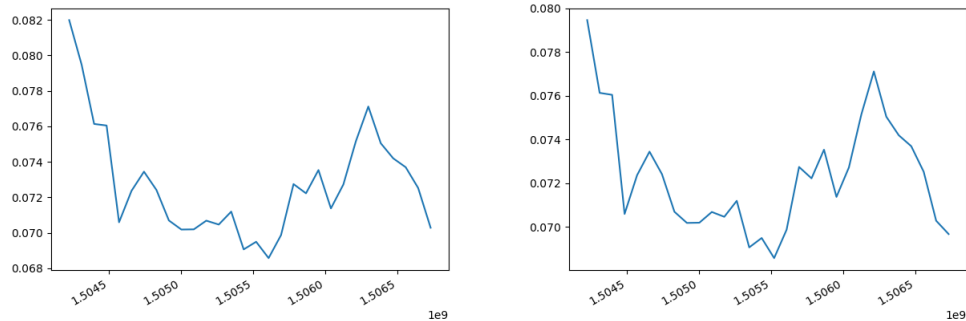# DataVentures Workshop 2

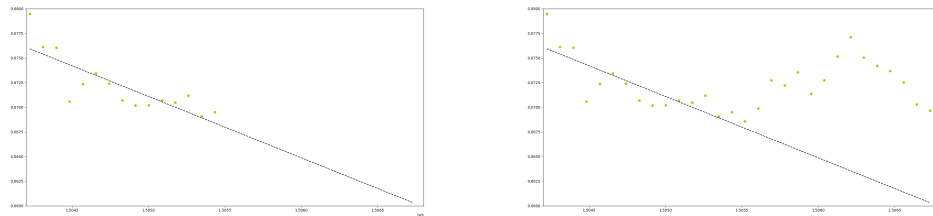Daran Zhao, Matthew Hase-Liu, Gerry Ascencio, Milan Bhandari

October 2017

Last week we looked at the conversion rates from ethereum to bitcoin on the kraken exchange. The graphs from Workshop 1 are shown below.
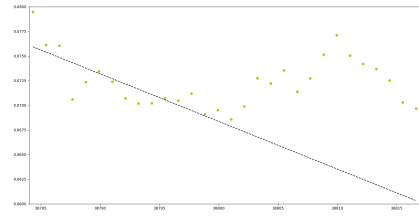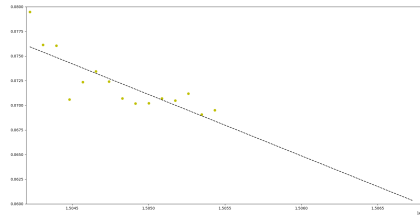
Graphs: Opening and Closing Exchange Rates — Ethereum to Bitcoin on the Kraken Exchange

We tried to use a linear regression on our closing price data (plotted conversion rates from ethereum to bitcoin against Unix epoch time), and turns out it provided a very bad estimate of future data (Standard Deviation = 0.126834741327):

As one can see, the linear regression fails to predict the jump up in conversion rates. To see if a transformation would help our predictions, we square rooted our x-values:

Our new standard deviation was 0.341344581714, arguably worse than before.

Perhaps we could have tried something else - neither square rooting the x-values (equivalent to squaring our y-values) nor the linear regression provided much assistance?