Arrival timeseries. So, the time periods with positive correlation values are spotted in this.
3. **Retail Price vs Wholesale Price:** Retail timeseries is expected to move in tandem with wholesale timeseries. So, the time periods with negative correlation values are spotted in this.
4. **Wholesale Price vs Arrival of Onion:** Wholesale timeseries is expected to not move in tandem with Arrival timeseries. So, the time periods with positive correlation values are spotted in this.

The two timeseries are first aligned with each other at the maximum lag value. Then the entire timeseries is divided into small time periods of 15 days in order to locate anomalous situations through their respective correlation values.

Observations when retail price timeseries is compared with average of retail price timeseries:

- The timeseries showed the initial shift/lag of zero days which means both the timeseries are best aligned without any lag.

Some of the tenures for which the method reported anomalies are:

- 2008-03-06 to 2008-03-20 (See Figure 5.34)
- 2009-09-12 to 2009-09-26 (See Figure 5.35)

- 2011-07-04 to 2011-08-02 (See Figure 5.36)

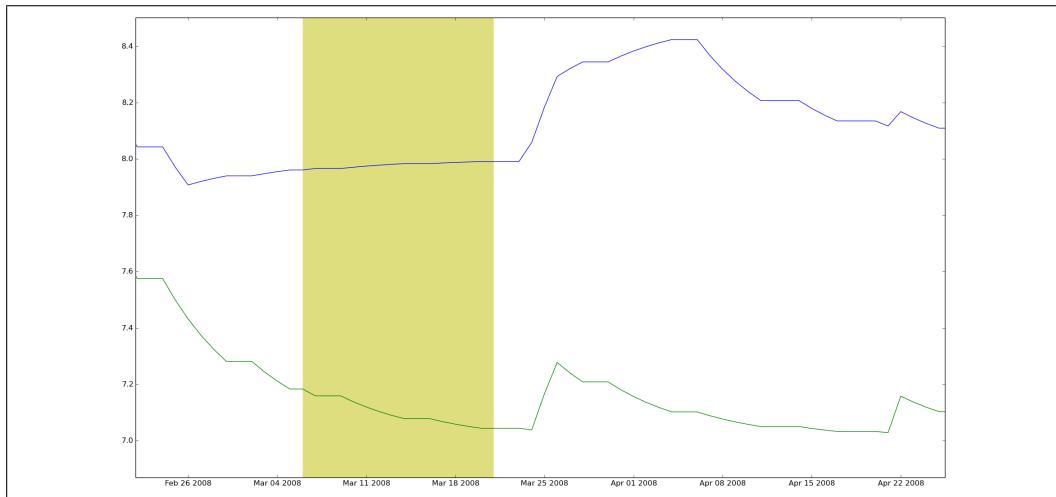


Figure 5.34: Window based correlation (Green line - Centre Retail Price, Blue Line - Average Retail Price)

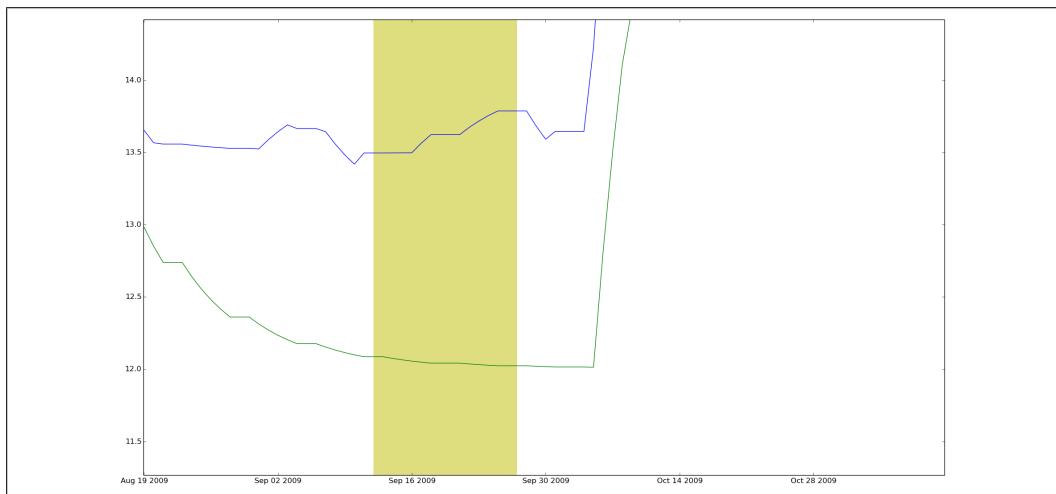


Figure 5.35: Window based correlation (Green line - Centre Retail Price, Blue Line - Average Retail Price)

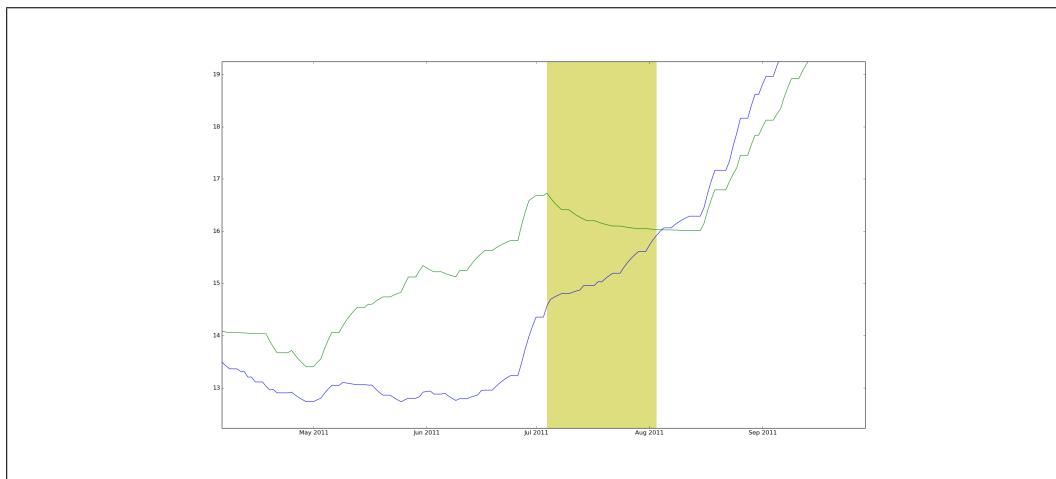


Figure 5.36: Window based correlation (Green line - Centre Retail Price, Blue Line - Average Retail Price)

But looking closely in the data, it is found that these tenures are reported because the two series were not in tandem which was mostly because prices of Delhi faced some fluctuations whereas Mumbai prices did not show evident fluctuations. One of the reason for fluctuation in prices of Delhi over Mumbai could be because Delhi is dependent on other states for Onion whereas Mumbai does not have such issue.

Some of the tenures which went unnoticed by method:

- 2010-12-20 to 2010-12-25 (See Figure 5.37)
- 2011-01-06 to 2011-01-08 (See Figure 5.38)
- 2012-12-27 to 2013-01-05 (See Figure 5.39)

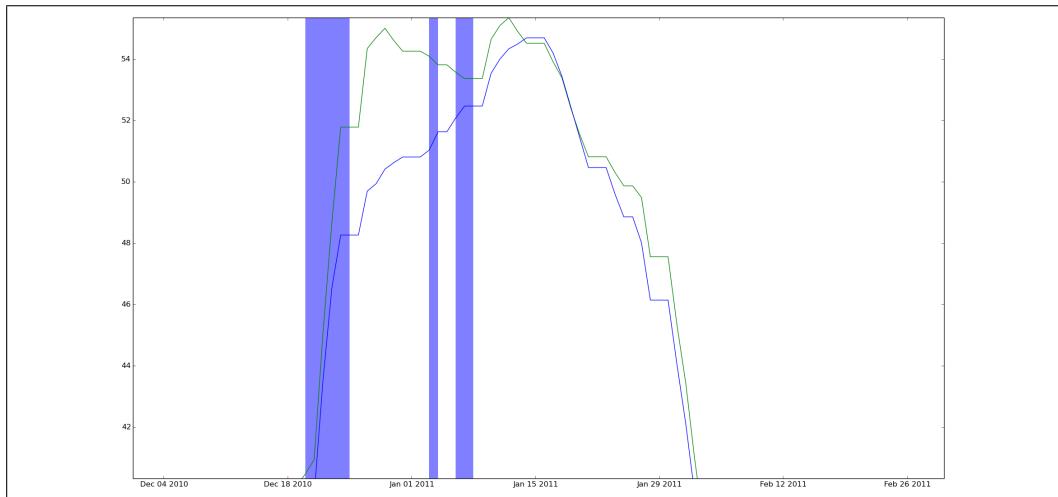


Figure 5.37: Window based correlation (Green line - Centre Retail Price, Blue Line - Average Retail Price)

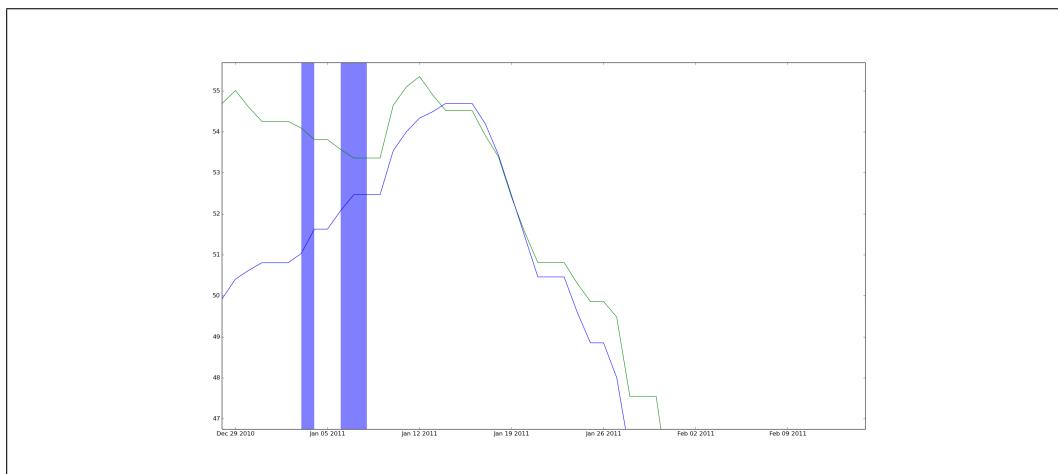


Figure 5.38: Window based correlation (Green line - Centre Retail Price, Blue Line - Average Retail Price)

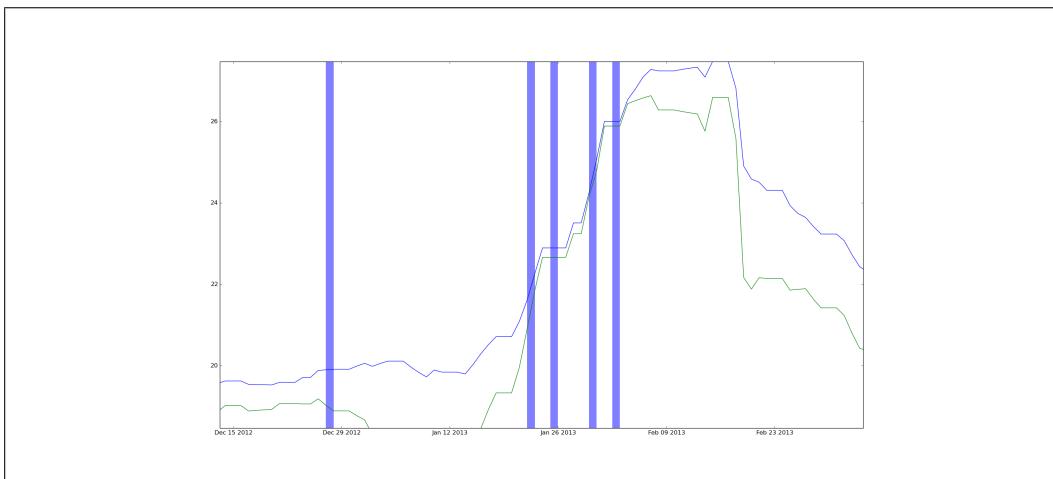


Figure 5.39: Window based correlation (Green line - Centre Retail Price, Blue Line - Average Retail Price)

Some of the tenures which were reported by news reports as well as method:

- 2013-10-06 to 2013-10-15 (See Figure 5.40)
- 2013-10-17 to 2013-10-21 (See Figure 5.40)

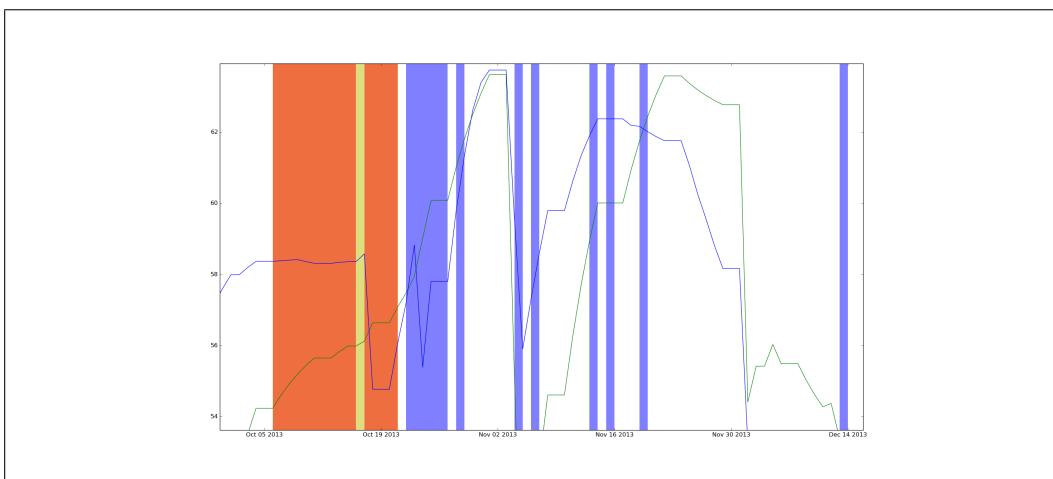


Figure 5.40: Window based correlation (Green line - Centre Retail Price, Blue Line - Average Retail Price)

Other interesting observations that were found while conducting above mentioned tests are as following:

- The lag chosen while comparing retail and arrival for Mumbai came as 15 days which means it takes 15 days of time for arrival to impact retail.
- The lag chosen by method while comparing retail and arrival for Delhi came out to be -9 days which gives hints that retail prices are impacting arrival of Onion which is not ideal in real time scenario.
- The lag chosen while comparing retail and wholesale for Mumbai comes out as -15 which means retail prices are impacted in approx. 15 days after change in the wholesale prices.
- The lag chosen while comparing retail and wholesale for Delhi comes out as -4 which is clearly very small than Mumbai. It might be because of smaller supply chain in Delhi compared to Mumbai.
- The lag chosen while comparing wholesale and arrival for Mumbai came as 11 days which means it takes 11 days of time for arrival to impact wholesale.
- The lag chosen by method while comparing wholesale and arrival for Delhi came out to be -14 days which gives hints that wholesale prices are impacting arrival of Onion which is not ideal in real time scenario.

Limitations of method:

- The method reports all the tenures where series are not in sync or are in sync(as needed). Like in case of 2008-03-06 to 2008-03-20 for retail vs average, though the correlation went really high because of opposite directions but the fluctuation in prices were not very prominent.
- If all the timeseries follows same anomalous behavior then it is not possible to find anomaly in any.
- If the anomaly is for very small tenure compared to the selected window size then it is likely to be missed or go unnoticed. In case of 2011-01-06 - 2011-01-08

5.2.4 Multivariate Time Series- Vector Autoregressive

The method uses vector autoregressive framework for multivariate time-series analysis in order to forecast values by using all the related variables/timeseries that can impact the timeseries. The error in the predicted value with the original value helps in determining anomalous points from the timeseries. MAD test is applied in order to fix the threshold value for the error. 60% (This can be configured as per need) of the data is used for calibration and rest of the data is checked for anomalous points. So, the start date for the anomalous points begins after 2011-09-16

The function is tested with different set of timeseries. Following are the four tests which were performed:

1. **Retail Price vs Average of Retail Price:** All the centres should ideally move in tandem. So test is performed over every centre with other centres helping in predicting values.
2. **Retail Price vs Arrival of Onion:** Arrival is one of the major deciding factor for retail. So the predictions are made for retail based on arrival.
3. **Retail Price vs Wholesale Price:** Retail prices are predicted based on the wholesale prices.
4. **Wholesale Price vs Arrival of Onion:** Wholesale timeseries is predicted on the basis of arrival timeseries.

Observations when retail price timeseries is compared with average of retail price timeseries:

- The threshold selected by this method for error values are -19.0358099572 and 107.697818954 which means all the data points with error values less than -19.0358099572 and greater than 107.697818954 are reported by the method.

Some of the tenures for which the method reported anomalies are:

- 2013-07-19 to 2013-09-11 (See Figure 5.41)
- 2013-09-17 to 2014-01-06 (See Figure 5.42)
- 2014-12-03 to 2014-12-15 (See Figure 5.43)

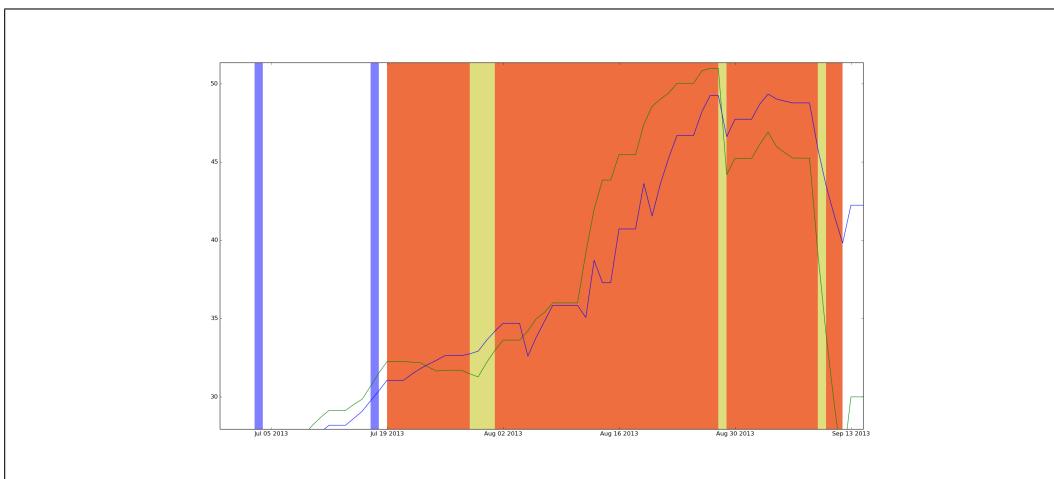


Figure 5.41: Vector Autoregressive (Green line - Centre Retail Price, Blue Line - Average Retail Price)

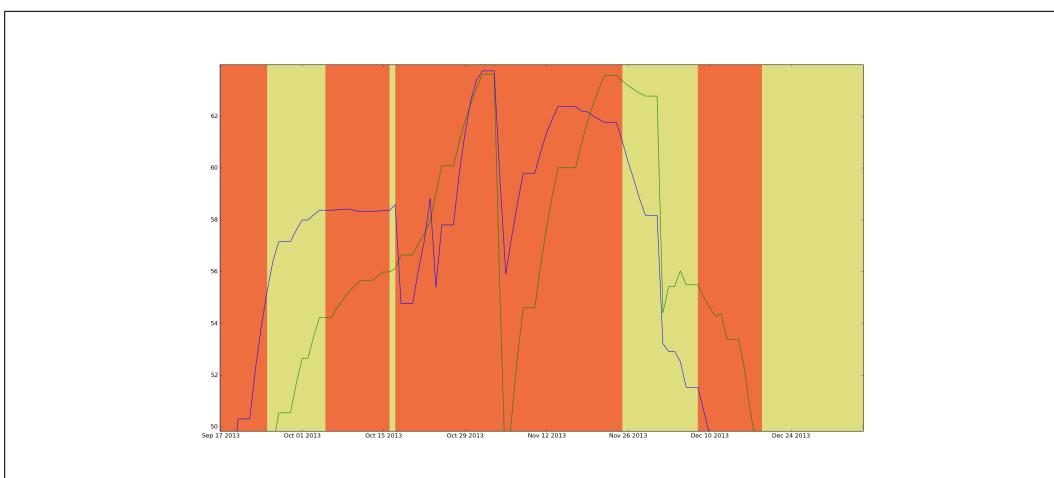


Figure 5.42: Vector Autoregressive (Green line - Centre Retail Price, Blue Line - Average Retail Price)

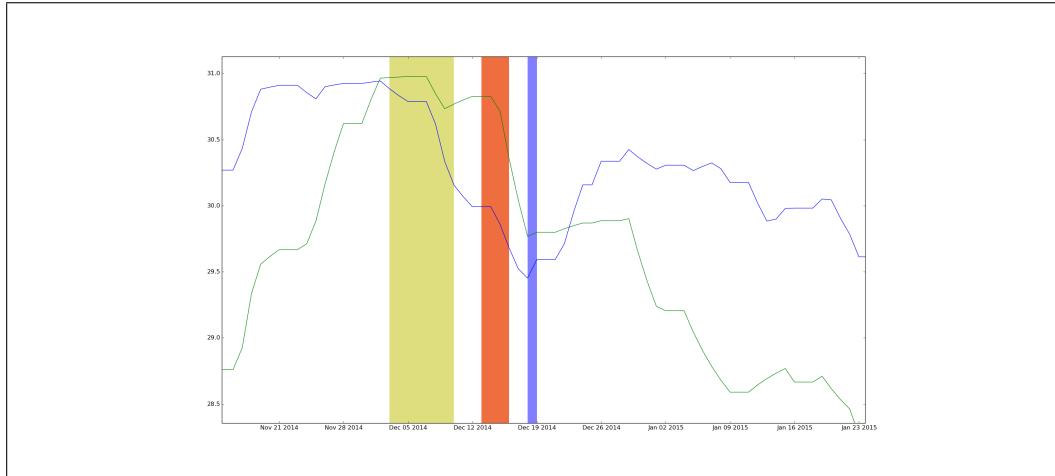


Figure 5.43: Vector Autoregressive (Green line - Centre Retail Price, Blue Line - Average Retail Price)

No data points were reported against news articles present in May, June, July 2014 despite of large error value. The threshold selected by the MAD test was higher than the error values. This could be corrected by manually setting threshold values which can account for these data points.

Other interesting observations that were found while conducting above mentioned tests are as following:

- Some of the data points like July 2014 data were not captured despite of error value close to MAD threshold. These can be captured by lowering the threshold.
- For news articles in Dec 2012, Jan 2013, Feb 2013 the values do not show high error values despite of news articles reporting the crisis. The possible reason could be because similar trend have been seen for this tenure in the data.

Limitations of method:

- The method depends on the MAD Test in order to set threshold. So, even though the error value is close to threshold but less than it won't be reported. Other methods could be also used in order to decide threshold.

5.2.5 Graph Based Anomaly Detection

This method, treats each day as a node of a graph, and connects with other nodes if nodes are similar. This connecting edge is given similarity value and random walk is performed to get connectivity of each node. Node with the least connectivity values are reported as anomaly. Note that for the previous methods, we had threshold values either defined by user or calculated by using MAD test. But here we do not have that and we just ask method to report "n" number of nodes with least connectivity values.

The working of this method is quite complex and can not be generalised. For detailed information go through the paper [19]. So we will just represent, how method has performed on the different analysis.

For **Retail Price vs Average of Retail Price** (See Figure 5.44) and **Retail Price vs Wholesale Price** (See Figure 5.45), this method has performed well. For **Retail Price vs Average of Retail Price**, every tenure of anomaly has been matched with some news articles.

The anomalies which were not matched with news articles were part of large tenure which had some matching with news articles and usually, this tenure is large and for every date news articles are not present.

Few articles are missed, that might be due to limited number of points chosen. If number of points are increased, than it might be covered as well.

For **Retail Price vs Wholesale Price**, apart from Jan 2013, July 2014, June 2015, all anomalies are matching with some news articles.

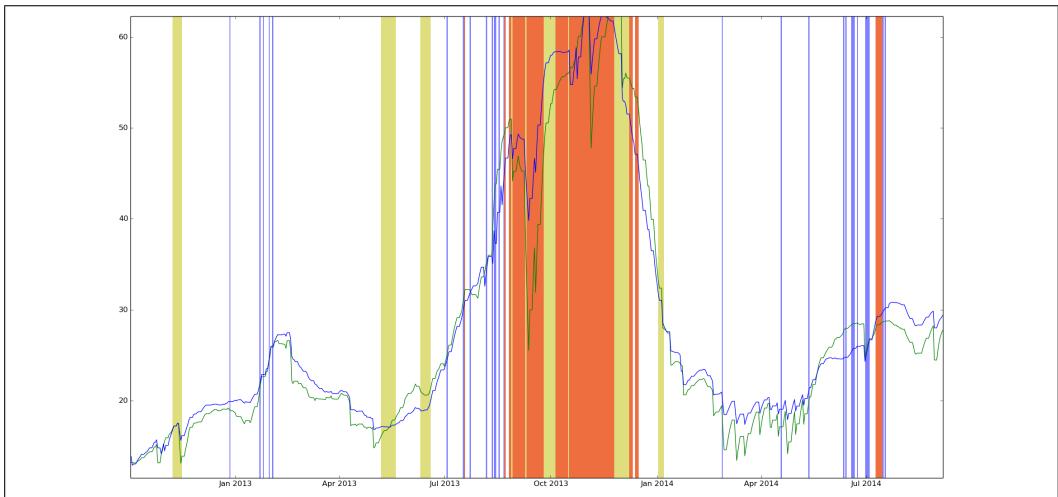


Figure 5.44: Graph Based Anomaly Detection (Green line - Centre Retail Price, Blue Line - Average Retail Price)

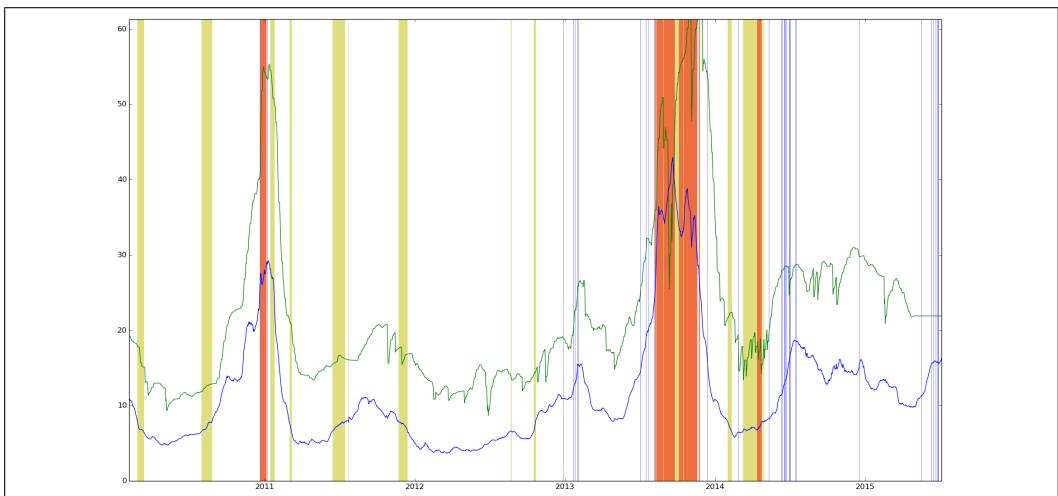


Figure 5.45: Graph Based Anomaly Detection (Green line - Retail Price, Blue Line - Wholesale Price)

For **Retail Price vs Arrival of Onion** (See Figure 5.46) and **Wholesale Price vs Arrival of Onion** (See Figure 5.47), this method is not producing good results. Many points are reported as anomaly which are close to each other. And due to limited number of points, number of anomalies matching with news articles are quite less. The reason might be because of fluctuations seen in the arrival timeseries. Figures 5.48 and 5.49 describe results of these both analysis for Delhi centre.

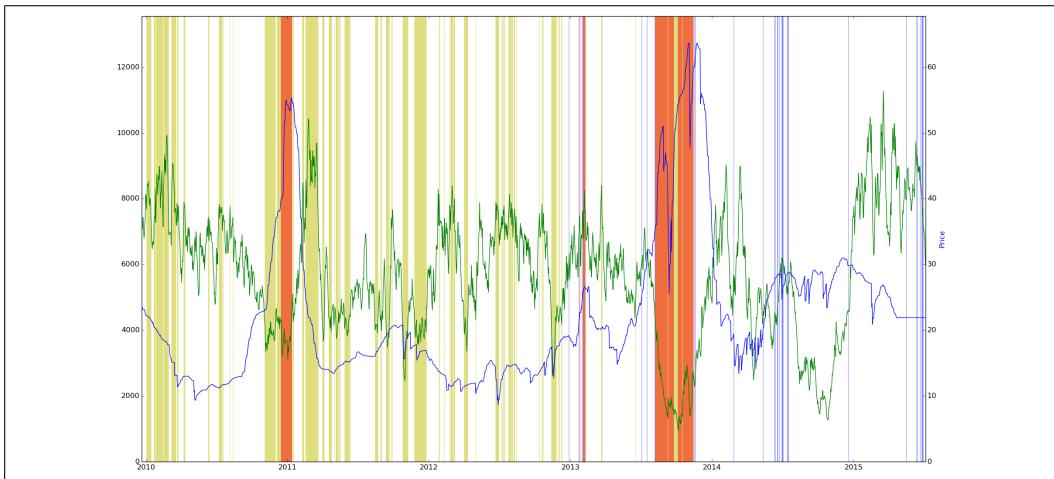


Figure 5.46: Graph Based Anomaly Detection (Green line - Arrival Data of Onion, Blue Line - Retail Price)

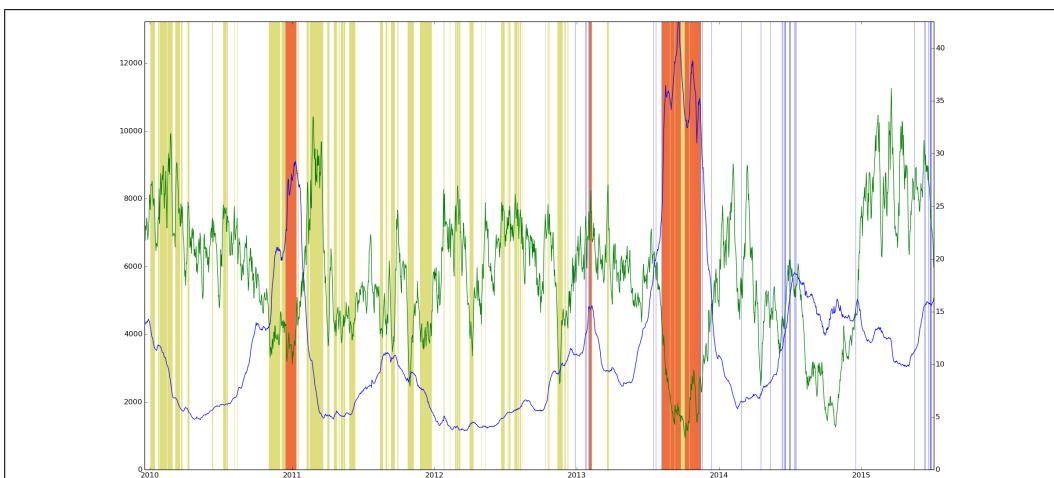


Figure 5.47: Graph Based Anomaly Detection (Green line - Arrival Data of Onion, Blue Line - Wholesale Price)

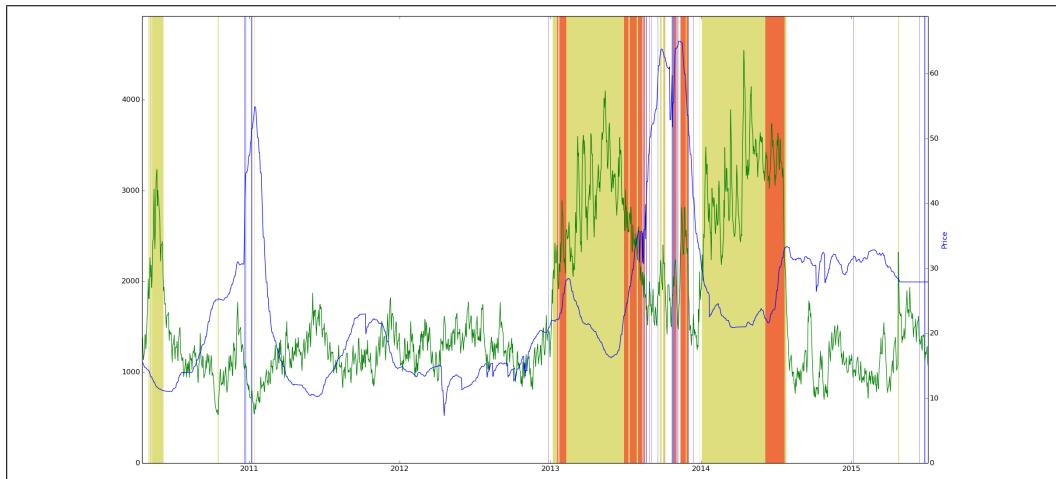


Figure 5.48: Graph Based Anomaly Detection (Green line - Arrival Data of Onion, Blue Line - Retail Price)

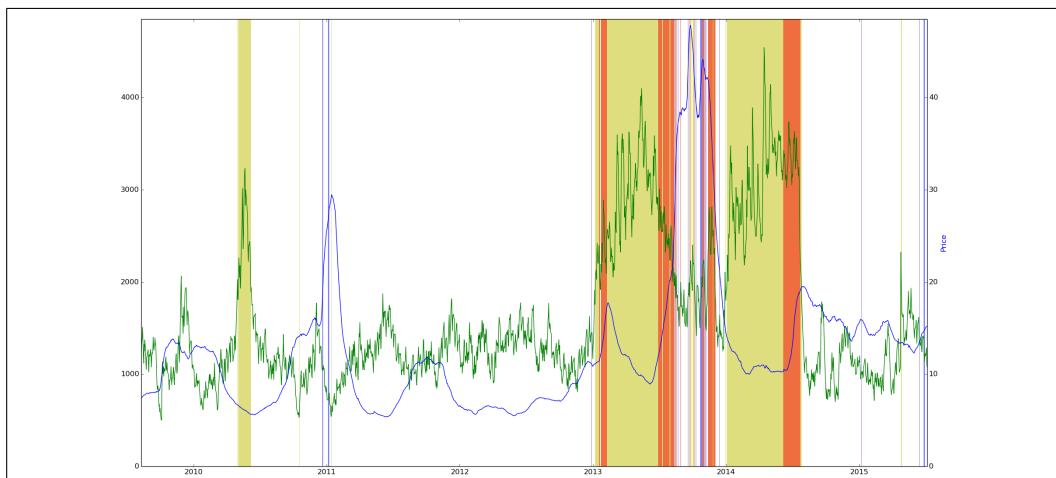


Figure 5.49: Graph Based Anomaly Detection (Green line - Arrival Data of Onion, Blue Line - Wholesale Price)

Chapter 6

Results and Findings

The analysis was performed for different time-series of two centers- Delhi and Mumbai.

Following analysis is for Mumbai. In case of Mumbai, there are total of 66 distinct days for which news articles exist. Here, articles not matched represents unique dates for which articles were present but system failed to report anomaly against that date.

	Anomalies Reported	Anomalies Matched	Articles Not Matched	Articles Not Matched which stated traders nexus as reason
Retail Vs Average Retail	125	64	49	12 (24.49%)
Retail Vs Arrival	323	153	33	9 (27.27%)
Retail Vs Wholesale	160	52	52	14 (26.92%)
Wholesale Vs Arrival	332	168	29	7 (24.13%)

Table 6.1: System Result for Mumbai

Following are the inferences from the above table:

- Analysis involving arrival timeseries tends to produce better matches. This could be because arrival is one of the determining factor for the price of commodity. Also, news often compare arrival data to explain the suspicious scenarios.
- Retail vs Average Retail does not produce good matches which shows that the prices at different centers tend to go in tandem which might be because of strong traders nexus.

- Retail vs Wholesale is not performing good results which gives a clear indication that usually retail prices align with the wholesale prices. So, retailers don't tend to get involved in the fixing of prices because they are forced to align the price of commodity with the wholesale prices.
- This also indirectly indicates that the most of the problem exists at the wholesale level where traders operate who are usually accused by the news reports for manipulating the price of commodity.

As shown in the above table 6.1, from the number of news articles which are missed by system, almost 25% of them are of traders nexus. Rest 75% are because of low production, unseasonal rainfall, low supply, etc. Now, one of the reason why these articles were missed may be because of arrival was low during this tenure and it is normal to have price hike. So, that might be reason that system might have considered them as normal. Usually news sources report in article whenever prices goes high.

Date	News article
2012-12-27	http://timesofindia.indiatimes.com/india/Onion-prices-80-higher-than-last-year/articleshow/17774280.cms
2013-01-22	http://www.business-standard.com/article/markets/onion-prices-up-sharply-on-transport-cost-113012200072_1.html
2013-01-30	http://www.firstpost.com/business/economy/rise-in-onion-prices-temporary-phenomenon-pawar-607494.html
2013-07-03	http://www.business-standard.com/article/markets/heavy-crop-damage-in-hilly-states-lifts-onion-potato-prices-113070300796_1.html
2014-06-20	http://timesofindia.indiatimes.com/business/india-business/Despite-record-onion-yield-prices-shoot-up/articleshow/36853238.cms
2014-06-30	http://timesofindia.indiatimes.com/india/Retail-onion-prices-soar-to-double-of-wholesale-rates/articleshow/37490678.cms
2014-07-01	http://profit.ndtv.com/news/industries/article-onion-prices-shoot-up-no-relief-in-sight-574345 http://www.moneycontrol.com/news/economy/budget-caravan-how-will-modi-tackle-onion-pricing-web_1116723.html

Table 6.2: Common 7 News articles with trader nexus as reason missed by system

Now, the one which are stating traders nexus as reason, and are missed by system were studied. There are 7 cases which were excluded from all the analysis. These 7 dates are shown in table 6.2. Note that there exist 24 unique dates for which trader nexus articles are present. So 71% of traders nexus article were reported by system overall. So, we tried to dig up why system missed remaining ones. On studying those cases, we found following:

- When we looked for Retail vs Average Retail series, we found that all centers were behaving similar. Whereas this analysis detects when one center deviates from other. That's why system might have missed them. One more point to note is that these articles are for traders nexus and it

is quite common that traders will be communicating among themselves and controlling the prices and that is the reason why we observed that centers are behaving similar.

- For Retail vs Arrival analysis, Hypothesis 1 reported some of the anomalies, but Hypothesis 3 did not. Hypothesis 3 reports anomalies date-wise and Hypothesis 1 reports anomalies window-wise. So, we found that while taking intersection these anomalies got removed. Note that in Hypothesis 3 not exact date, but nearby dates were reported.
- When we studied Retail vs Wholesale Analysis, we found that in all cases, both prices were moving hand in hand. So, this analysis could not capture these anomalies. **Note that this might be the reason, why Retail vs Average Retail and Retail vs Wholesale are not producing promising results because they usually go hand in hand. But when arrival comes into picture, then we can have better estimate of prices. So analysis which is with arrival are performing better as compared to others**
- For Wholesale vs Arrival, 3 of the anomalies were reported by Hypothesis 1. But as stated above for Retail vs Arrival, here too Hypothesis 3 results could not report exact date and we missed them. For the remaining cases in this analysis, we could not find particular reason why they are not reported.

Following figures are the pictorial representation of the above (Table 6.1) results on time-line.

Note: In following figures, Yellow highlighted regions are system reported anomalies for which no corresponding news article was present, Violet highlighted region represents news article for which our system did not report any anomaly and Red highlighted region represents anomalies reported by system for which news articles were present.

- Retail Price vs Average Retail Price

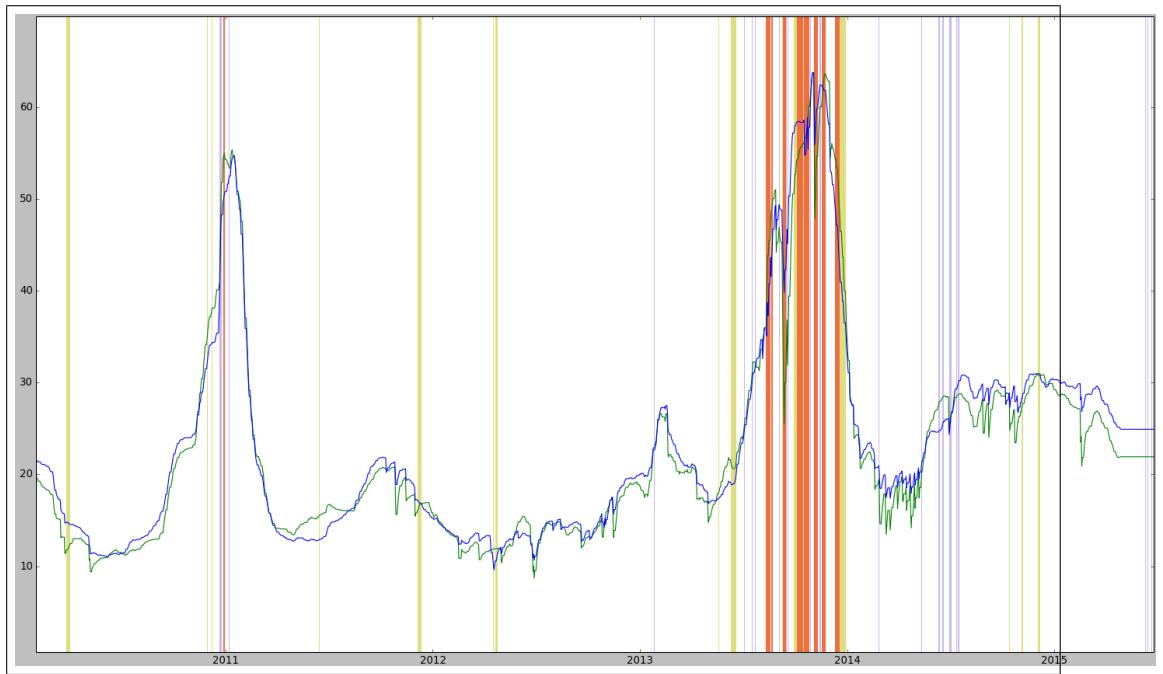


Figure 6.1: System Result (Green line - Centre Retail Price, Blue Line - Average Retail Price)

- Retail Price vs Arrival Data

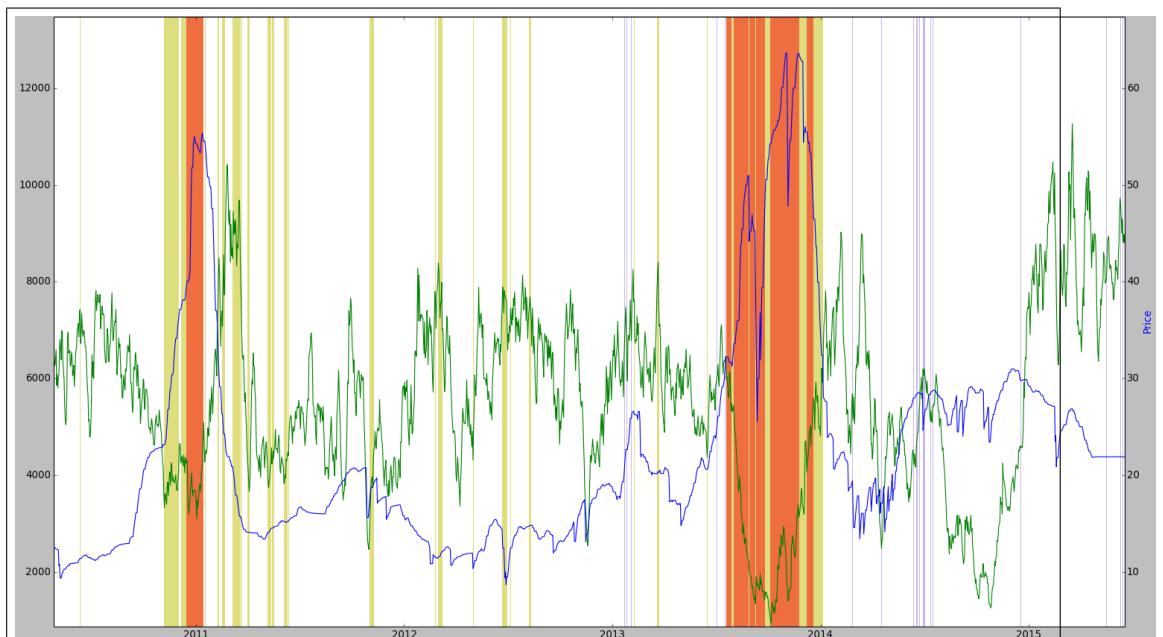


Figure 6.2: System Result (Green line - Arrival Data of Onion, Blue Line - Retail Price)

- Retail Price vs Wholesale Price

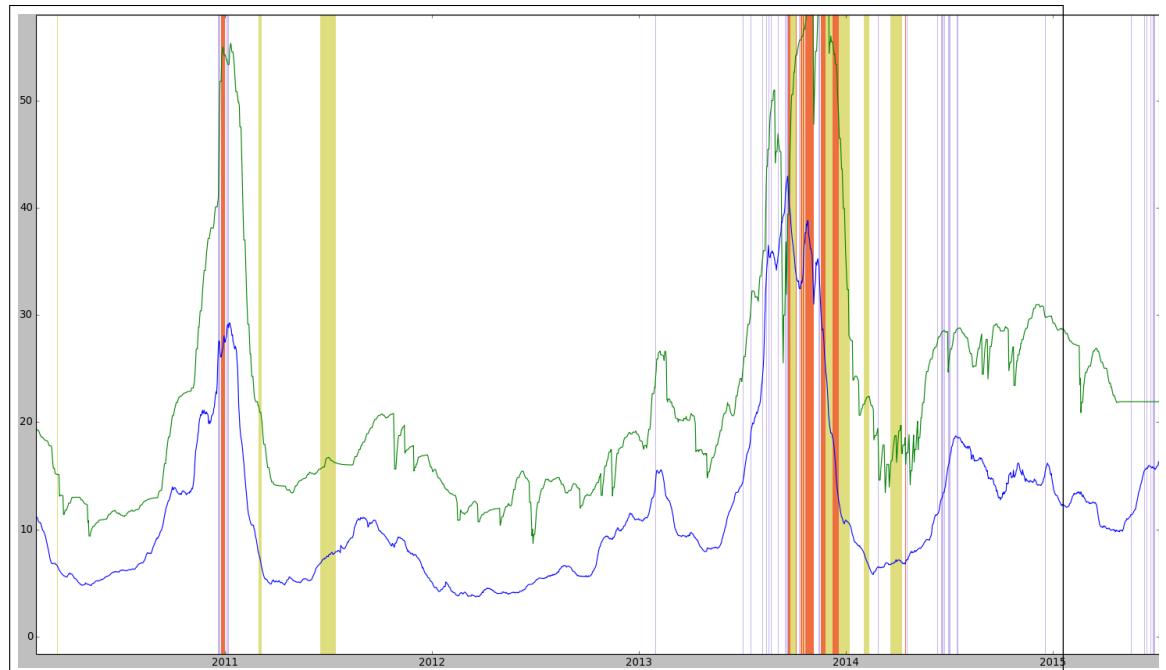


Figure 6.3: System Result (Green line - Retail Price, Blue Line - Wholesale Price)

- Wholesale Price vs Arrival Data

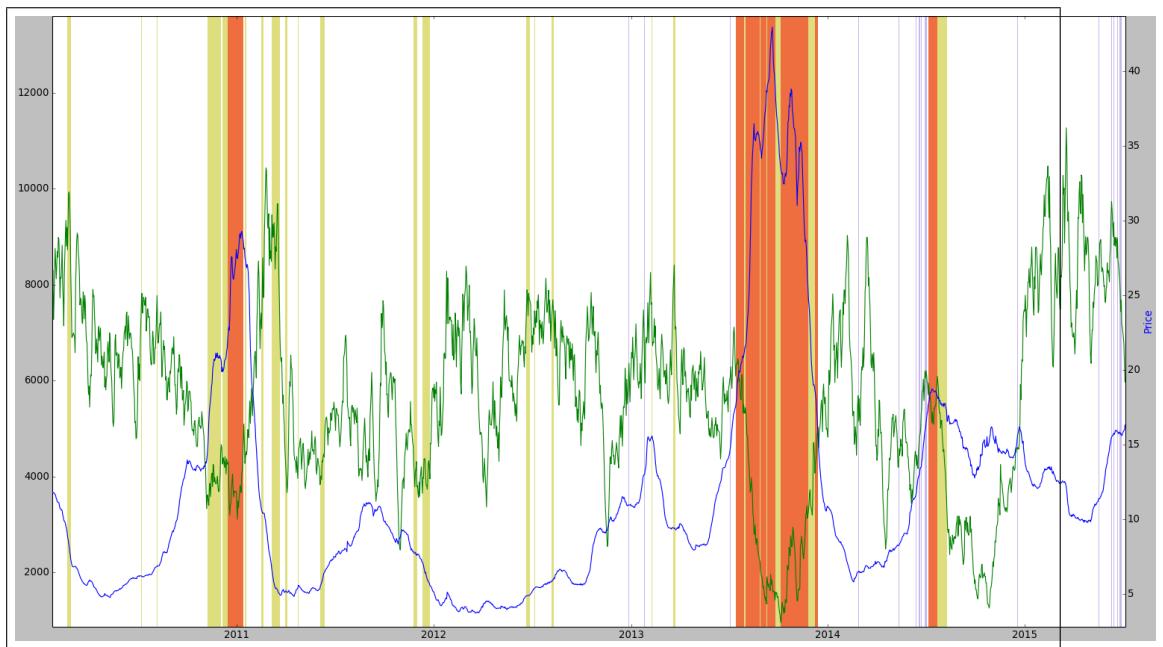


Figure 6.4: System Result (Green line - Arrival Data of Onion, Blue Line - Wholesale Price)

Following table has few examples showing system reported anomalies and an article supporting it.

System Reported Tenure	News Articles Link	Analysis Type	Location
27-Dec-2010 to 29-Dec-2010	http://timesofindia.indiatimes.com/city/pune/Onion-prices-still-leave-consumers-teary-eyed/articleshow/7147525.cms	Retail vs Average	Mumbai
17-Oct-2013 to 27-Oct-2013	http://timesofindia.indiatimes.com/india/Panic-grips-Union-govt-as-onion-price-hits-Rs-100-a-kg/articleshow/24563164.cms	Retail vs Average	Mumbai
15-Dec-2010 to 13-Jan-2011	http://timesofindia.indiatimes.com/business/india-business/Retail-onion-prices-up-by-Rs-5-10/kg-on-Pak-export-ban-reports/articleshow/7230895.cms	Retail vs Arrival	Mumbai
17-Oct-2013 to 25-Nov-2013	http://www.thehindu.com/business/markets/govt-hikes-onion-mep-to-1150-per-tonne-to-check-prices/article5313950.ece	Retail vs Arrival	Mumbai
29-Jun-2014 to 06-July-2014	http://timesofindia.indiatimes.com/business/india-business/Govt-hikes-minimum-export-price-of-onion-to-US-500-per-tonne/articleshow/37630139.cms	Retail vs Arrival	Delhi
18-Nov-2013 to 24-Nov-2013	http://www.firstpost.com/politics/onion-tomato-price-hearings-to-malign-party-cong-writes-to-ecc-1238589.html	Retail vs Wholesale	Mumbai
21-Oct-2013 to 04-Nov-2013	http://www.dnaindia.com/mumbai/report-dna-exclusive-traders-not-farmers-making-the-most-of-soaring-onion-price-1909850	Retail vs Wholesale	Mumbai
27-Oct-2013 to 03-Nov-2013	http://www.thehindu.com/business/Industry/monopoly-of-wholesale-trade-causing-onion-price-hike/article5264512.ece	Retail vs Wholesale	Delhi
17-Oct-2013 to 24-Nov-2013	http://www.moneycontrol.com/news/economy/onion-prices-remain-high-at-rs-100kg-crisis-to-continue_976318.html	Wholesale vs Arrival	Mumbai
15-Dec-2010 to 12-Jan-2011	http://timesofindia.indiatimes.com/city/pune/Onion-prices-still-leave-consumers-teary-eyed/articleshow/7147525.cms	Wholesale vs Arrival	Mumbai
29-Jun-2014 to 05-July-2014	http://timesofindia.indiatimes.com/business/india-business/Retail-onion-prices-soar-to-double-of-wholesale-rates/articleshow/37490678.cms	Wholesale vs Arrival	Delhi

Table 6.3: Few Examples

Explanation of all the cases listed in table are as following:

- 27-Dec-2010 to 29-Dec-2010 : According to our hypothesis 4, price trends at different centers should behave similar. But, here retail price of onion in Mumbai took a sharp rise then faced a downfall which was not seen being followed by Delhi. Instead retail prices at Delhi continued to grow. There were multiple news articles for the same tenure which claimed unseasonal rainfall/traders nexus as reason for anomaly. One of the article link is given in table. (See Figure 6.5)

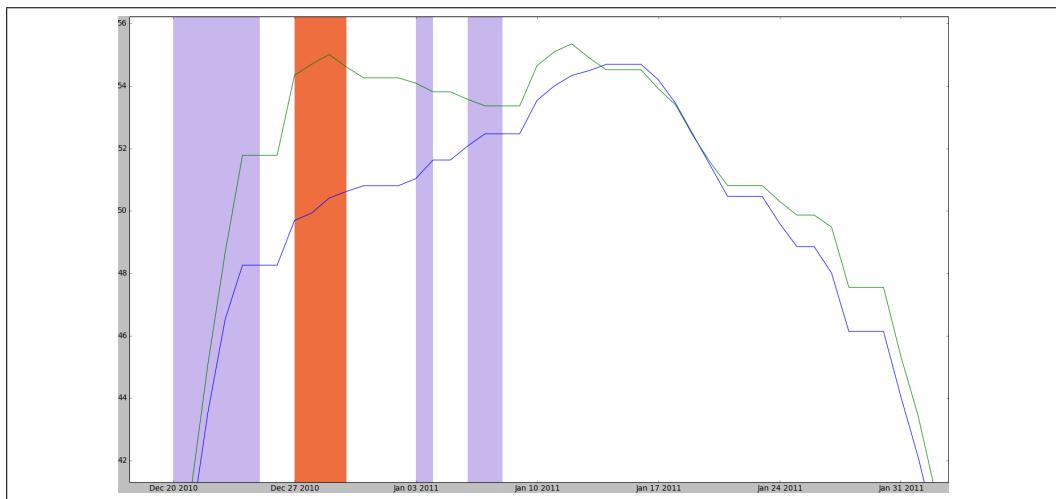


Figure 6.5: Case: 27-Dec-2010 to 29-Dec-2010 (Green line - Centre Retail Price, Blue Line - Average Retail Price)

Similar is observed for 17-Oct-2013 to 27-Oct-2013. (See Figure 6.6)

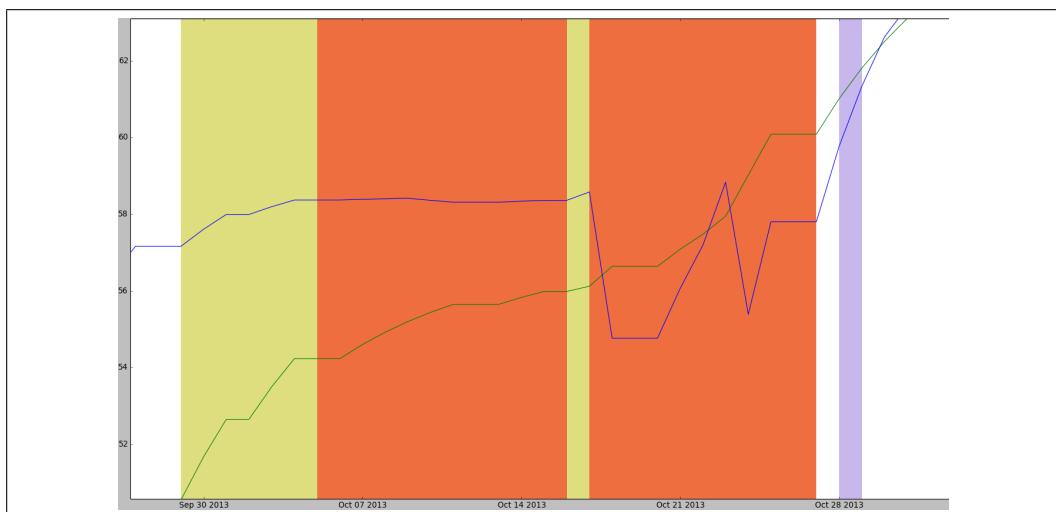


Figure 6.6: Case: 17-Oct-2013 to 27-Oct-2013 (Green line - Centre Retail Price, Blue Line - Average Retail Price)

- 15-Dec-2010 to 13-Jan-2011 : There was a decrease in the arrival of onion in Mumbai at the start of December which resulted in the increase of retail price. Later arrival seemed nearly constant or increasing but prices continued to grow high. The arrival also increased when the prices were very high which could be the arrival of hoarded stock in

market for profiteering. The article states that hoarders have jacked up the opportunity of ban by Pakistan.

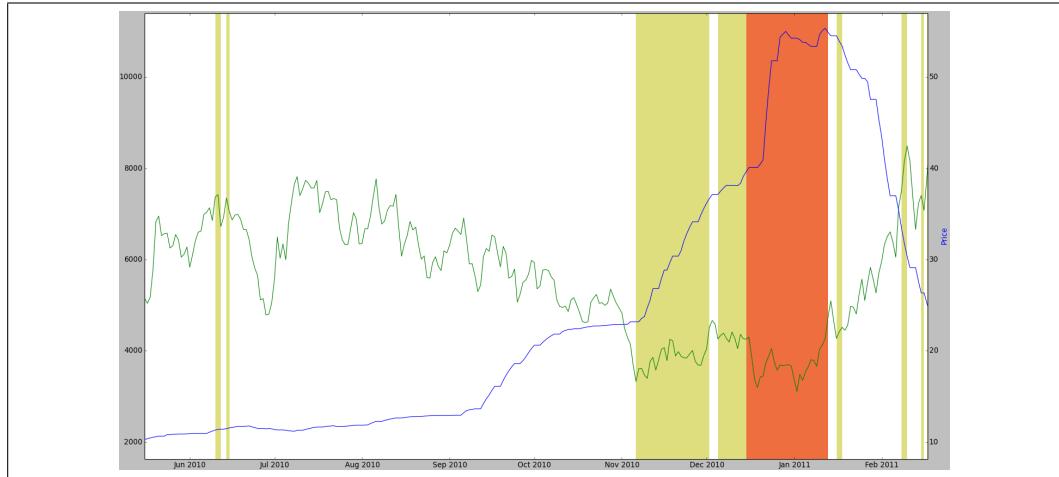


Figure 6.7: Case: 15-Dec-2010 to 13-Jan-2011 (Green line - Arrival Data of Onion, Blue Line - Retail Price)

Similar is observed for 17-Oct-2013 to 25-Nov-2013. The article states low supply as reason for hike in prices. (See Figure 6.8)

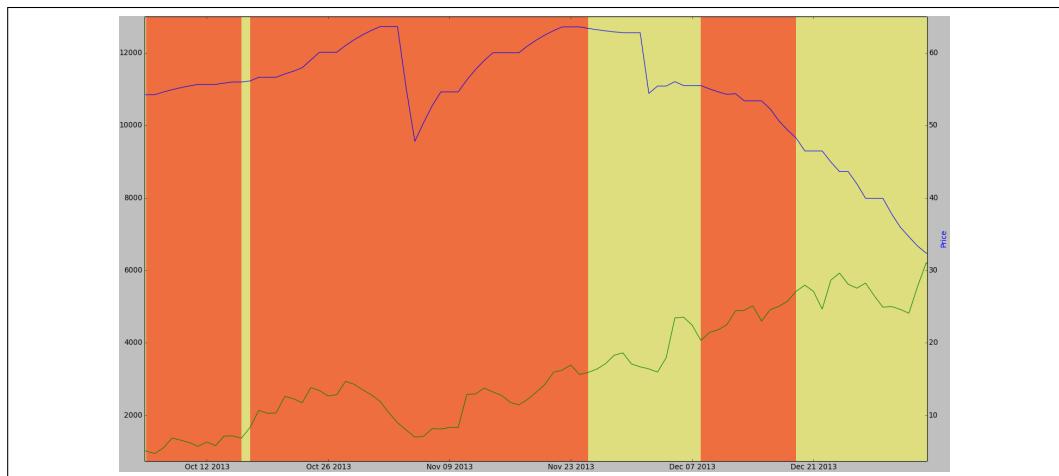


Figure 6.8: Case: 17-Oct-2013 to 25-Nov-2013 (Green line - Arrival Data of Onion, Blue Line - Retail Price)

Similar is observed for 29-Jun-2014 to 06-July-2014 in Delhi. The article states that the hike in the prices is because of the speculation and anticipation of below normal monsoon despite sufficient supply in country. (See Figure 6.9)

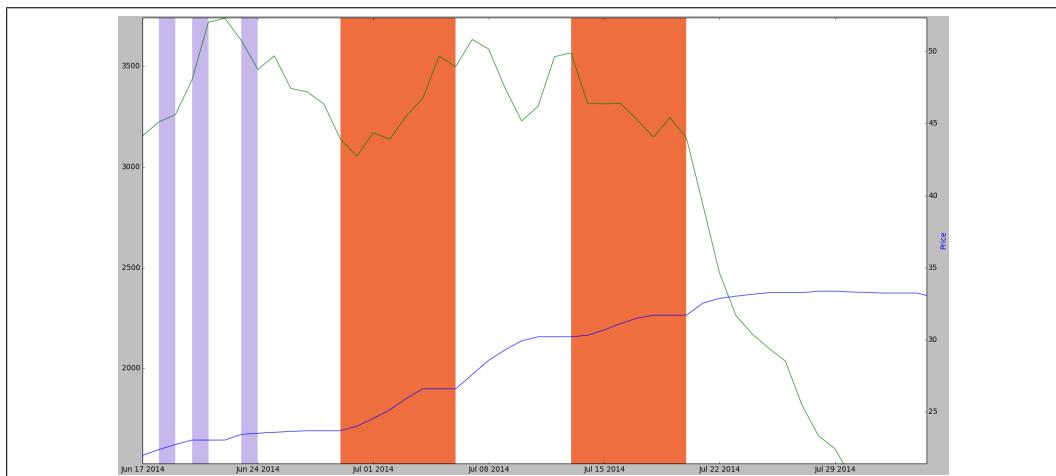


Figure 6.9: Case: 29-Jun-2014 to 06-July-2014 (Green line - Arrival Data of Onion, Blue Line - Retail Price)

- 18-Nov-2013 to 24-Nov-2013 : Retail prices are decided by wholesale price. But here in Mumbai, retail price continued to remain high despite of decrease in the wholesale price. (See Figure 6.10)



Figure 6.10: Case: 18-Nov-2013 to 24-Nov-2013 (Green line - Retail Price, Blue Line - Wholesale Price)

Similar is observed for 21-Oct-2013 to 04-Nov-2013. (See Figure 6.11)

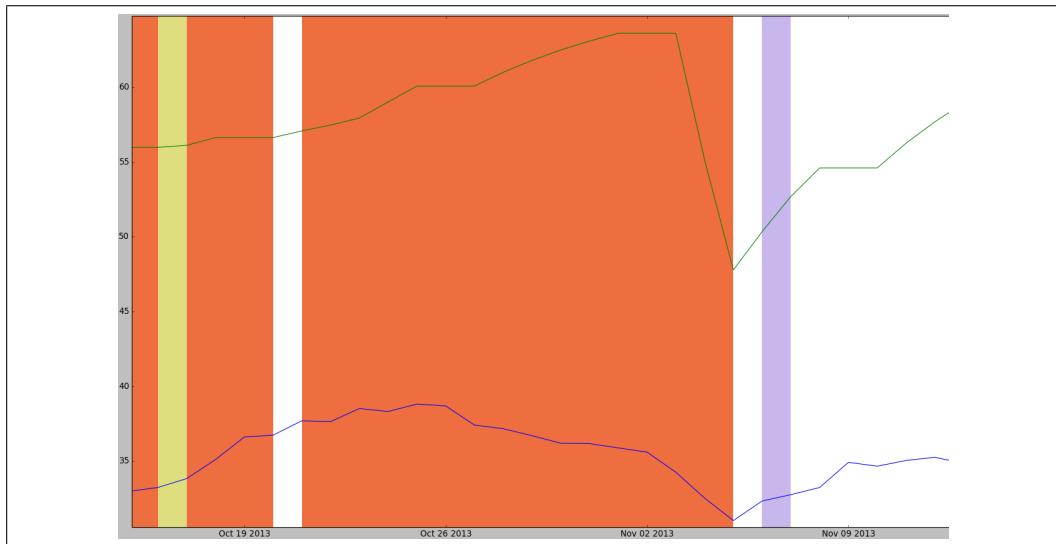


Figure 6.11: Case: 21-Oct-2013 to 04-Nov-2013 (Green line - Retail Price, Blue Line - Wholesale Price)

Similar is observed for 27-Oct-2013 to 03-Nov-2013 in Delhi. (See Figure 6.12)

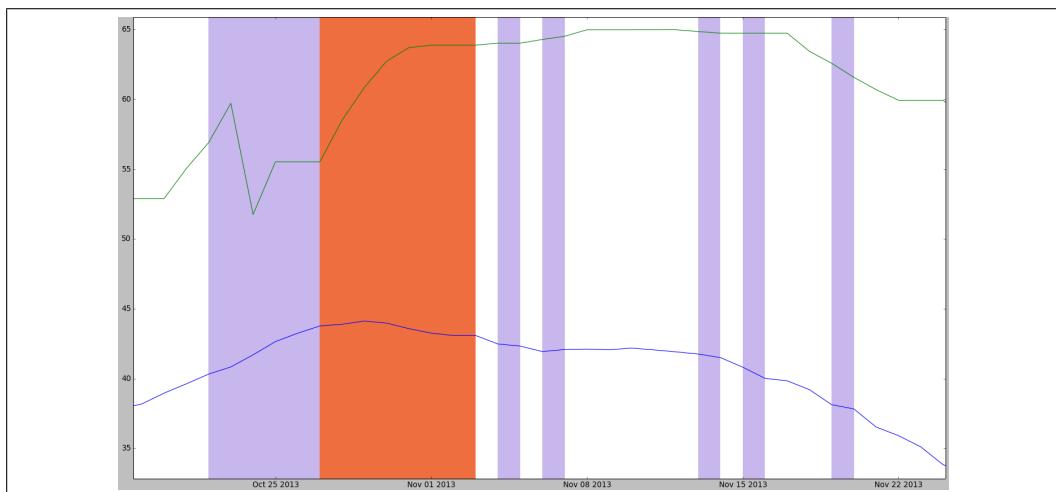


Figure 6.12: Case: 27-Oct-2013 to 03-Nov-2013 (Green line - Retail Price, Blue Line - Wholesale Price)

- 17-Oct-2013 to 24-Nov-2013 : Market observed increase in the arrival on increase of wholesale in Mumbai. The supply crunch could be man-made which resulted in increase in wholesale price and then to take

advantage of increased prices, stocks were released in market. (See Figure 6.13)



Figure 6.13: Case : 17-Oct-2013 to 24-Nov-2013 (Green line - Arrival Data of Onion, Blue Line - Wholesale Price)

Similar is observed for 15-Dec-2010 to 12-Jan-2011. The tenure has articles on the unseasonal rainfall which might have resulted into hoarding of stocks by traders. (See Figure 6.14)

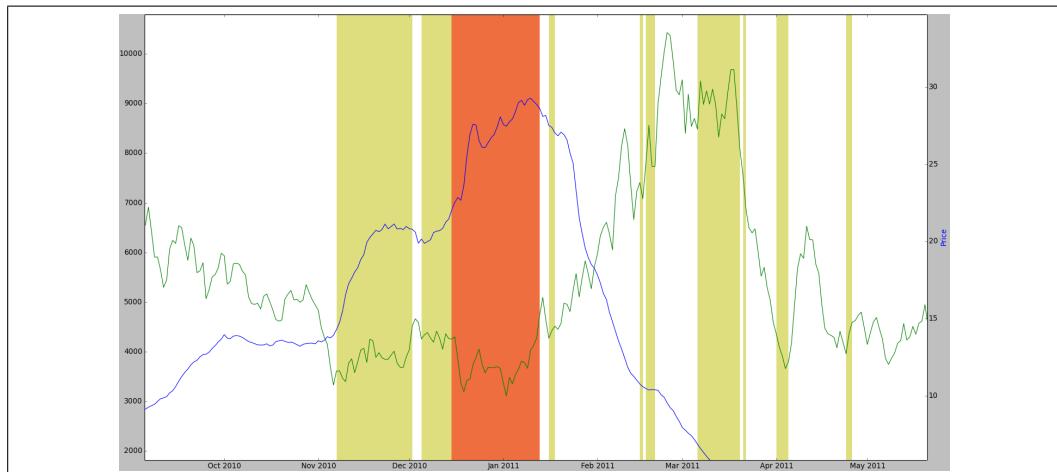


Figure 6.14: Case : 15-Dec-2010 to 12-Jan-2011 (Green line - Arrival Data of Onion, Blue Line - Wholesale Price)

Similar is observed for 29-Jun-2014 to 05-July-2014 in Delhi. (See Figure 6.15)

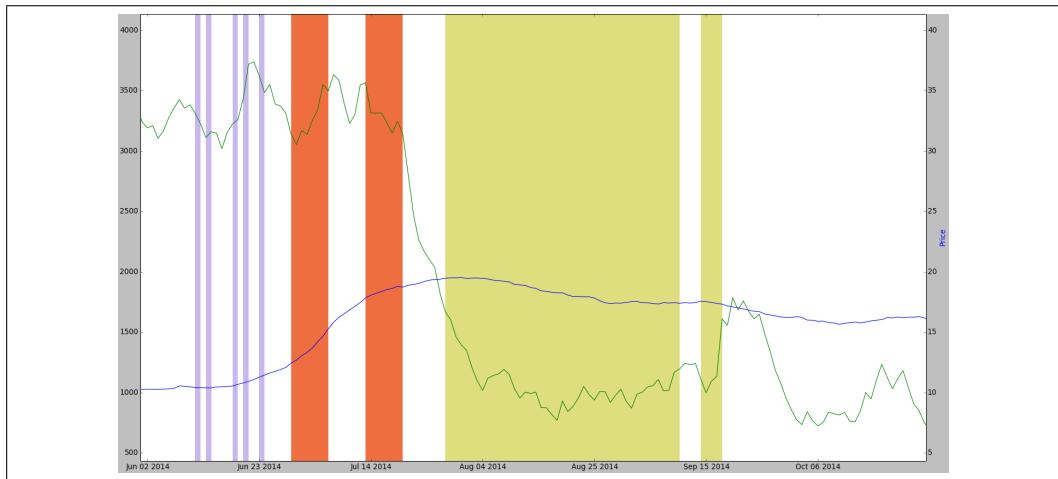


Figure 6.15: Case : 29-Jun-2014 to 05-July-2014 (Green line - Arrival Data of Onion, Blue Line - Wholesale Price)

Few of the analysis which were local to center could not be matched with national news articles, but on digging more in regional news article, we could justify the anomaly. One of such case is the anomaly reported on 7th and 8th January 2013, in Delhi, for which news was reported in Jagran local news paper on 28th December 2012 which says due to fog there was disruption in the supply of onions. Despite of the speculation on low arrival of onion we observed considerable hike in arrival (which could be hoarded onion stocks brought into market) to earn better profits to take advantage of increased price of onion. Also, we have observed 2 news articles suspecting traders' nexus as the reason for the increased onion prices.

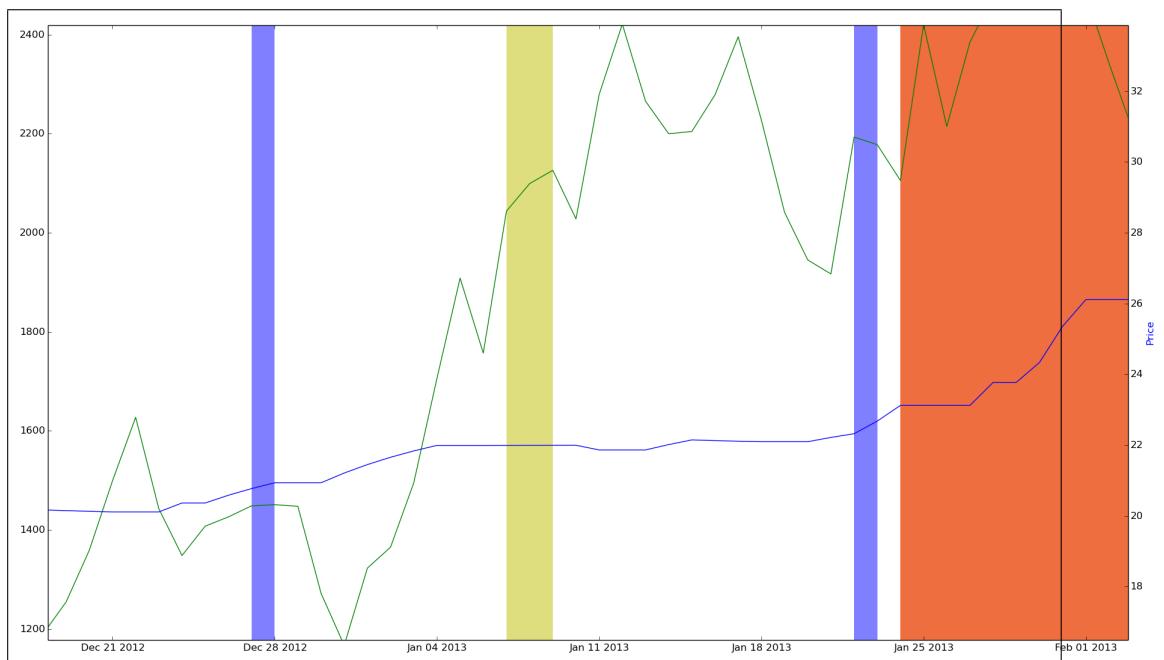


Figure 6.16: System Result (Green line - Arrival Data of Onion, Blue Line - Retail Price)

News Article stated the following,

नई दिल्ली [सुरेंद्र प्रसाद सिंह] प्याज एक बार फिर आंसू निकालने को तैयार है। ठंड बढ़ने से जहां प्याज की मांग बढ़ी है, वहाँ आपूर्ति कम होने से प्याज की कीमतें साल के उच्चतम स्तर पर पहुंच गई हैं। उत्पादक और उपभोक्ता मंडियों के मूल्य में भारी अंतर तो है ही, थोक और खुदरा कीमतों की खाई भी बढ़ गई है। कोहरे की वजह से महाराष्ट्र की प्याज की सप्लाई लाइन टूट गई है।

Figure 6.17: Jagran News paper article

We also tried to run system by changing window size for different methods.

We got the following results:

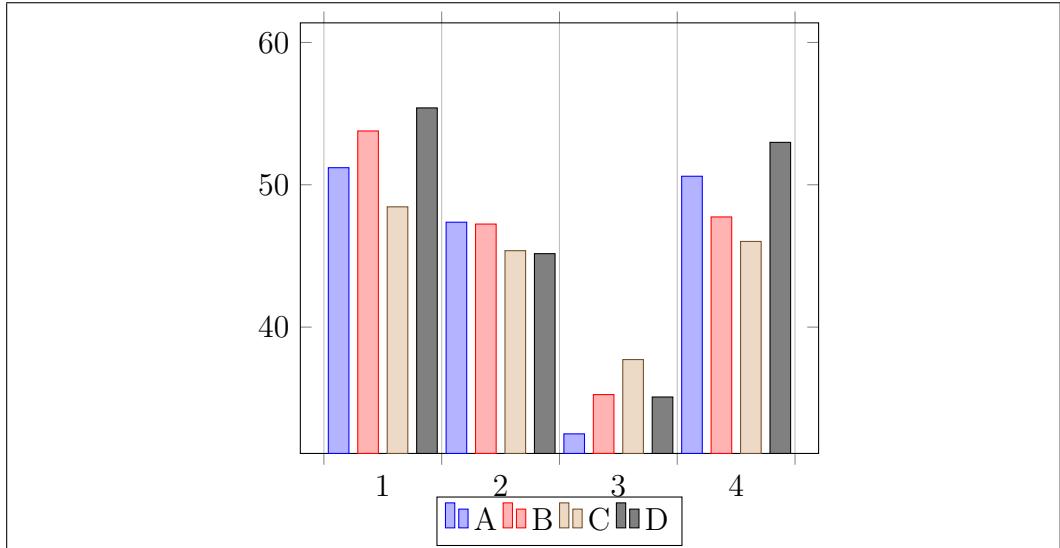


Figure 6.18: Anomaly Reported, (1-Retail vs Average Retail, 2-Retail vs Arrival, 3-Retail vs Wholesale, 4-Wholesale vs Arrival)

Where,

- A - Result with 15 as Correlation Window and 7 as Slope Based Window
- B - Result with 10 as Correlation Window and 4 as Slope Based Window
- C - Result with 20 as Correlation Window and 4 as Slope Based Window
- D - Result with 7 as Correlation Window and 4 as Slope Based Window

Figure 6.18 shows comparison of system result taking different window size for correlation and slope based anomaly detection method. Note that for all of these methods, default threshold value was considered, user did not provided any threshold value. From figure 6.18, we see that some window size performs better for some type of analysis and may not be for other. So, user may need to run the system with different window sizes for different analysis.

Chapter 7

Conclusion and Future Work

7.1 Conclusion

In Chapter 5, we presented overall system result. Comparing anomalies reported by system with the news articles present, results were quite good. Anomalies reported by system were more as compared to news articles. That might be because we have national news sources, which reports only big crisis in the news. When we analysed results produced by system, then we found them justifiable.

7.2 Future Work

This project can further be extended by adding new methods for various hypothesis. One such method is Spike Detection, which can be used for Hypothesis 2, to enhance the results. First we can generate series of relative difference between retail price and wholesale price. Then we apply spike detection method over it. If this difference becomes very large in the short duration of time, then it can be reported as anomaly. Reason to report this as anomaly is that there exists few news articles which reports such type of behaviour as anomaly. Apart from this other methods can also be explored.

One can also consider value chain of any product, like let's say car. Then price of various components in this chain starting from raw material, raw parts and final product price, etc can be collected and one can find if there exists any anomaly at any point of time if price of final product goes up.

MAD threshold has been used to calculate default threshold value. One can try other methods to calculate default threshold value. System can also

be automated to select different parameters for library functions and can report results which are best.

One can also extend analysis on regional basis by considering regional news papers. Here, we have considered only national news papers, but local news sources may provide some more insights into results.

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Appendix A

Window Based Correlation

A.1 Introduction

This technique is basically applied on two time-series. Let's say we have two time series as series1 and series2. So, in this method, we first find correlation at various lags between these two time series. User can specify minimum and maximum lag to consider. So, for each value between minimum and maximum lag, we find correlation values.

After finding correlation values at all lags, we consider that lag at which correlation value is higher, among all previously calculated correlation values, at all lags. Let's say that lag be “ x ”. So, depending upon that “ x ”, we shift series1 or series2. If “ x ” is positive, we move series2 by “ x ” units and if it is negative than we shift series1 by $|x|$ units.

Now, we are ready to apply window correlation. Take window size, “ w ” as input. First window will be from 1st element to w 'th element of both the time series after aligning by lag “ x ”. Find correlation for this window between two time-series and save it in an array. Now, slide window by “ w ” elements and calculate correlation value again and so on. Now, we have correlation values at multiple windows.

Now, let's say both the series should have been positively correlated. All the significant correlation values are taken. Then threshold is chosen by MAD test if not provided to us, and find all correlation values which are below that threshold and report all those windows as anomaly. Similarly, for negative correlation values above the threshold value is reported as anomaly.

A.2 Related Functions

A.2.1 correlation(arr1, arr2, maxlag, pos, neg)

This function calculates correlation between arr1 and arr2 at all possible lags between -maxlag to +maxlag, as specified by pos and neg parameters.

- Input Parameters

1. arr1 (*list*) : Input series 1 as a list of float values
2. arr2 (*list*) : Input series 2 as a list of float values
3. maxlag (*int*) : maximum (maxlag) and minimum (-maxlag) lag to consider while calculating correlation between arr1 and arr2
4. pos (*int, 1 or 0*) : To consider positive lag or not, i.e. 1 to maxlag, if value is 1, than positive lag will be considered, else not.
5. neg (*int, 1 or 0*) : To consider negative lag or not, i.e. -maxlag to -1, if value is 1, than negative lag will be considered, else not.

- Output (*list*) :

Returns list of tuples of the form

(lag, correlation value at this lag)

A.2.2 getMaxCorr(arar1,positive_correlation)

If both the series are positively correlated than we will be interested in maximum positive correlation or if both series are negatively correlated than we will be interested in minimum negative correlation, which is specified by positive_correlation parameter.

This function takes list of tuples of the form (lag, correlation value at this lag) as input. Returns lag value at which correlation value is maximum, if positive_correlation is True, and returns lag at which correlation value is minimum if positive_correlation is False.

- Input Parameters

1. arr1 (*list*) : list of tuples of the form
(lag, correlation value at this lag)
i.e. correlation values at various lags
2. positive_correlation (*boolean*, “True” or “False”) :
 - True: If value of this parameter is True than it will return lag at which correlation value if maximum (positive)
 - False: If value of this parameter is False than it will return lag at which correlation value if minimum (negative)

- Output (*Tuple*) :

returns single tuple of the form (lag,correlation value at this lag), i.e. lag at which optimum correlation value is found along with correlation value.

A.2.3 correlationAtLag(series1, series2, lag, window_size)

This function first aligns two series by given lag. If lag is positive than it shifts start of series2 else start of series1. After aligning both the series according to lag, this function calculates correlation between both series at all windows.

window_size states size of the window. So, we will start with first window taking first “window_size” elements from each series and will calculate correlation. We will save this correlation value in list and will slide to next window. Next window will start after “window_size” elements. In such a way, we calculate, correlation at all windows and return the list of correlation values.

- Input Parameters

1. series1 (*list*) : Input series 1 as a list of float values
2. series2 (*list*) : Input series 2 as a list of float values

- 3. lag (*int*) : lag at which series needs to be adjusted as explained above
- 4. window_size (*int*) : window size to be considered
- Output (*list*) :

Returns list of correlation values (of float type) for all windows calculated at given lag

A.2.4 WindowCorrelationWithConstantLag(**arr1, arr2, window_size,maxlag, positive_correlation, pos, neg**)

This is sort of driver function, which will call above 3 functions. This function will first get lag at which series needs to be adjusted. Than using this lag, it will calculate correlation values at all windows and will return it.

- Input Parameters

1. arr1 (*list*) : Input series 1 as a list of float values
2. arr2 (*list*) : Input series 2 as a list of float values
3. window_size (*int*) : window size to be considered while calculating window correlation
4. maxlag (*int*) : maximum (maxlag) and minimum (-maxlag) lag to consider while calculating correlation between arr1 and arr2, to align both the series
5. positive_correlation (*boolean, “True” or “False”*) :
 - True: This suggest that both the series are positively correlated
 - False: This suggest that both the series are negatively correlated
6. pos (*int, 1 or 0*) : If value of this parameter is 1 than we will consider positive values for lag, i.e. 1 to +maxlag to align both the series initially

- 7. neg (*int, 1 or 0*) : If value of this parameter is 1 than we will consider negative values for lag, i.e. -maxlag to -1 to align both the series initially
- Output (*list*) :

Returns tuple of the form (lag,array) Where lag is lag value for which whole series is shifted and then at that lag, we have calculated correlation for all window. Correlation value for all windows is stored in array.

A.2.5 anomaliesFromWindowCorrelationWithConstantlag `(arr1, arr2, window_size=15,maxlag=15, positive_correlation=True, pos=1, neg=1, default_threshold = True, threshold = 0):`

This is main function of this method. This is driver of whole method. Using previously stated methods, it will first gather significant correlation values at different windows. Than depending upon which type of threshold is to be used, it will filter out anomalies. If default threshold is to be used, than it will be calculated using MAD test on the correlation values at each window, else threshold provided by user will be used.

Correlation values not satisfying threshold will be reported along with the date range of that window.

- Input Parameters
 - 1. arr1 (*list*) : Input series 1 as a list of tuples of the form (date,value)
 - 2. arr2 (*list*) : Input series 2 as a list of tuples of the form (date,value)
 - 3. window_size (*int*) : window size to be considered while calculating window correlation

4. maxlag (*int*) : maximum (maxlag) and minimum (-maxlag) lag to consider while calculating correlation between arr1 and arr2, to align both the series
5. positive_correlation (*boolean, "True" or "False"*) :
 - True: This suggest that both the series are positively correlated
 - False: This suggest that both the series are negatively correlated
6. pos (*int, 1 or 0*) : If value of this parameter is 1 than we will consider positive values for lag, i.e. 1 to +maxlag to align both the series initially
7. neg (*int, 1 or 0*) : If value of this parameter is 1 than we will consider negative values for lag, i.e. -maxlag to -1 to align both the series initially
8. default_threshold (*boolean, "True" or "False"*) : whether to use default threshold or not. If True, default threshold will be used using MAD test on calculated correlation values for all windows.
9. threshold (*float*) : if default_threshold is False, than this user provided threshold will be used.

- Output (*list*) :

This function filter out anomalies and returns them. This function returns List of tuples of the form

(start_date,end_date,correlation_value),

where (start_date, end_date) specifies range of the window and correlation_value is value of correlation of that window

A.3 Description

Putting all together, here is the summary:

Function "WindowCorrelationWithConstantLag", first makes use of "correlation" function, to calculate correlation values at all lags to find out at which lag it needs to be align. Result of "correlation" function is passed to "getMaxCorr" function. Which will return lag at which optimum value of correlation is present. This output will be used by "correlationAtLag" function, to caluclate correlation at all windows after aligning both series by input lag. So, in this way "WindowCorrelationWithConstantLag" combines these three functions and returns correlation value at each window.

Function "anomaliesFromWindowCorrelationWithConstantlag" is the main driver. This function calls "WindowCorrelationWithConstantLag" and gets the correlation values at all windows and filters out anomalies (either using threshold calculated by MAD test or by user provided threshold) and returns them in the format of (start_date,end_date,correlation_value), where (start_date, end_date) specifies range of the window and correlation_value is value of correlation of that window.

Appendix B

Slope Based Detection

B.1 Introduction

The method works on two time-series. It finds the ratio of steepness at two different points in the time-series. Let's say we have two time series as series1 and series2. So in this method, we first find the rate of change in the time-series values for both time-series followed by taking ratio of these rate of change. i.e suppose we have two points on time-series 1 as y_{11} and y_{12} and on time-series 2 as y_{21} and y_{22} . Rate of change between these points is calculated as following

$$S_1 = \frac{y_{12} - y_{11}}{y_{11}}$$

,

$$S_2 = \frac{y_{22} - y_{21}}{y_{21}}$$

Ratio of steepness (**rs**) is calculated as

$$rs = \frac{S_1}{S_2}$$

The **rs** is calculated between first and last point of every window of size “w” provided as input.

Now, we have rate of change in the steepness(**rs**) for every window. The outliers are detected by the threshold value provided by user or if not, then threshold is computed using MAD test on the all **rs** calculated above.

If the two time-series are expected to move in tandem, then all the points with **rs** greater than threshold are reported whereas if the two time series should not move in tandem then all the points with **rs** less than threshold are reported.

B.2 Related Functions

B.2.1 `slopeBasedDetection(series1,smoothed1, series2,smoothed2, next_val_to_consider, default_threshold, threshold, what_to_consider)`

This function smooths the provided time series data using exponential moving average(if needed) and calculates **rs** for first and last point of every window of size `next_val_to_consider`.

- Input Parameters

1. `series1 (list)` : Input series 1 as a list of float values
2. `smoothed1 (boolean)` : Whether series1 is smoothed or not? If not (value of this parameter is *False*) smoothing will be done
3. `series2 (list)` : Input series 2 as a list of float values
4. `smoothed2 (boolean)` : Whether series2 is smoothed or not? If not (value of this parameter is *False*) smoothing will be done
5. `next_val_to_consider (int)` : indicates the size of window or next point in time-series to calculate slope of steepness. Default is 7 days.
6. `default_threshold (int)` : Whether to consider default threshold or not. If *True*, the threshold is calculated using MAD Test.
7. `threshold (int)` : Threshold value to consider if `default_threshold` is set to *False*
8. `what_to_consider (int)` : Can be either 1,0 or -1. If the series are supposed to move in tandem, 1 is set otherwise -1 is set. In case we don't know the correlation between two, 0 is set.

- Output (*list*) :

Returns list of tuples of the form

(first,second,slope_value)

where first and second are the array index of passed series for which the **rs** is calculated.

B.2.2 anomalyDatesSlopeBaseddetetion (slopeBasedResult,any_series)

This function basically takes result of slopeBasedDetection as input along with any series which is list of tuples of the form (date, value), and gives date to each anomaly.

The result returned by slopeBasedDetection function just provides index of data point, which is reported as anomaly. But we have time series, so we need to provide date, instead of index of data point. So, this function basically, attaches each anomaly with its date and returns it.

- Input Parameters

1. slopeBasedResult (*list*) : This is list of anomalies reported by slopeBasedDetection function.
2. any_series (*list*) : Any list/series of tuples in the format (Date,Value), date will be used from this series to find date against each anomaly.

- Output (*list*) :

Returns list of tuples of the following form:

(start_date,end_date,slope_value)

B.2.3 slopeBased(series1,smoothed1,series2,smoothed2, next_val_to_consider, default_threshold, threshold, what_to_consider)

This is main function of this anomaly detection technique. This function first calls "slopeBasedDetection" function, gets list of anomalies. After that, it

calls "anomalyDatesSlopeBaseddetetion" function to attach date with each anomaly and than returns result.

- Input Parameters

1. series1 (*list*) : Input series 1 as a list of tuples of the forms (date, value)
2. smoothed1 (*boolean*) : Whether series1 is smoothed or not? If not (value of this parameter is *False*) smoothing will be done
3. series2 (*list*) : Input series 2 as a list of tuples of the forms (date, value)
4. smoothed2 (*boolean*) : Whether series2 is smoothed or not? If not (value of this parameter is *False*) smoothing will be done
5. next_val_to_consider (*int*) : indicates the size of window or next point in time-series to calculate slope of steepness. Default is 7 days.
6. default_threshold (*int*) : Whether to consider default threshold or not. If *True*, the threshold is calculated using MAD Test.
7. threshold (*int*) : Threshold value to consider if default_threshold is set to *False*
8. what_to_consider (*int*) : Can be either 1,0 or -1. If the series are supposed to move in tandem, 1 is set otherwise -1 is set. In case we don't know the correlation between two, 0 is set.

- Output (*list*) :

Returns list of tuples of the following form:

(start_date,end_date,slope_value)

where, start_date and end_date are points on which the steep was computed along with the slope_value which was spotted as outlier.

B.3 Description

slopeBased function is called to find anomalies based on the rate of change in value. It calls slopeBasedDetection method to compute the slopes between

points in windows. Anomaly points are reported based on the parameters provided to the function.

In order to map dates against every anomaly points instead of array index, anomalyDatesSlopeBaseddetetion is called which provides (start_date,end_date,slope_value) as final output.

Appendix C

Linear Regression

C.1 Introduction

This technique is applied on two time series where one is independent variable and other is dependent variable. Let's say independent variable is "x" represented by series1 and "y" is dependent variable which is represented by series2, where $y=f(x)$.

So, in this method, given values of both variables at different points, i.e. given many pairs of (x,y) , which are represented here by series1 and series2, this technique tries to find relation between x and y, i.e. it tries to find best suitable function $y=f(x)$, which can best fit given data. Note that this function can only find linear relation between two variables, i.e. it can find relation such as $y = mx + c$, where "m" and "c" are some variables, which are found by this method, which can best represent these two series.

After finding that function, for a given value of "x" one can predict, what should be ideal value of "y". So, this technique basically works on this principle. After finding that function, we again apply same function of the given series of "x" and try to predict corresponding series of "y" and see the relative difference between actual "y" series and predicted "y" series. If this relative difference is too high or too low or both (depending upon what user needs), we return those values as anomalies. To decide, whether value is too high or too low, we set up threshold. This threshold can be given by user or can be set automatically by using MAD test on the series generated by taking relative difference. Values beyond this threshold are reported as anomalies.

C.2 Related Functions

C.2.1 `linear_regression(x_series, y_series, param = 0, default_threshold = True, threshold = 0)`

This function takes two time series, `x_series` and `y_series` as input, where `x_series` is series corresponding to "x" variable (independent variable) and `y_series` is series corresponding to "y" variable (dependent variable, dependent on "x"). Given these two series, it first finds out best linear relationship between these two variables and as described in the above section, it finds relative difference between predicted and actual "y" series and the ones which are beyond threshold value are reported as anomaly.

As described above, threshold value may be calculated by MAD test on relative difference values by keeping "default_threshold" as "True", and if it is false, user will provide threshold value, by setting up "threshold" parameter above.

Note that i'th value in `y_series` should be corresponding to i'th value in the `x_series`.

- Input Parameters

1. `x_series (list)` : List of float values representing "x" variable (independent variable)
2. `y_series (list)` : List of float values representing "y" variable (dependent variable)
3. `param (int, 1 or 0 or -1)` :
Defines what to be treated as anomaly depending on its value as follows:
 - 0: Values going out of range, both with positive and negative error
 - 1: Values with positive errors
 - 1: Values with negative errors

(Here error is relative difference crossing threshold value, positive error is relative difference which is positive and crossing positive threshold value and vice-versa).

4. default_threshold (*boolean, True or False*) : If this is set as "True", than threshold will be calculated using MAD test, if False, than user given threshold value will be used.
 5. threshold (*float*) : Here, user can provide threshold value if, default_threshold is False.
- Output (*Tuple*) :
- returns Following tuple: (result,regression_object)

Where, "result" is list of tuples which are anomaly according to linear regression test of following format:

(Index_of_Data_Point,x_value,y_value,predicted_y_value,
difference_between_predicted_and_actual_y_value)

"regression_object" is an object of linear regression test, which represents $y=f(x) = mx + c$, which can be used to regenerate predicted values for plotting graphs afterwards or for some other task.

Format of using: regression_object.predict(x_value), where x_value is just one value, for which we need corresponding ideal "y" value.

C.2.2 anomalies_from_linear_regression(result_of_lr, any_series)

This function basically takes result of "linear_regression" as input along with any series which is list of tuples of the form (date, value), and gives date to each anomaly.

The result returned by "linear_regression" function just provides index of

data point, which is reported as anomaly. But we have time series, so we need to provide date, instead of index of data point. So, this function basically, attaches each anomaly with its date and returns it.

- Input Parameters

1. `result_of_lr (list)` : This is list of anomalies reported by "linear_regression" function. Note that here we are just passing list of anomalies only and not the regression object, i.e. we are passing just first element of tuple returned by "linear_regression" function.
2. `any_series (list)` : Any list/series (`x_series` or `y_series`) of tuples in the format (Date,Value), date will be used from this series to attach each anomaly with its corresponding date.

- Output (`list`) :

Returns list of tuples of the following form:

(date,x_value,y_value,predicted_y_value, difference_between_predicted_and_actual_y_value)

C.2.3 `linear_regressionMain(x_series, y_series, param = 0, default_threshold = True, threshold = 0)`

This is main function of this anomaly detection technique. This function first calls "linear_regression" function, gets list of anomalies. After that, it calls "anomalies_from_linear_regression" function to attach date with each anomaly and than returns result.

- Input Parameters

1. `x_series (list)` : List of tuples of the format (date,value) representing "x" variable (independent variable)
2. `y_series (list)` : List of tuples of the format (date,value) representing "y" variable (dependent variable)

3. param (*int, 1 or 0 or -1*) :

Defines what to be treated as anomaly depending on its value as follows:

0: Values going out of range, both with positive and negative error

1: Values with positive errors

-1: Values with negative errors

(Here error is relative difference crossing threshold value, positive error is relative difference which is positive and crossing positive threshold value and vice-versa).

4. default_threshold (*boolean, True or False*) : If this is set as "True", than threshold will be calculated using MAD test, if False, than user given threshold value will be used.

5. threshold (*float*) : Here, user can provide threshold value if, default_threshold is False.

- Output (*list*) :

Returns list of tuples of the form

(start_date,end_date,difference_between_predicted_and_actual_y_value)

Note that here, start_date is equal to end_date, as we are working day-wise in this technique, instead of any window.

C.3 Description

Putting all together, here is the summary:

"linear_regressionMain" is the main function of this technique, which calls 2 other functions and returns result. First it calls, "linear_regression" function, gets list of anomalies. After that, it calls "anomalies_from_linear_regression" function to attach date with each anomaly and than returns result.

Appendix D

Graph Based Anomaly Detection Technique

D.1 Introduction

This technique was introduced by [19]. We have used R implementation given by authors of this book [22]. So, here by using python script, we will be just calling R script with appropriate arguments and will be using result provided by that script.

Graph based anomaly detection technique considers each day as a node of a graph. Similar nodes are connected to each other by some weight. Similarity of nodes are calculated by making use of the values of that node i.e. value(s) of timeseries on that date. Based on this similarity, edge weights are also assigned. Then random walk algorithm is applied on this graph structure and connectivity value of each node is calculated. Graph nodes having the least connectivity values are reported as anomaly.

Note that previous techniques, like Window Correlation, Slope Based and Linear Regression techniques, can take only 2 time series as input. They also don't consider historical values, trend or seasonality. It just makes prediction on the given present data. Whereas, this Graph based anomaly detection technique, can take multiple time series as input and also considers trends, seasonality as well, as explained in research paper [19].

So, here, we take multiple time series as input. Out of them, one will be dependent on rest of the others. We will call R script, it will print result in one csv file. We read that CSV file and return result. Note that here we do not have threshold value. We just give number of points with the least

connectivity value and function returns them. If in future, one wants to add threshold value on connectivity than function can be modified according to that as well.

D.2 Related Functions

D.2.1 graphBasedAnomalyCall(dependentVar, numberOfRowsVals, timeSeriesFileNames)

This function calls the R Script “graphBasedAnomaly.R”. This function takes multiple time series as input, which are stored in files, whose names are stored in “timeSeriesFileNames” list. This time-series files are generated by us only. Out of these time series, one will be for dependent variable and others will be corresponding to independent variable. So variable, “dependentVar” represents which time series/variable is dependent.

This function executes R script and writes output to the file named “Graph-BasedAnomalyOp.csv”.

- Input Parameters

1. `dependentVar (int)` : Index of the dependent variable, where `dependentVar = function of independantVars`
2. `numberOfVals (int)` : Each CSV contains how many values? That is each time series has how many values?
3. `timeSeriesFileNames (list)` : Names of the files in which series is stored. File should contain only series values.

- Output: This function does not generate any output. R Script will write output to CSV file as stated before.

D.2.2 generateCSVsForGraphBasedAnomaly(lists, dateIndex, seriesIndex)

In python code, we have time-series as a list. This list is list of tuples, in which first value of tuple is date and than we have more than one values in the same tuple, representing different time-series. For example, if we have test-case as onion, than for one city we have 3 time series along with date, which is represented as list of tuples of the the form (date, arrival, wholesale price, retail price). But, for R script, we just need time series values. So this function will take series of time series in variable “lists“, where lists[i] will represent one timeseries or multiple time series for one object (like explained previously we can have multiple time series for one city).

dateIndex will say which tuple number for the list lists[i] represents date and seriesIndex represents, if lists[i] represents multiple series than which one to take out of them. This can be explained by example as follows:

Let's say, we have lists as folows:

```
[  
[(1-1-2010, x1, y1, z1), (2-1-2010, x2, y2, z2), ... ],  
[(1-1-2010, x1, y1, z1), (2-1-2010, x2, y2, z2), ... ],  
[...], ...  
];
```

So, here we have time-series corresponding to two entities, which can be accessed via lists[0] and lists[1]. Now, lists[0] gives us 3 time-series for one entity. But let's say, here we need only one corresponding to ”y“ time series. So, give dateIndex as 0 here and seriesIndex as 2. So, this function will create 2 CSVs, one for each entity. Each CSV will have values [y1, y2, y3, ...]. One line will contain one value in file.

Note that it is not necessary to have multiple time-series for on entity. We can have just simple structure as follows:

```
[  
[(1-1-2010, x1), (2-1-2010, x2), ... ],  
[(1-1-2010, y1), (2-1-2010, y2), ... ],  
[...], ...  
];
```

So here, we have two time-series as x and y, and we can than give dateIndex as 0 here and seriesIndex as 1. This will create two CSVs, one for "x" and other for "y".

After creating these CSVs, this function returns names of the file created.

- Input Parameters

1. lists (*list*) : List of time-series, where lists[i] = list of tuple of the form (date, val1 [, val2, val3, ...])
where date is in form of string and values in square brackets are optional.
2. dateIndex (*int*) : column number of date in list of tuple (starting with 0)
3. seriesIndex (*int*) : column number of series in list of tuple (starting with 0)

- Output (*Tuple*):

returns tuple of the form, (dates,fileNames),

Where,

fileNames: Generated multiple CSVs, corresponding to each series for the input of R script. Returns name of these files.

dates: Separated date from the series, so that later we can combine result of the R script (anomalies) with dates.

D.2.3 getAnomalies(dates,resultFile, numOfPtsReqd)

This function does the work of combining result of R script with the date. Result generated by R will be in some file, which is passed here as resultFile parameter. This will have indices for each day. So using this we append dates to it. So now, we have connectivity value for each date. This function sorts them according to connectivity value and returns the number of points required stated by parameter numOfPtsReqd, which has low connectivity value.

- Input Parameters

1. dates (*list*) : List of dates, returned by "getAnomalies" function.
2. resultFile (*string*) : Path of file to which output of R script is written
3. numOfPtsReqd (*int*) : Number of anomalous points required

- Output (*list*):

returns list of tuples of the form:

(start_date, end_date, connectivity_value)

Note that, here start_date will be same as end_date, as this function returns results day-wise.

D.2.4 graphBasedAnomalyMain(lists, dependentVar, numOfPtsReqd, dateIndex=0, seriesIndex=1)

This is the main function of this method. This function makes call to other functions, uses the output of one, as a input to other, combines all functions and returns generated output.

- Input Parameters

1. lists (*list*) : List of time-series, where lists[i] = list of tuple of the form (date, val1 [, val2, val3, ...])
where date is in form of string and values in square brackets are optional.

2. dependentVar (*int*) : Index of the dependent variable, where dependentVar = function of independantVars
3. numOfPtsReqd (*int*) : Number of anomalous points required
4. dateIndex (*int*) : column number of date in list of tuple (starting with 0)
5. seriesIndex (*int*) : column number of series in list of tuple (starting with 0)

D.3 Description

Putting all together, here is the summary:

”graphBasedAnomalyMain“ is the main function. First, it calls ”generateCSVsForGraphBasedAnomaly“, which will generate files for each series, which will be used as input for R script. It also generates list of dates. Now, this list of file is passed to function, ”graphBasedAnomalyCall“, which will execute R script and will generate output in predefined file. This file name, along with dates and number of anomaly points required is passed to function ”getAnomalies“, which will return output in required format.

Appendix E

Multivariate Time Series Anomaly Detection Technique

E.1 Introduction

The method uses vector autoregressive framework for multivariate time-series analysis in order to forecast values. The framework treats all the variables as symmetrical and all the variables are modelled as if they influence each others equally.

VAR generates forecast values for all the variables in recursive manner. Since VAR works on only stationary series, lag needs to be found so that the series could be differenced in order to make them stationary.

The code is implemented in R and python is used to call the R script with Appropriate arguments and process the intermediate results generated from the script. Forecast and vars library are used in R to implement VAR model for multiple time-series.

All the interrelated time-series are passed to R script using a csv file. 60% (This can be configured as per user need) of the passed data for every time-series is consumed for modelling the time-series. Rest of the time-series data is used to find the anomalies in the system by finding predicted values and range of higher and lower predicted values.

Multiple csv files (one for each variables) are generated as an output to the R script call which has actual values of variables along with the predicted ,lower and higher values of prediction. All the points which does not fall in the forecasted range and the percentage difference between the actual and

forecasted value breached threshold are reported as anomalies.

Note that the threshold is computed with MAD test on the percentage of difference between actual and forecasted value. If in future, one wants to add threshold value than function can be modified according to that as well.

Refer [1] for more detailed information.

E.2 Related Functions

E.2.1 MultivariateAnomaly(fileName,hd,paramCount,fileStart)

This function is inside R script which takes a fileName containing all the related time-series and generate output files (one file for every component) containing predicted, actual, lower and higher forecasted values.

The name of output files starts with fileStart appended with the sequence number of variable. Like if “RetailWsArrival” is passed as fileStart and there are two variables or series in input file. The names of generated file will be : RetailWsArrival1.csv and RetailWsArrival2.csv

- Input Parameters

1. fileName (*string*) : Name of the file which contains all the inter-related time series for model
2. hd (*boolean*) : Whether the CSV file contains header for columns or not
3. paramCount (*int*) : Number of variables in file
4. fileStart (*string*) : Prefix for the name of output files to be generated

- Output: This function will write output to CSV file as stated before.

E.2.2 multivaraiateAnalysis(args)

This function calls the R script through python passing args as the input to the R script.

- Input Parameters
 1. args (*list*) : list of strings which serve as input to R script
- Output: No output.

E.2.3 csvTransform(filePath,startDate)

This function segregate the anomalies from all the other points for which the forecast was generated by R script function named “MultivariateAnomaly“.

- Input Parameters
 1. filePath (*string*) : Path of output file generated by R script ”MultivariateAnomaly“ which contains actual, forecasted, lower and higher values
 2. startDate (*string*) : The date from which the forecast was generated by R script
- Output (*list*):
returns list of tuples of the form:
(start_date, end_date, percDiff)
Where percDiff is the percentage differnce between the actual and forecasted value. Note that, here start_date will be same as end_date, as this function returns results day-wise.

E.3 Description

Putting all together, here is the summary:

”MultivariateAnomaly“ is the R Script function which is called by python function ”multivaraiateAnalysis“. It generates forecasted values based on the model generated by 60% of the input data. Lastly, csvTransform processes the generated file in order to report anomalies which are falling outside the range of lower and higher forecast value and breach the threshold calculated using MAD test on percentage of difference between actual and forecasted value.