# USING STATISTICAL MODEL AND MACHINE LEARNING FOR GOLD PRICE PREDICTION

## 0. Abstract

This report presents a comparative analysis of three models, including Linear Regression, Gated Recurrent Unit (GRU), Autoregressive Integrated Moving Average (ARIMA), Long Short-Term Memory (LSTM) for predicting gold prices. The models are evaluated using MAE, MAPE, and RMSE metrics on historical gold price indicators data. The model with the lowest MAE, MAPE, and RMSE is recommended for gold price forecasting, contributing to improved understanding and accurate predictions in the gold market.

**Key words**: gold price, forecasting, linear regression, GRU, ARIMA, LSTM, ETS, random forest, BNN, GPR, and RNN

## I. INTRODUCTION

Our research focused on forecasting gold prices, a commodity known for its historical stability and use as a currency and reserve asset. By analyzing key influencing factors, we aimed to generate precise predictions and insights into price fluctuations and trends. To accomplish this, we applied nine predictive algorithms, including GRU, ARIMA, LSTM. Our findings identify the model with the highest accuracy in gold price prediction, offering valuable guidance to investors and the public for making well-informed decisions about gold investments and purchases.

## II. RELATED WORKS

So…

## III. ARTIFICIAL INTELLIGENCE MODELS

### A. Gated Recurrent Unit (GRU)

The Gated Recurrent Unit (GRU) is a simplified type of Recurrent Neural Network (RNN) that is designed to handle the issue of long-term dependencies in time series data. It effectively deals with the challenge of modeling and predicting sequences with long time delays.

GRU employs two key gating mechanisms:

* **Update Gate**: Determines how much of the past information needs to be passed along to the future. It controls the extent to which the previous time step's data impacts the current time step.
* **Reset Gate**: Decides how much of the past information should be ignored or forgotten. It controls how much of the new input should be mixed with the previous state.

The operations in a GRU are expressed as:

1. Update Gate Calculation:
2. Reset Gate Calculation:
3. Current Memory Content:
4. Final Memory at Time t:

Where:

* xₜ is the input at the current time step.
* hₜ₋₁ is the hidden state from the previous time step.
* W and U are the weight parameters.
* σ is the sigmoid activation function.
* tanh is the hyperbolic tangent function.
* ⊙ denotes element-wise multiplication.

GRUs are preferred for their ability to capture both short-term and long-term dependencies efficiently, with simpler architectures compared to LSTMs.

### B. Autoregressive Integrated Moving Average (ARIMA)

ARIMA is a powerful model used for time series forecasting. It integrates three components: Autoregression (AR), Integration (I), and Moving Average (MA).