**Project - Time Series Forecasting**

**Problem:**

For this particular assignment, the data of different types of wine sales in the 20th century is to be analysed. Both of these data are from the same company but of different wines. As an analyst in the ABC Estate Wines, you are tasked to analyse and forecast Wine Sales.

Data set for the problem is attached in the email.

Please do perform the following questions on each of these two data sets separately.

1. Read the data as an appropriate Time Series data and plot the data.
2. Perform appropriate Exploratory Data Analysis to understand the data and also perform decomposition.
3. Split the data into training and test. The test data should start in 1991.
4. Build all the exponential smoothing models on the training data and evaluate the model using RMSE on the test data. Other additional models such as regression, naïve forecast models, simple average models, moving average models should also be built on the training data and check the performance on the test data using RMSE.
5. Check for the stationarity of the data on which the model is being built on using appropriate statistical tests and also mention the hypothesis for the statistical test. If the data is found to be non-stationary, take appropriate steps to make it stationary. Check the new data for stationarity and comment.
6. Note: Stationarity should be checked at alpha = 0.05.
7. Build an automated version of the ARIMA/SARIMA model in which the parameters are selected using the lowest Akaike Information Criteria (AIC) on the training data and evaluate this model on the test data using RMSE.
8. Build ARIMA/SARIMA models based on the cut-off points of ACF and PACF on the training data and evaluate this model on the test data using RMSE.
9. Build a table with all the models built along with their corresponding parameters and the respective RMSE values on the test data.
10. Based on the model-building exercise, build the most optimum model(s) on the complete data and predict 12 months into the future with appropriate confidence intervals/bands.
11. Comment on the model thus built and report your findings and suggest the measures that the company should be taking for future sales.

All the very best!