#### Diamond Price Prediction Model

#### March 9, 2022

```
[1]: import sklearn
     import os
     import pandas as pd
     import numpy as np
     import shap
     import seaborn as sns
     import matplotlib.pyplot as plt
     from sklearn.preprocessing import OneHotEncoder, LabelEncoder
     import warnings
     warnings.filterwarnings("ignore")
     %matplotlib inline
[]:
[2]: #Load the Data
     diamonds = pd.read_csv("C:/Users/Owner/Downloads/wholesale_diamonds.csv")
[3]: #a short preview of our dataset setructure
     diamonds.head()
[3]:
                            cut color clarity depth table cost (dollars)
        index carat
                0.23
                          Ideal
                                           SI2
                                                 61.5
                                                        55.0
            0
                                     Ε
                                                                          326
     0
     1
            1
                0.23
                           Good
                                     Ε
                                           VS1
                                                 56.9
                                                        65.0
                                                                          327
                0.29
     2
            2
                        Premium
                                     Ι
                                           VS2
                                                 62.4
                                                        58.0
                                                                          334
     3
            3
                0.31
                           Good
                                     J
                                           SI2
                                                 63.3
                                                        58.0
                                                                          335
                0.24 Very Good
                                     J
                                          VVS2
                                                 62.8
                                                        57.0
                                                                          336
        length (mm)
                     width (mm)
                                 height (mm)
                                               year
                                               2010
               3.95
                           3.98
                                         2.43
     0
               4.05
                           4.07
                                         2.31
                                               2010
     1
     2
               4.20
                           4.23
                                         2.63
                                               2010
               4.34
     3
                           4.35
                                         2.75
                                               2010
     4
               3.94
                           3.96
                                         2.48 2010
```

# [4]: #a little more preview of the dataset diamonds.info()

<class 'pandas.core.frame.DataFrame'>
RangeIndex: 407280 entries, 0 to 407279
Data columns (total 12 columns):

#	Column	Non-Null Count	Dtype
0	index	407280 non-null	int64
1	carat	405232 non-null	float64
2	cut	407280 non-null	object
3	color	407280 non-null	object
4	clarity	407280 non-null	object
5	depth	407280 non-null	float64
6	table	407280 non-null	float64
7	<pre>cost (dollars)</pre>	407280 non-null	int64
8	length (mm)	407280 non-null	float64
9	width (mm)	407280 non-null	float64
10	height (mm)	407280 non-null	float64
11	year	407280 non-null	int64
dtyp	es: float64(6),	int64(3), object(	3)
memo	ry usage: 37.3+	MB	

Noticed that the index column is unnecessary and need to to drop

```
[5]: #drop the index column
diamonds = diamonds.drop(columns={"index"})
```

#### [6]: diamonds.info()

<class 'pandas.core.frame.DataFrame'>
RangeIndex: 407280 entries, 0 to 407279
Data columns (total 11 columns):

#	Column	Non-Null Count	Dtype
0	carat	405232 non-null	float64
1	cut	407280 non-null	object
2	color	407280 non-null	object
3	clarity	407280 non-null	object
4	depth	407280 non-null	float64
5	table	407280 non-null	float64
6	<pre>cost (dollars)</pre>	407280 non-null	int64
7	length (mm)	407280 non-null	float64
8	width (mm)	407280 non-null	float64
9	height (mm)	407280 non-null	float64
10	year	407280 non-null	int64
dtvp	es: float64(6).	int64(2), object(	3)

```
memory usage: 34.2+ MB
```

diamonds.isnull().sum()

```
[7]: #Renaming the columns name
      #columns:Cost,Length,Width and height and summarize statistics
      diamonds.rename(columns = {'cost (dollars)':'price', 'length (mm)':'x', 'widthu
       diamonds.describe()
 [7]:
                     carat
                                     depth
                                                    table
                                                                   price
      count
             405232.000000
                            407280.000000
                                            407280.000000
                                                           407280.000000
                  0.797742
                                 61.747793
                                                57.457113
                                                             4372.968506
     mean
                                 1.434209
      std
                  0.474774
                                                 2.239837
                                                             4503.620949
     min
                  0.200000
                                43.000000
                                                43.000000
                                                             -998.000000
      25%
                  0.400000
                                 61.000000
                                                56.000000
                                                             1043.000000
      50%
                  0.700000
                                 61.800000
                                                57.000000
                                                             2655.000000
      75%
                  1.040000
                                 62.500000
                                                59.000000
                                                             5960.000000
                  4.130000
                                79.000000
                                                95.000000
                                                            26930.000000
      max
                         Х
                                                        z
                                                                     year
                                         У
             407280.000000
                            407280.000000
                                            407280.000000
                                                           407280.000000
      count
                  5.730165
                                  5.732369
                                                 3.538519
                                                             2015.500000
      mean
      std
                  1.122960
                                  1.114266
                                                 0.712168
                                                                3.452057
     min
                  0.000000
                                 0.00000
                                                 0.000000
                                                             2010.000000
      25%
                  4.710000
                                 4.720000
                                                 2.910000
                                                             2012.750000
      50%
                                 5.710000
                                                 3.520000
                                                             2015.500000
                  5.690000
      75%
                  6.530000
                                 6.530000
                                                 4.030000
                                                             2018.250000
                                 10.100000
     max
                 10.140000
                                                31.800000
                                                             2021.000000
 [8]: # Price is int64, best if all numeric attributes have the same datatype,
       →especially as float64
      diamonds["price"] = diamonds["price"].astype(float)
 [9]: #preview the data set again
      diamonds.head()
                                                 table
 [9]:
         carat
                      cut color clarity
                                          depth
                                                        price
                                                                                  year
                                                                  X
                                                                         у
          0.23
                              Ē
                                     SI2
                                           61.5
                                                  55.0
                                                        326.0
                                                               3.95
                                                                                  2010
      0
                    Ideal
                                                                     3.98
                                                                            2.43
      1
          0.23
                     Good
                              Ε
                                     VS1
                                           56.9
                                                  65.0
                                                        327.0
                                                               4.05 4.07
                                                                            2.31
                                                                                  2010
      2
          0.29
                  Premium
                              Ι
                                     VS2
                                           62.4
                                                  58.0
                                                        334.0
                                                               4.20
                                                                     4.23
                                                                           2.63
                                                                                  2010
                                    SI2
      3
          0.31
                     Good
                              J
                                           63.3
                                                  58.0
                                                        335.0
                                                               4.34
                                                                     4.35
                                                                            2.75
                                                                                  2010
          0.24
                Very Good
                               J
                                    VVS2
                                           62.8
                                                  57.0
                                                        336.0
                                                               3.94
                                                                     3.96
                                                                           2.48
                                                                                  2010
     0.0.1 Cleaning the Data
[10]: #check if we have a null value
```

```
[10]: carat
                   2048
      cut
                      0
      color
                      0
      clarity
                      0
      depth
                      0
      table
                      0
      price
                      0
      х
                      0
                      0
      у
      Z
                      0
                      0
      year
      dtype: int64
```

Noticed there are 2048 null values in Carat. They need to be dropped

```
[11]: #Drop the null values diamonds = diamonds.dropna(axis = 0, how='any')
```

```
[12]: #check if the null values are removed or not diamonds.isnull().sum()
```

```
[12]: carat
                   0
      cut
                   0
      color
                   0
      clarity
                   0
      depth
                   0
      table
                   0
                   0
      price
      X
                   0
                   0
      у
                   0
      z
                   0
      year
      dtype: int64
```

```
[13]: diamonds.isnull().values.any()
```

#### [13]: False

WE Noticed there are negative values in price. They need to dropped to 0

```
[14]: #drop negaticve values to 0
diamonds.drop(diamonds[diamonds['price'] <= 0].index, inplace = True)
diamonds.describe()</pre>
```

```
[14]:
                                    depth
                                                                   price \
                     carat
                                                    table
      count 403192.000000 403192.000000
                                           403192.000000 403192.000000
      mean
                  0.797700
                                61.747838
                                                57.457640
                                                             4397.571519
      std
                  0.474791
                                 1.434470
                                                 2.240196
                                                             4501.692426
     min
                  0.200000
                                43.000000
                                                43.000000
                                                              304.000000
```

```
25%
                  0.400000
                                 61.000000
                                                 56.000000
                                                               1053.000000
      50%
                  0.700000
                                 61.800000
                                                 57.000000
                                                               2677.500000
      75%
                  1.040000
                                 62.500000
                                                 59.000000
                                                               5983.000000
                  4.130000
                                 79.000000
                                                 95.000000
                                                              26930.000000
      max
                                                                     year
                          х
                                                        z
             403192.000000
                             403192.000000
                                                           403192.000000
                                            403192.00000
      count
      mean
                  5.730006
                                  5.732210
                                                  3.53842
                                                              2015.500243
      std
                  1.123061
                                  1.114364
                                                  0.71237
                                                                 3.452026
      min
                                  0.000000
                                                  0.00000
                                                              2010.000000
                  0.000000
      25%
                  4.710000
                                  4.720000
                                                  2.91000
                                                              2013.000000
      50%
                  5.690000
                                  5.710000
                                                  3.52000
                                                              2016.000000
      75%
                  6.530000
                                  6.530000
                                                  4.03000
                                                              2019.000000
      max
                 10.140000
                                 10.100000
                                                 31.80000
                                                              2021.000000
[15]:
     diamonds.shape
[15]: (403192, 11)
[16]: | diamonds = diamonds.drop(columns={"year"})
[17]: diamonds.info()
     <class 'pandas.core.frame.DataFrame'>
     Int64Index: 403192 entries, 0 to 407279
     Data columns (total 10 columns):
                    Non-Null Count
      #
          Column
                                      Dtype
          -----
                    _____
      0
                    403192 non-null
                                     float64
          carat
      1
          cut
                    403192 non-null
                                      object
      2
                    403192 non-null
                                      object
          color
      3
          clarity
                    403192 non-null
                                      object
      4
          depth
                    403192 non-null
                                     float64
```

5 table 403192 non-null float64 6 price 403192 non-null float64 7 float64 х 403192 non-null 8 403192 non-null float64 у 9 float64 403192 non-null dtypes: float64(7), object(3)

memory usage: 33.8+ MB

#### [18]: diamonds.head()

[18]:	carat	cut	color	clarity	depth	table	price	X	У	Z
0	0.23	Ideal	E	SI2	61.5	55.0	326.0	3.95	3.98	2.43
1	0.23	Good	E	VS1	56.9	65.0	327.0	4.05	4.07	2.31
2	0.29	Premium	I	VS2	62.4	58.0	334.0	4.20	4.23	2.63
3	0.31	Good	J	SI2	63.3	58.0	335.0	4.34	4.35	2.75

```
4 0.24 Very Good J VVS2 62.8 57.0 336.0 3.94 3.96 2.48
```

```
[19]: diamonds.shape
```

[19]: (403192, 10)

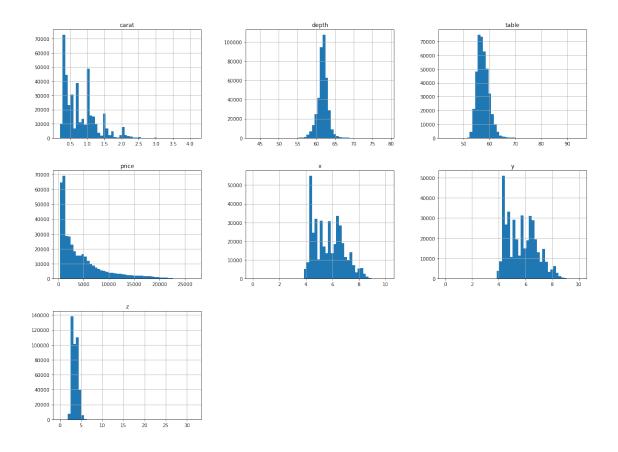
#### 0.0.2 Exploring and Visualization the data

It's easier to work a dataset when all its attributes are numerical. The cut, color and clarity attributes are non-numeric (They are objects). We still have to convert them to be numerical. Let's find out what categories exist for each of them.

```
[20]: # The diamond cut categories
      diamonds["cut"].value_counts()
[20]: Ideal
                    161196
      Premium
                    102668
      Very Good
                     90813
      Good
                     36701
      Fair
                     11814
      Name: cut, dtype: int64
[21]: #The diamond color categories
      diamonds["color"].value_counts()
[21]: G
           85245
      Ε
           72607
      F
           70154
      Η
           63045
      D
           50803
      Ι
           40276
      J
           21062
      Name: color, dtype: int64
[22]: # The diamond clarity categories
      diamonds["clarity"].value_counts()
[22]: SI1
              97900
      VS2
              91040
      SI2
              69326
      VS1
              60653
      VVS2
              37631
      VVS1
              28089
      ΙF
              13083
      T1
               5470
      Name: clarity, dtype: int64
```

Let's take a preview of the summary of the numerical attributes and then an histogram on the dataset.

```
[23]: # Summary of each numerical attribute
      diamonds.describe()
[23]:
                      carat
                                     depth
                                                     table
                                                                     price \
                             403192.000000
                                                             403192.000000
             403192.000000
                                             403192.000000
      count
                  0.797700
                                 61.747838
                                                               4397.571519
      mean
                                                 57.457640
      std
                  0.474791
                                  1.434470
                                                  2.240196
                                                               4501.692426
      min
                  0.200000
                                 43.000000
                                                 43.000000
                                                                304.000000
      25%
                   0.400000
                                 61.000000
                                                 56.000000
                                                               1053.000000
      50%
                  0.700000
                                 61.800000
                                                 57.000000
                                                               2677.500000
      75%
                   1.040000
                                 62.500000
                                                 59.000000
                                                               5983.000000
      max
                  4.130000
                                 79.000000
                                                 95.000000
                                                              26930.000000
             403192.000000
                             403192.000000
                                             403192.00000
      count
                                  5.732210
                                                  3.53842
      mean
                   5.730006
      std
                   1.123061
                                  1.114364
                                                  0.71237
      min
                  0.000000
                                  0.000000
                                                  0.00000
      25%
                  4.710000
                                  4.720000
                                                  2.91000
      50%
                  5.690000
                                  5.710000
                                                  3.52000
      75%
                   6.530000
                                  6.530000
                                                  4.03000
      max
                 10.140000
                                 10.100000
                                                 31.80000
[24]:
     diamonds.to_csv("C:/Users/Owner/Desktop/diamond_set/new_diamonds.csv")
[25]: diamonds.hist(bins = 50, figsize = (20, 15))
      plt.show()
```



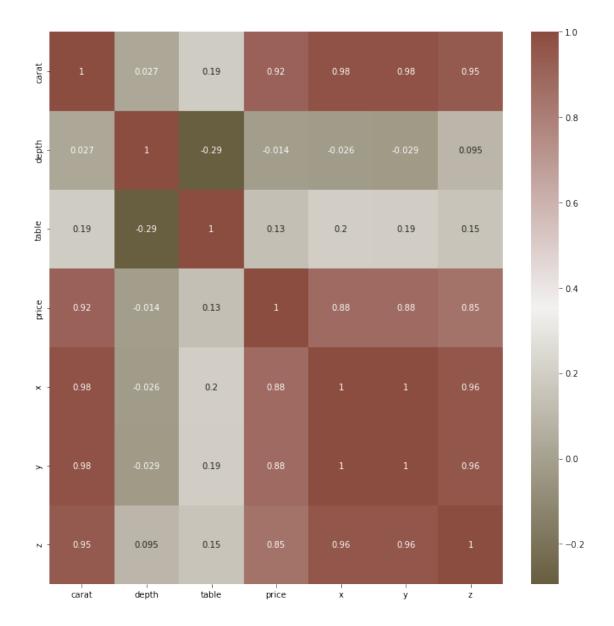
#### 0.0.3 Understanding the correlation between variables

We have learned that to avoid a sampling bias, it is a good practice to perform stratified sampling. Stratified sampling is a technique that divides the dataset into homogeneous subgroups called strata. To use this, we need a right attribute of the dataset to predict the price. To get the right attribute, we need to pick an attribute most correlated to price. To select the correct attribute, we use the standard correlation coefficient

```
[26]: # Create a correlation matrix between every pair of attributes
corr_matrix = diamonds.corr()

# Plot the correlation with seaborn
cmap = sns.diverging_palette(70,20,s=50, l=40, n=6,as_cmap=True)
corrmat= diamonds.corr()
f, ax = plt.subplots(figsize=(12,12))
sns.heatmap(corrmat,cmap=cmap,annot=True, )
```

[26]: <AxesSubplot:>



Carat has the strongest correlation with price with the number of  $0.92~\mathrm{X,y,z}$  also have strong correlations with price depth and table have the weakest correlation with price

## [27]: diamonds.corr()

[27]:		carat	depth	table	price	х	у	z
	carat	1.000000	0.027497	0.188253	0.915346	0.976104	0.975667	0.946206
	depth	0.027497	1.000000	-0.294142	-0.013748	-0.025652	-0.028533	0.094620
	table	0.188253	-0.294142	1.000000	0.134365	0.200761	0.194485	0.153990
	price	0.915346	-0.013748	0.134365	1.000000	0.880170	0.882150	0.849546
	x	0.976104	-0.025652	0.200761	0.880170	1.000000	0.998137	0.962398
	V	0.975667	-0.028533	0.194485	0.882150	0.998137	1.000000	0.961687

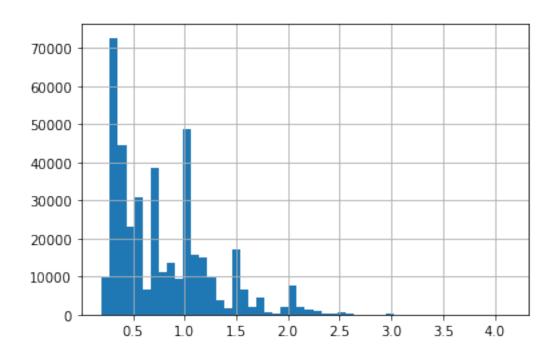
z 0.946206 0.094620 0.153990 0.849546 0.962398 0.961687 1.000000

[28]:	diamon	ds.describe()				
[28]:		carat	depth	table	price	\
	count	403192.000000	403192.000000	403192.000000	403192.000000	
	mean	0.797700	61.747838	57.457640	4397.571519	
	std	0.474791	1.434470	2.240196	4501.692426	
	min	0.200000	43.000000	43.000000	304.000000	
	25%	0.400000	61.000000	56.000000	1053.000000	
	50%	0.700000	61.800000	57.000000	2677.500000	
	75%	1.040000	62.500000	59.000000	5983.000000	
	max	4.130000	79.000000	95.000000	26930.000000	
		x	у	z		
	count	403192.000000	403192.000000	403192.00000		
	mean	5.730006	5.732210	3.53842		
	std	1.123061	1.114364	0.71237		
	min	0.000000	0.000000	0.00000		
	25%	4.710000	4.720000	2.91000		
	50%	5.690000	5.710000	3.52000		
	75%	6.530000	6.530000	4.03000		
	max	10.140000	10.100000	31.80000		

We see that carat correlates best with price. Its score is pretty high! Now we use this for our Stratified Sampling.

Let's take a closer look at the carat's histogram.

```
[29]: diamonds["carat"].hist(bins = 50)
plt.show()
```



[30]:	diamon	ds.describe()				
[30]:		carat	depth	table	price	\
	count	403192.000000	403192.000000	403192.000000	403192.000000	
	mean	0.797700	61.747838	57.457640	4397.571519	
	std	0.474791	1.434470	2.240196	4501.692426	
	min	0.200000	43.000000	43.000000	304.000000	
	25%	0.400000	61.000000	56.000000	1053.000000	
	50%	0.700000	61.800000	57.000000	2677.500000	
	75%	1.040000	62.500000	59.000000	5983.000000	
	max	4.130000	79.000000	95.000000	26930.000000	
		x	У	z		
	count	403192.000000	403192.000000	403192.00000		
	mean	5.730006	5.732210	3.53842		
	std	1.123061	1.114364	0.71237		
	min	0.000000	0.000000	0.00000		
	25%	4.710000	4.720000	2.91000		
	50%	5.690000	5.710000	3.52000		
	75%	6.530000	6.530000	4.03000		
	max	10.140000	10.100000	31.80000		

[31]: # Divide the diamond carats by 0.4 to limit the number of carat categories # Round up to have discrete categories diamonds["carat\_cat"] = np.ceil(diamonds["carat"] / 0.35)

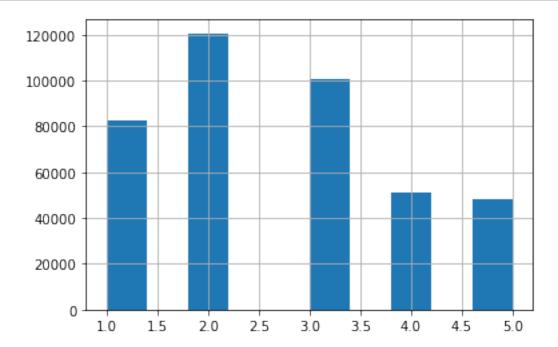
```
# Merge categories > 5 in 5
diamonds["carat_cat"].where(diamonds["carat_cat"] < 5, 5.0, inplace = True)</pre>
```

[32]: # Check the distribution of the diamonds in the categories diamonds["carat\_cat"].value\_counts()

[32]: 2.0 120609
3.0 100673
1.0 82624
4.0 50871
5.0 48415

Name: carat\_cat, dtype: int64

# [33]: diamonds["carat\_cat"].hist() plt.show()



```
[34]: # Import the sklearn module
from sklearn.model_selection import StratifiedShuffleSplit

# Run the split. Creates on split and shares 20% of the dataset for the test set
split = StratifiedShuffleSplit(n_splits = 1, test_size = 0.2, random_state = 42)

# Separate the stratified train set and the test set
for x_train,x_test in split.split(diamonds, diamonds["carat_cat"]):
    strat_train_set = diamonds.iloc[x_train]
    strat_test_set = diamonds.iloc[x_test]
```

```
[35]: for set in (strat_train_set, strat_test_set):
    set.drop(["carat_cat"], axis = 1, inplace = True)
```

```
[36]: # Redefined diamonds dataset
diamonds = strat_train_set.copy()
diamonds.head()
```

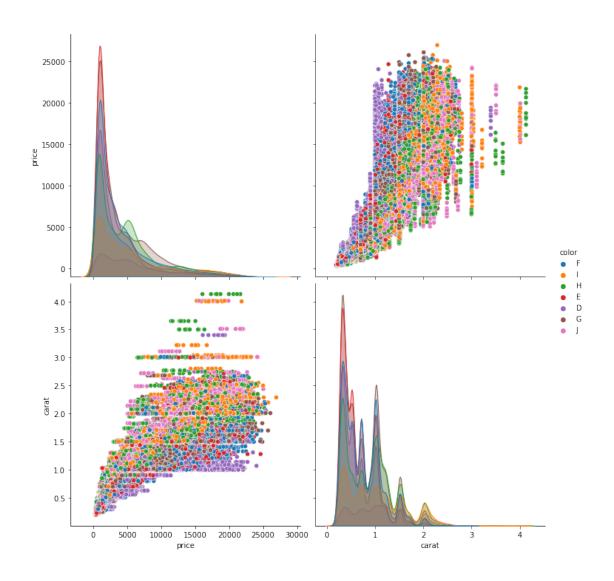
```
[36]:
                          cut color clarity depth
                                                    table
             carat
                                                            price
                                                                            У
      79064
              1.09
                                  F
                                        VS2
                                              61.2
                                                     56.0 7616.0
                                                                   6.68
                                                                               4.08
                         Ideal
                                                                         6.65
      80834
              1.50 Very Good
                                        VS2
                                                                   7.38
                                                                         7.35 4.43
                                  Ι
                                              60.1
                                                     60.0 9339.0
      106815
              1.19
                      Premium
                                  Η
                                        SI2
                                              61.9
                                                     58.0 4525.0
                                                                   6.84
                                                                         6.77
                                                                               4.21
              0.75
      269312
                      Premium
                                  Ι
                                        SI1
                                              62.0
                                                     60.0 2744.0
                                                                   5.80
                                                                         5.75
                                                                               3.57
      8251
              1.21
                      Premium
                                  Η
                                        VS2
                                              60.8
                                                     62.0 5461.0 6.82 6.78 4.13
```

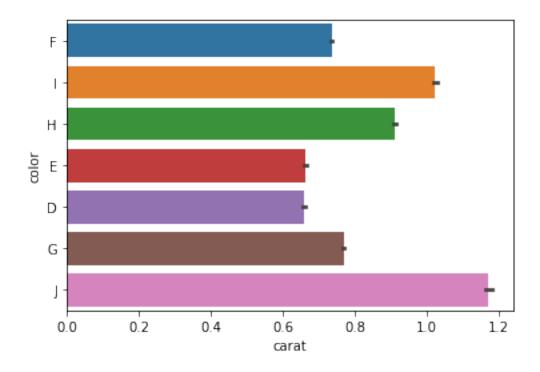
We can now perform a Stratified Sampling based on the carat categories : I will use Scikit-Learn's StratifiedShuffleSplit class.

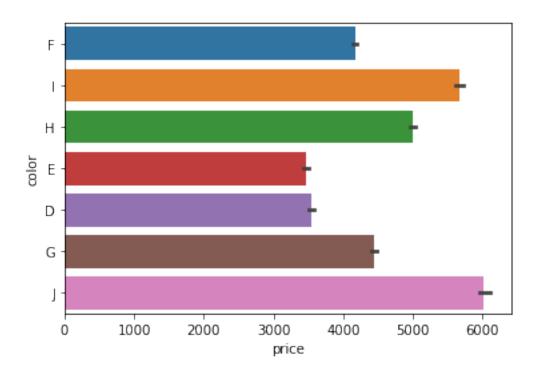
#### 0.1 Data Visualization

#### 0.1.1 Let's play arround with visualization of the data set

```
[37]: sns.pairplot(diamonds[["price", "carat", "color"]], hue = "color", height = 5)
  plt.show()
  sns.barplot(x = "carat", y = "color", data = diamonds)
  plt.show()
  sns.barplot(x = "price", y = "color", data = diamonds)
  plt.show()
```

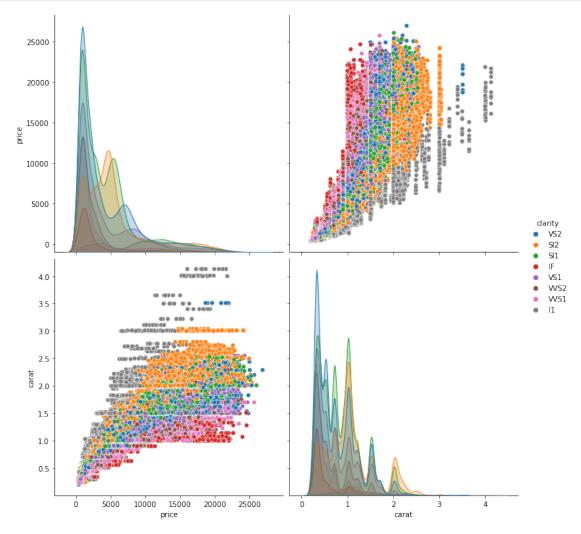


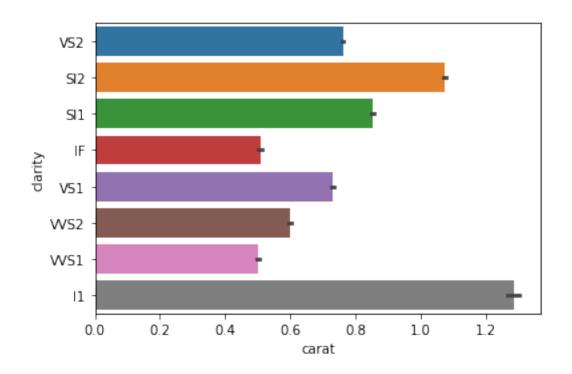


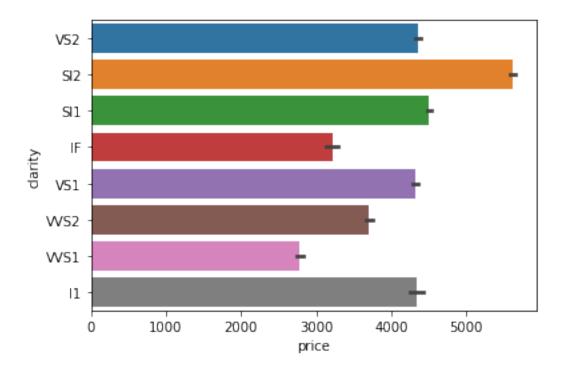


```
[38]: sns.pairplot(diamonds[["price", "carat", "clarity"]], hue = "clarity", height =_{\sqcup} \hookrightarrow5)
```

```
plt.show()
sns.barplot(x = "carat", y = "clarity", data = diamonds)
plt.show()
sns.barplot(x = "price", y = "clarity", data = diamonds)
plt.show()
```

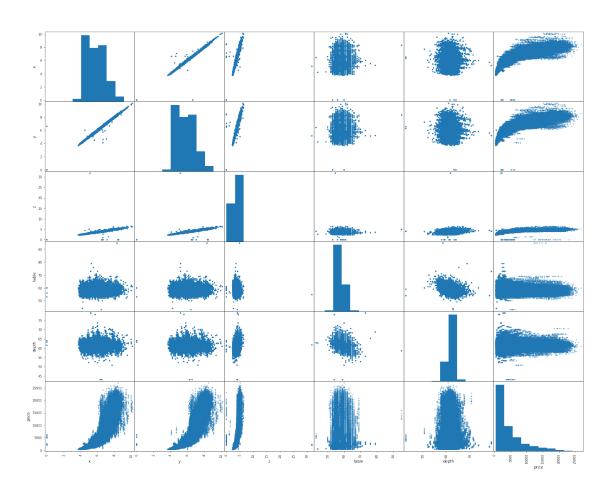






### [39]: diamonds.describe()

```
[39]:
                                      depth
                                                     table
                                                                     price
                      carat
                             322553.000000
                                             322553.000000
                                                             322553.000000
      count
             322553.000000
      mean
                                 61.748797
                                                 57.458247
                                                               4396.330634
                   0.797825
      std
                   0.474806
                                   1.434381
                                                  2.239518
                                                               4496.460572
      min
                                 43.000000
                                                 43.000000
                   0.200000
                                                                304.000000
      25%
                   0.400000
                                 61.000000
                                                 56.000000
                                                               1054.000000
      50%
                   0.700000
                                 61.800000
                                                 57.000000
                                                               2680.000000
      75%
                   1.040000
                                 62.500000
                                                 59.000000
                                                               5984.000000
                   4.130000
                                 79.000000
                                                 95.000000
                                                              26930.000000
      max
                                                          z
                          Х
                                          У
             322553.000000
                             322553.000000
                                             322553.000000
      count
                                  5.732535
                                                  3.538676
      mean
                   5.730354
      std
                                                  0.713041
                   1.122976
                                   1.114397
      min
                   0.000000
                                  0.00000
                                                  0.00000
      25%
                   4.710000
                                  4.720000
                                                  2.910000
      50%
                   5.690000
                                  5.710000
                                                  3.520000
      75%
                   6.530000
                                   6.530000
                                                  4.030000
      max
                  10.140000
                                 10.100000
                                                 31.800000
[40]: diamonds.head()
[40]:
              carat
                            cut color clarity
                                                depth table
                                                                price
                                                                                       z
                                                                                 У
               1.09
                                    F
                                           VS2
                                                 61.2
                                                         56.0
                                                               7616.0
      79064
                          Ideal
                                                                       6.68
                                                                              6.65
                                                                                    4.08
                                     Ι
                                                 60.1
                                                         60.0
      80834
               1.50
                     Very Good
                                           VS2
                                                               9339.0
                                                                       7.38
                                                                              7.35
                                                                                    4.43
      106815
               1.19
                        Premium
                                    Η
                                           SI2
                                                 61.9
                                                         58.0 4525.0
                                                                       6.84
                                                                              6.77
                                                                                    4.21
                        Premium
                                                               2744.0
                                                                       5.80
      269312
               0.75
                                     Ι
                                           SI1
                                                 62.0
                                                         60.0
                                                                              5.75
                                                                                    3.57
               1.21
      8251
                        Premium
                                     Η
                                           VS2
                                                 60.8
                                                         62.0 5461.0
                                                                       6.82
                                                                              6.78 4.13
[41]:
      diamonds.to_csv("C:/Users/Owner/Desktop/diamond_set/new_diamond.csv")
[42]: from pandas.plotting import scatter_matrix
      attributes = ["x", "y", "z", "table", "depth", "price"]
      scatter_matrix(diamonds[attributes], figsize=(25, 20))
      plt.show()
```



```
[43]: # Do not stratify the label
     diamonds = strat_train_set.drop("price", axis = 1)
     # Set a new dataset label variable
     diamond_labels = strat_train_set["price"].copy()
     # Drop all the category, so we could have only numeric
     diamonds_num = diamonds.drop(["cut", "color", "clarity"], axis = 1)
     diamonds_num.head()
[43]:
             carat
                    depth table
                                     Х
                                           у
                                                 z
     79064
              1.09
                     61.2
                            56.0 6.68 6.65 4.08
              1.50
     80834
                     60.1
                            60.0 7.38 7.35
                                             4.43
```

```
[44]: from sklearn.preprocessing import StandardScaler
```

60.0 5.80 5.75 3.57

62.0 6.82 6.78 4.13

61.9 58.0 6.84 6.77

106815

269312

8251

1.19

0.75

1.21

62.0

60.8

4.21

```
# Perform the feature scaling on the numeric attributes of the dataset
     num scaler = StandardScaler()
     diamonds_num_scaled = num_scaler.fit_transform(diamonds_num)
      # Preview
     pd.DataFrame(diamonds_num_scaled).head()
[44]:
               0
                         1
                                   2
                                             3
                                                       4
                                                                 5
     0 0.615358 -0.382603 -0.651144 0.845652 0.823285
                                                         0.759178
     1 1.478870 -1.149485 1.134957 1.468997 1.451428
                                                         1.250035
     2 0.825971 0.105414 0.241906 0.988131 0.930967
                                                          0.941496
     3 -0.100725 0.175130 1.134957 0.062019 0.015672 0.043931
     4 0.868094 -0.661469 2.028008 0.970321 0.939940 0.829301
     0.1.2 Build prediction model based on multiple features
[45]: from sklearn.preprocessing import StandardScaler
      # Perform the feature scaling on the numeric attributes of the dataset
     num_scaler = StandardScaler()
     diamonds_num_scaled = num_scaler.fit_transform(diamonds_num)
      # Preview
     pd.DataFrame(diamonds_num_scaled).head()
[45]:
                                   2
                                             3
                                                       4
                                                                 5
     0 0.615358 -0.382603 -0.651144 0.845652 0.823285
                                                         0.759178
     1 1.478870 -1.149485 1.134957 1.468997 1.451428
                                                         1.250035
     2 0.825971 0.105414 0.241906 0.988131 0.930967
                                                          0.941496
     3 -0.100725 0.175130 1.134957 0.062019 0.015672 0.043931
     4 0.868094 -0.661469 2.028008 0.970321 0.939940 0.829301
[46]: #Handling Catagorical Variables
      # We need only the category attributes to work with here
     diamonds_cat = diamonds[["cut", "color", "clarity"]]
     diamonds_cat.head()
[46]:
                   cut color clarity
     79064
                 Ideal
                           F
                                 VS2
     80834
             Very Good
                                 VS2
                           Ι
     106815
               Premium
                           Η
                                 SI2
     269312
               Premium
                           Ι
                                 SI1
     8251
               Premium
                           Н
                                 VS2
[47]: from sklearn.preprocessing import OneHotEncoder
      # Perform the one-hot encoding on the category attributes of the dataset
```

```
cat_encoder = OneHotEncoder()
     diamonds_cat_encoded = cat_encoder.fit_transform(diamonds_cat)
      # Convert the encoded categories to arrays and Preview
     pd.DataFrame(diamonds_cat_encoded.toarray()).head()
[47]:
         0
              1
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                        3
                             4
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                                                8
                                                     9
                                                          10
                                                               11
                                                                    12
                                                                         13
                                                                              14 \
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     1
                                                         1.0
                                                              0.0
                                                                            0.0
     2 0.0 0.0 0.0
                       1.0 0.0 0.0
                                     0.0 0.0
                                               0.0 1.0
                                                         0.0
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                       1.0 0.0 0.0 0.0 0.0 0.0
                                                    0.0
                                                         1.0
                                                              0.0
                                                                   0.0 0.0
                                                                             1.0
     4 0.0
             0.0
                  0.0 1.0 0.0 0.0 0.0 0.0 0.0 1.0
                                                         0.0 0.0 0.0 0.0
                                                                            0.0
                             19
         15
              16
                   17
                        18
       0.0 0.0
                  1.0
                       0.0
                           0.0
     1 0.0 0.0 1.0 0.0 0.0
     2 1.0 0.0 0.0
                       0.0 0.0
     3 0.0 0.0 0.0
                       0.0 0.0
                  1.0 0.0 0.0
     4 0.0 0.0
[48]: from sklearn.compose import ColumnTransformer
     num_attribs = list(diamonds_num)
     cat_attribs = ["cut", "color", "clarity"]
      # Pipeline to transform our dataset
     pipeline = ColumnTransformer([
         ("num", StandardScaler(), num_attribs), # Perform feaured scaling on_
      \rightarrownumeric attributes
          ("cat", OneHotEncoder(), cat_attribs) # Perform One-Hot encoding on the
      \hookrightarrow category attributes
     ])
[49]: # Transformed dataset to feed the ML Algorithm
     diamonds ready = pipeline.fit transform(diamonds)
      # Preview
     pd.DataFrame(diamonds_ready).head()
[49]:
                                           3
                                                                    6
                                                                              8
     0 0.615358 -0.382603 -0.651144
                                     0.845652 0.823285
                                                         0.759178
                                                                  0.0
                                                                       0.0
                                                                             1.0
     1 1.478870 -1.149485 1.134957
                                     1.468997 1.451428
                                                         1.250035
                                                                   0.0 0.0
                                                                            0.0
     2 0.825971 0.105414 0.241906 0.988131 0.930967
                                                         0.941496
                                                                  0.0
                                                                       0.0
                                                                            0.0
     3 -0.100725 0.175130 1.134957
                                     0.062019 0.015672
                                                         0.043931 0.0 0.0
                                                                            0.0
     4 0.868094 -0.661469 2.028008 0.970321 0.939940 0.829301 0.0 0.0 0.0
         9
                                     20
                                          21
                                              22
                                                        24
                                                             25
                 16
                      17
                           18
                                19
                                                   23
```

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      0.0
      0.0
```

[5 rows x 26 columns]

```
[50]: from sklearn.metrics import mean_squared_error
      from sklearn.model_selection import cross_val_score
      from random import randint
      # Our test set
      # Remove target feature from test set
      X_test = strat_test_set.drop("price", axis = 1)
      # Have stand alone features
      y_test = strat_test_set["price"].copy()
      # Our models performance holder
      models rmse = [] # Holds Models originalMSE
      cvs rmse mean = [] # Holds the Cross Validation RMSE Mean
      tests_rmse = [] # Holds the tests RMSE
      tests_accuracy = [] # Holds the tests accuracy
      models = [] # Holds the models name
      def display_model_performance(model_name, model, diamonds = diamonds_ready,_u
      →labels = diamond_labels,
                                    models_rmse = models_rmse, cvs_rmse_mean =_
       cvs_rmse_mean, tests_rmse = tests_rmse,
                                    tests_accuracy = tests_accuracy, pipeline =_{\sqcup}
       →pipeline, X_test = X_test,
                                    y_test = y_test, cv = True):
           # Fit dataset in model
          model.fit(diamonds, labels)
          # Setup predictions
          predictions = model.predict(diamonds)
          # Get models performance
          model_mse = mean_squared_error(labels, predictions)
          model_rmse = np.sqrt(model_mse)
          # Cross validation
          cv_score = cross_val_score(model, diamonds, labels, scoring =_

¬"neg_mean_squared_error", cv = 10)
```

```
cv_rmse = np.sqrt(-cv_score)
cv_rmse_mean = cv_rmse.mean()
print("RMSE: %.4f" %model_rmse)
models_rmse.append(model_rmse)
print("CV-RMSE: %.4f" %cv_rmse_mean)
cvs_rmse_mean.append(cv_rmse_mean)
print("--- Test Performance ---")
X_test_prepared = pipeline.transform(X_test)
 # Fit test dataset in model
model.fit(X_test_prepared, y_test)
# Setup test predictions
test_predictions = model.predict(X_test_prepared)
# Get models performance on test
test_model_mse = mean_squared_error(y_test, test_predictions)
test_model_rmse = np.sqrt(test_model_mse)
print("RMSE: %.4f" %test model rmse)
tests_rmse.append(test_model_rmse)
# Tests accuracy
test_accuracy = round(model.score(X_test_prepared, y_test) * 100, 2)
print("Accuracy:", str(test_accuracy)+"%")
tests_accuracy.append(test_accuracy)
# Check how well model works on Test set by comparing prices
start = randint(1, len(y_test))
some_data = X_test.iloc[start:start + 7]
some_labels = y_test.iloc[start:start + 7]
some_data_prepared = pipeline.transform(some_data)
print("Predictions:\t", model.predict(some_data_prepared))
print("Labels:\t\t", list(some_labels))
models.append(model_name)
# Preview plot
plt.scatter(diamond_labels, model.predict(diamonds_ready))
plt.xlabel("Actual")
plt.ylabel("Predicted")
x_lim = plt.xlim()
y_lim = plt.ylim()
```

```
plt.plot(x_lim, y_lim, "k--")
plt.show()

print("----- Test -----")
plt.scatter(y_test, model.predict(X_test_prepared))
plt.xlabel("Actual")
plt.ylabel("Predicted")
plt.plot(x_lim, y_lim, "k--")
plt.show()
```

We can now start fitting models and get their performance error. We are using Root Mean Squared Error for our performance measure.

#### 0.2 Linear Regression

```
[51]: from sklearn.linear_model import LinearRegression

lin_reg = LinearRegression(normalize = True)
display_model_performance("Linear Regression", lin_reg)

RMSE: 1372.0532
```

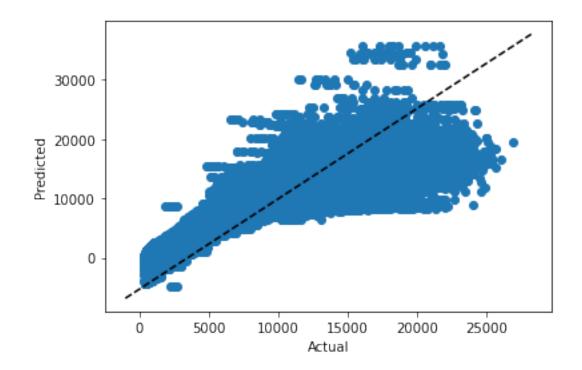
CV-RMSE: 1372.2307
--- Test Performance ---

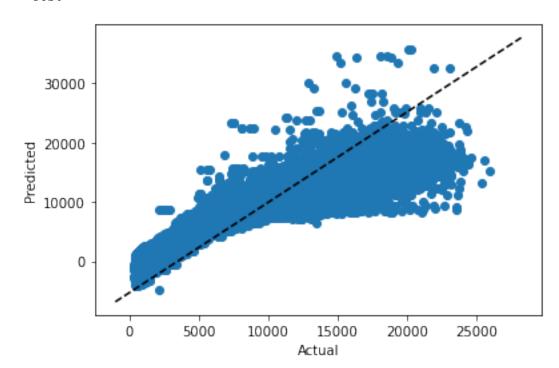
RMSE: 1376.8318 Accuracy: 90.73%

Predictions: [ 1036.3606775 2871.16259804 122.81520923 13419.49156411

1017.92549942 3454.78791488 1347.93573761]

Labels: [644.0, 3110.0, 722.0, 14433.0, 831.0, 2906.0, 843.0]





#### 0.3 Decision Tree Regression

[52]: from sklearn.tree import DecisionTreeRegressor

tree\_reg = DecisionTreeRegressor(random\_state = 42)
display\_model\_performance("Decision Tree Regression", tree\_reg)

RMSE: 510.7221 CV-RMSE: 573.9419

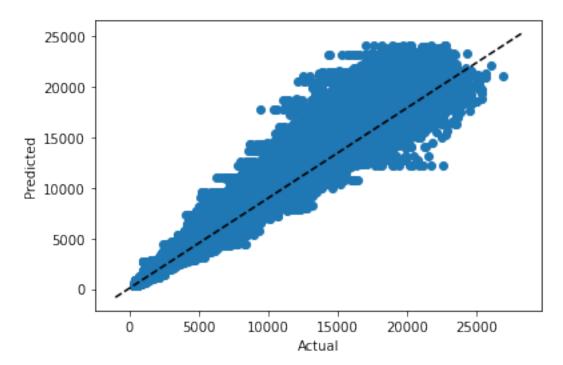
--- Test Performance ---

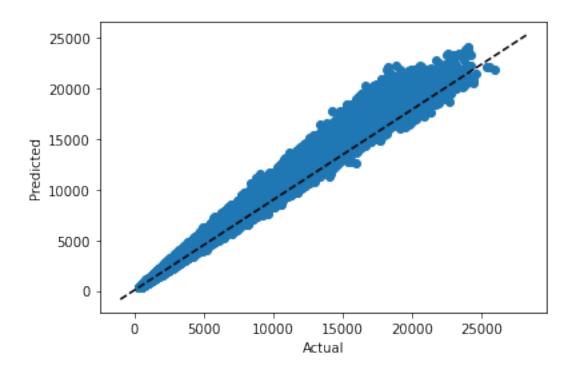
RMSE: 425.3440 Accuracy: 99.12%

Predictions: [ 441. 2532.25 8786.6 3430.3333333 8069.

2515. 6425.5

Labels: [441.0, 2557.0, 8296.0, 3304.0, 8069.0, 2491.0, 6293.0]





#### 0.3.1 Random Forest Regression

[53]: from sklearn.ensemble import RandomForestRegressor

forest\_reg = RandomForestRegressor(n\_estimators = 10, random\_state = 42)
display\_model\_performance("Random Forest Regression", forest\_reg)

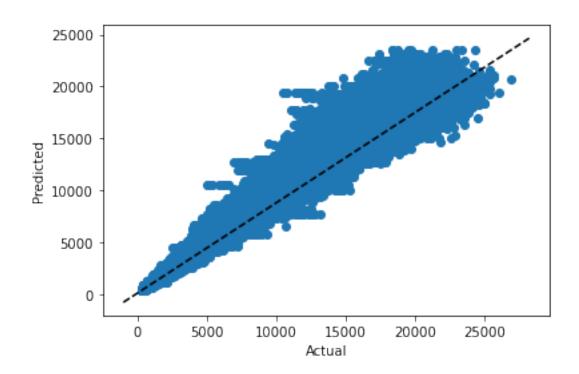
RMSE: 513.7440 CV-RMSE: 577.4522 --- Test Performance ---

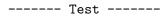
RMSE: 455.3055 Accuracy: 98.99%

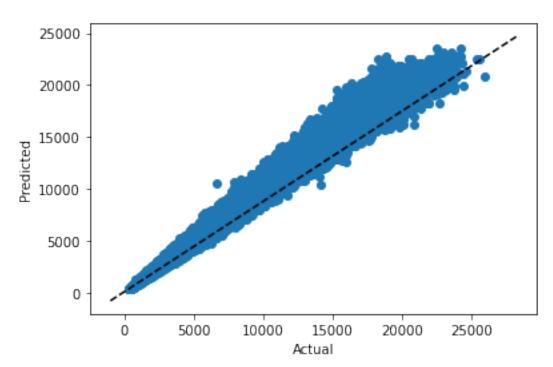
Predictions: [ 3790.48333333 919.65166667 5636.62357143 20116.74833333

1000.49166667 6283.13333333 4879.45 ]

Labels: [3909.0, 1021.0, 5792.0, 20072.0, 1007.0, 6452.0, 4482.0]







#### 0.4 Ridge Regression

# [54]: from sklearn.linear\_model import Ridge ridge\_reg = Ridge(normalize = True) display\_model\_performance("Ridge Regression", ridge\_reg)

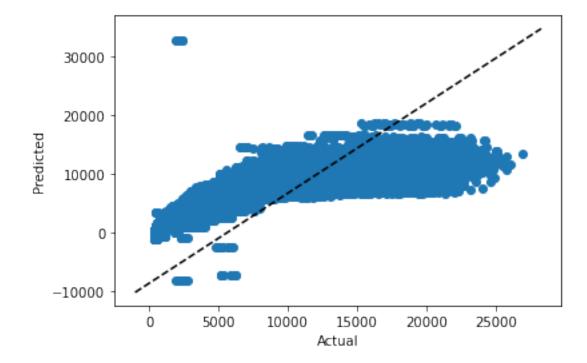
RMSE: 2043.7825 CV-RMSE: 2043.9321 --- Test Performance ---

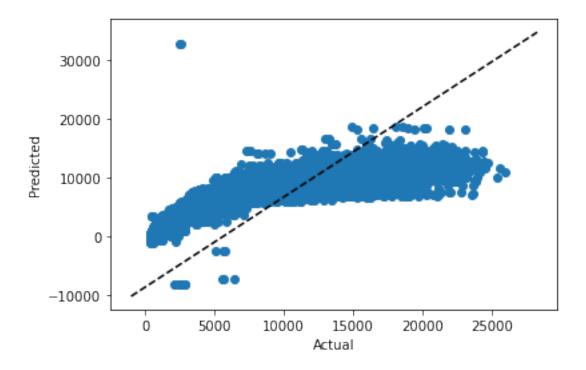
RMSE: 2059.8497 Accuracy: 79.26%

Predictions: [ 1240.11985888 4294.6933905 6012.59313031 11976.15806539

11343.10027794 526.42254813 2783.02404763]

Labels: [1025.0, 2850.0, 4422.0, 21233.0, 17192.0, 680.0, 1412.0]





### 0.5 Lasso Regression

```
[55]: from sklearn.linear_model import Lasso
lasso_reg = Lasso(normalize = True)
display_model_performance("Lasso Regression", lasso_reg)
```

RMSE: 1898.2986 CV-RMSE: 1889.7609 --- Test Performance ---

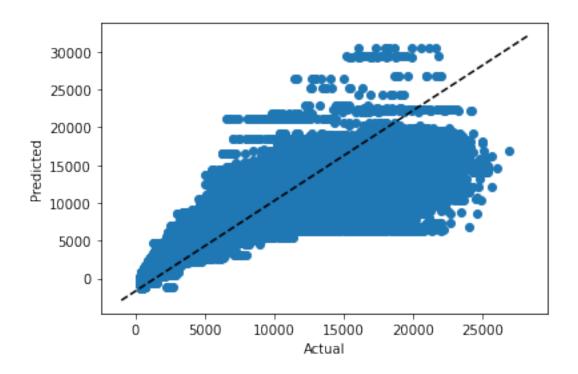
RMSE: 1732.4304 Accuracy: 85.33%

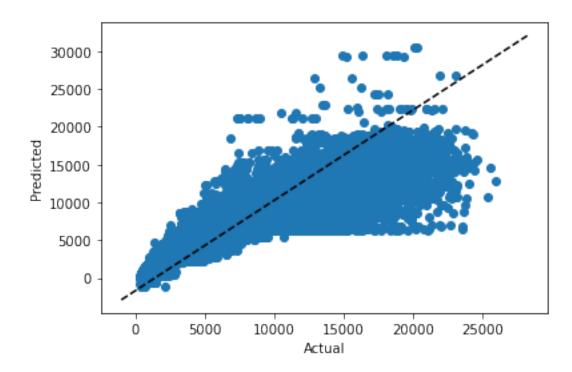
Predictions: [ 815.15575328 2310.74823845 6080.5518979 981.33269608

2476.92518125

6548.26027978 3338.63234175]

Labels: [558.0, 2043.0, 4177.0, 996.0, 1835.0, 11860.0, 2959.0]





#### 0.6 Elastic Net Regression

# [56]: from sklearn.linear\_model import ElasticNet net\_reg = ElasticNet() display\_model\_performance("Elastic Net Regression", net\_reg)

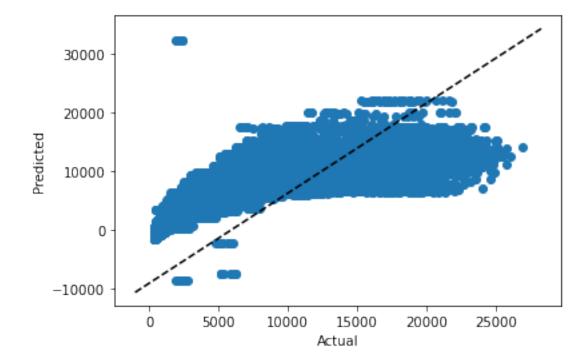
RMSE: 1987.6651 CV-RMSE: 1987.7956 --- Test Performance ---

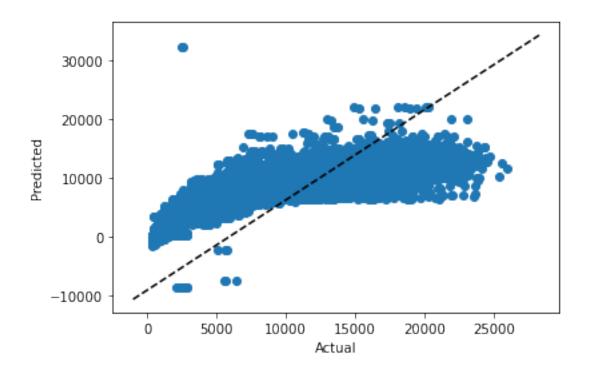
RMSE: 2004.1156 Accuracy: 80.36%

Predictions: [ 5668.43803649 1050.13153585 3117.56088973 239.48574925

6472.05781275 11379.39931957 6828.97197001]

Labels: [4851.0, 1250.0, 2055.0, 837.0, 7021.0, 18377.0, 6147.0]





#### 0.7 Save the model

```
[57]: #create Pickle file
import pickle
pickle_out = open("forest_reg.pkl","wb")
pickle.dump(forest_reg,pickle_out)
pickle_out.close()
```

#### 0.8 Model Deployment of the prediction using Streamlit

```
[58]: #import streamlit as st
[59]: #loading the trained model
    #pickle_in = open('model.pkl', 'rb')
    #regressor = pickle.load(pickle_in)
[60]: #diamonds.to_csv("model_prediction_dataset.csv")
[61]: #diamonds.to_csv("C:/Users/Owner/Downloads/prediction_model.csv")
[7]: [7]: [7]
```