

DIPARTIMENTO DI SCIENZE STATISTICHE "PAOLO FORTUNATI"



5 - Introduction to Natural Language Processing

Giovanni Della Lunga

Halloween Conference in Quantitative Finance

Bologna - October 26-28, 2021

Subsection 1

Introduction
What is NPL (Natural Language Processing)?

Introduction

- Natural language is what people use to communicate with each other. Unlike formal languages (e.g. programming languages), which are defined by strict rules, natural language is flexible, contextual, and evolving.
- As a result, natural language is not as straightforward for a computer program to process as a script written in a language like Java, Python, or SQL.
- When we talk about Natural Language Processing (or NLP for short), we are talking about the ways in which we can use computers to process and interact with human language.

Introduction: What is NLP?

- Having an insight into what people are talking about can be very valuable to financial traders
- NLP is being used to track news, reports, comments about possible mergers between companies, everything can then be incorporated into a trading algorithm;
- Banks can determine what customers are saying about a service or product by identifying and extracting information in sources like social media.
- This sentiment analysis can provide a lot of information about customers choices and their decision drivers.

Subsection 2

The NLTK Package

O'REILLY'

NLTK Package

- The [Natural Language Toolkit](https://www.nltk.org/), or more commonly NLTK, is a suite of libraries and programs for symbolic and statistical natural language processing (NLP) for English written in the Python programming language.
- It was developed by Steven Bird and Edward Loper in the Department of Computer and Information Science at the University of Pennsylvania.

Natural Language Processing with ovthon)

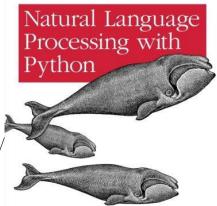
Analyzing Text with the Natural Language Toolkit

Steven Bird, Ewan Klein & Edward Lober

NLTK Package

- NLTK includes graphical demonstrations and sample data.
- It is accompanied by a book that explains the underlying concepts behind the language processing tasks supported by the toolkit, plus a text book available also on line [here](https://www.nltk.org/book/

Analyzing Text with the Natural Language Toolkit



O'REILLY'

Steven Bird, Ewan Klein & Edward Lober

NLTK Package

- The latest version is NLTK 3.3. It can be used by students, researchers, and industrialists. It is an Open Source and free library. It is available for Windows, Mac OS, and Linux.
- You can install nltk using pip installer if it is not installed in your Python installation. To test the installation:
- Open your Python IDE or the CLI interface (whichever you use normally)
- Type **import nltk** and press enter if no message of missing nltk is shown then nltk is installed on your computer.

NLTK Package

- A **CorpusReader** is a programmatic interface to read, seek, stream, and filter documents, and furthermore to expose data wrangling techniques like encoding and preprocessing for code that requires access to data within a corpus.
- A **CorpusReader** is instantiated by passing a root path to the directory that contains the corpus files, a signature for discovering document names, as well as a file encoding (by default, UTF-8).
- NLTK comes with a variety of corpus readers (66 at the time of this writing) that are specifically designed to access the text corpora and lexical resources that can be downloaded with NLTK.

Corpus Reader

PlaintextCorpusReader. A reader for corpora that consist of plain-text documents, where paragraphs are assumed to be split using blank lines.

'Final report on updated GL Funding Plans (EBA-GL-2019-05) 09122019.txt']

Corpus Reader

- TaggedCorpusReader. A reader for simple part-of-speech tagged corpora, where sentences are on their own line and tokens are delimited with their tag.
- BracketParseCorpusReader. A reader for corpora that consist of parenthesis-delineated parse trees.
- ChunkedCorpusReader. A reader for chunked (and optionally tagged) corpora formatted with parentheses.
- TwitterCorpusReader. A reader for corpora that consist of tweets that have been serialized into line-delimited JSON.
- WordListCorpusReader. List of words, one per line. Blank lines are ignored.
- XMLCorpusReader. A reader for corpora whose documents are XML files.
- CategorizedCorpusReader. A corpus readers whose documents are organized by category.

Subsection 3

Text Processing

Text Processing

- Removing Punctuation
- Converting to Lower Case
- Removing Numbers (?)

Preprocessing

- Tokenization Is the process of segmenting text into sentences and words.
- In essence, it is the task of cutting a text into pieces called tokens, and at the same time throwing away certain characters, such as punctuation.

```
Text

"The cat sat on the mat."

Tokens

"the", "cat", "sat", "on", "the", "mat", "."
```

Tokenization

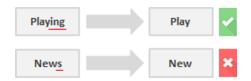
- In this process some very common words that appear to provide little or no value to the NLP objective are filtered and excluded from the text to be processed, hence removing widespread and frequent terms that are not informative about the corresponding text.
- Ex.: common language articles, pronouns and prepositions such as and, the or to in English.
- In many situations, stop words can be safely ignored by carrying out a lookup in a pre-defined list of keywords, freeing up database space and improving processing time.
- But this is not always the case.

Stop Words Removal

- Be aware that:
- There is no universal list of stop words!
- stop words removal can wipe out relevant information and modify the context in a given sentence.
- For example, if we are performing a sentiment analysis we might throw our algorithm off track if we remove a stop word like **not**.
- Under these conditions, you might select a minimal stop word list and add additional terms **depending on your specific objective**.

Stop Words Removal

- Refers to the process of slicing the end or the beginning of words with the intention of removing affixes (lexical additions to the root of the word).
- Affixes that are attached at the beginning of the word are called prefixes (e.g. astro in the word astrobiology) and the ones attached at the end of the word are called suffixes (e.g. ful in the word helpful).



Stemming

- Has the objective of reducing a word to its base form and grouping together different forms of the same word.
- For example, verbs in past tense are changed into present (e.g. went is changed to **go**) and synonyms are unified (e.g. **best** is changed to **good**), hence standardizing words with similar meaning to their root.
- Although it seems closely related to the stemming process, lemmatization uses a different approach to reach the root forms of words.

Lemmatization

- Lemmatization resolves words to their dictionary form (known as lemma) for which it requires detailed dictionaries in which the algorithm can look into and link words to their corresponding lemmas.
- For example, the words running, runs and ran are all forms of the word run, so run is the lemma of all the previous words.





Lemmatization

- lemmatization is a much more resource-intensive task than performing a stemming process.
- At the same time, since it requires more knowledge about the language structure than a stemming approach, it demands more computational power than setting up or adapting a stemming algorithm.

Example

- Using **05-natural-language**processing Notebook
- Par. 5.1-5.4



Subsection 4

Part-of-Speech (POS) Tagging

Part-of-Speech (POS) Tagging

- The process of classifying words into their parts of speech and labeling them accordingly is known as part-of-speech tagging or POS-tagging, or simply tagging.
- The part of speech explains how a word is used in a sentence

```
sentence = "My name is Giovanni"
token = nltk.word_tokenize(sentence)
token
['My', 'name', 'is', 'Giovanni']

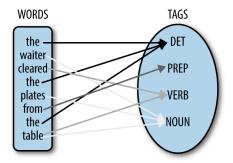
nltk.pos_tag(token)
[('My', 'PRP$'), ('name', 'NN'), ('is', 'VBZ'), ('Giovanni', 'NNP')]
```

- There are eight main parts of speech:
- nouns,
- pronouns,
- adjectives,
- verbs.
- adverbs.
- prepositions,
- conjunctions and
- interjections.



- Noun (N) : Daniel, London, table, dog, teacher, pen, city
- Verb (V): go, speak, run, eat, play, live, walk, have, like, are, is
- Adjective (ADJ): big, happy, green, young, fun, crazy, three
- Adverb (ADV): slowly, quietly, very, always, never, too, well, tomorrow
- Preposition (P): at, on, in, from, with, near, between, about, under
- Conjunction (CON): and, or, but, because, so, yet, unless, since, if
- Pronoun (PRO): I, you, we, they, he, she, it, me, us, them, him, her, this
- Interjection (INT): Ouch! Wow! Great! Help! Oh! Hey! Hi!

- The collection of tags used for a particular task is known as a Tagset.
- A part-of-speech tagger, or POS-tagger, processes a sequence of words, and attaches a part of speech tag to each word.



ΑT	article	RBR	comparative adverb
BEZ	the word <i>is</i>	TO	the word <i>to</i>
IN	preposition	VB	verb, base form
JJ	adjective	VBD	verb, past tense
JJR	comparative adjective	VBG	verb, present participle
MD	modal (<i>may, can,</i>)	VBN	verb, past participle
MN	singular or mass noun	VBP	verb, non 3d person
NNP	singular proper noun		singular present
NNS	plural noun	VBZ	verb, 3d person
PERIOD.:?!			singular present
PN	personal pronoun	WDT	wh-determiner (<i>what,</i>
RR	adverh		which)

Some POS Tags used in English

- Partial parsing: syntactic analysis
- **Information Extraction**: tagging and partial parsing help identify useful terms and relationships between them.
- Question Answering: analyzing a query to understand what type of entity the user is looking for and how it is related to other noun phrases mentioned in the question.

Example

- Using 05-natural-language-processing Notebook
- Par. 5.5

