

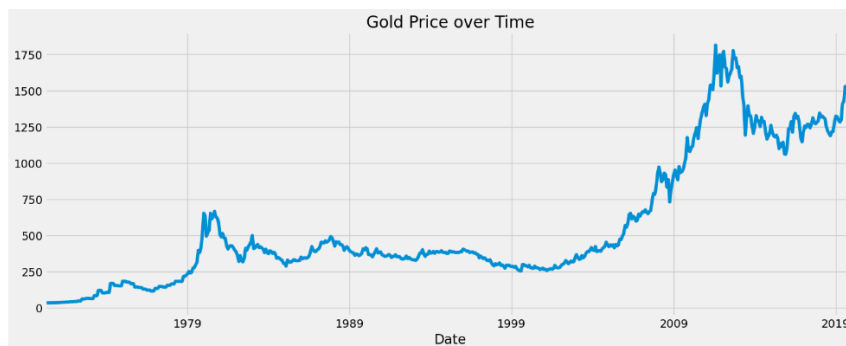
Forecasting the Price of Gold

Data Description:

Using time series data for 50 years of gold prices from 1970-2020, can we predict the price of gold in accurate manner.

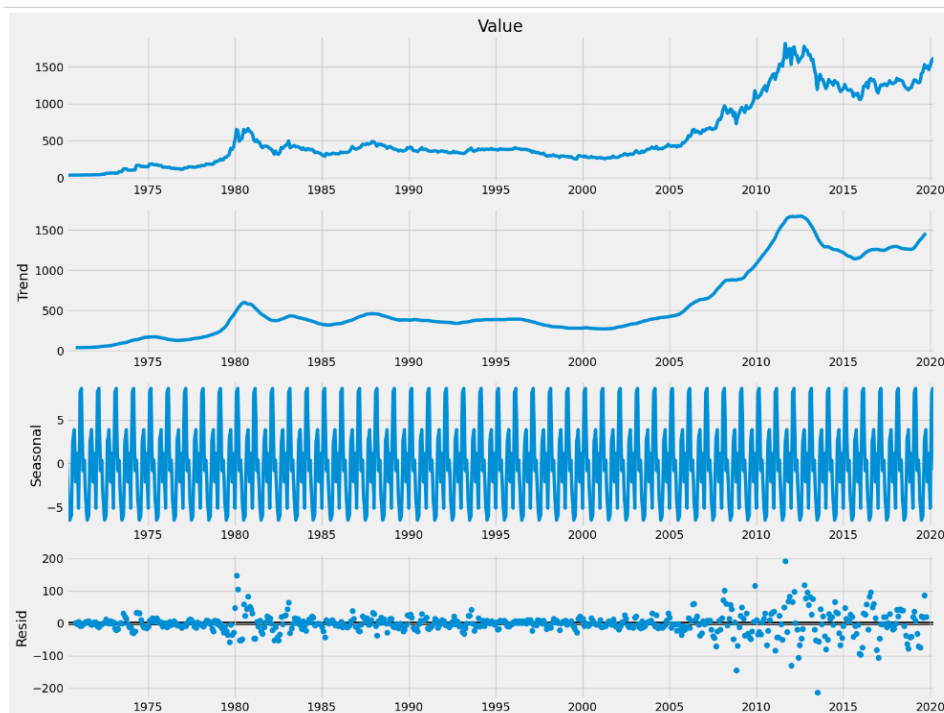
The dataset provided simply contains the date and the price of gold at that time.

Forecasting Process:

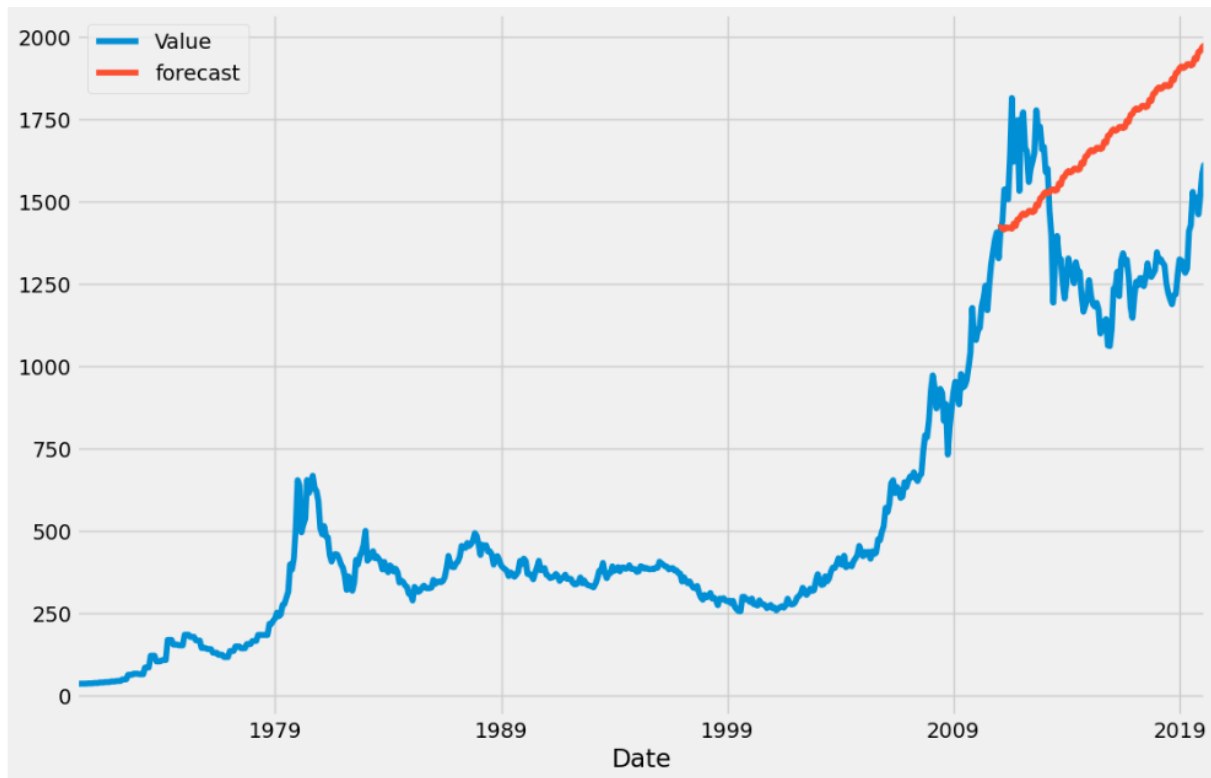


We see that gold price has increased significantly over time, yet periodically the price has dipped substantially. We see a clear trend up but there does not seem to be any seasonality displayed.

Seasonal Decomposition:



Model:



The model built clearly expected the price of gold to increase according to the established trend; unfortunately the price of gold is not so easy to predict and the model was not very accurate in its predictions.

Conclusions:

Gold price is not very easy to predict. Unforeseen economic situations can have a profound impact on its price and therefore a time series analysis was not very useful in being able to make accurate predictions over time.