5QQMN534: Algorithmic Finance

Week5: Pandas Data Cleaning and Pre-processing Part1

Wes McKinney – Python for Data Analysis 2nd Edition 2018 Chapter 7

Chapter 7 Data Cleaning and Preparation : Agenda

- **Handling Missing Data**
  - Filtering Out Missing Data
  - Filling Missing Data
- **Data Transformation**
  - Removing Duplicates
  - Transforming Data
  - Replacing Values
  - Renaming Indexes
  - Detecting Filtering Outliers

Data Cleaning and Preparation

- During the course of doing data analysis and modelling, a significant amount of time is spent on data preparation: loading, cleaning, transforming, and rearranging.
- Such tasks are often reported to take up 80% or more of an analyst's time.
- Sometimes the way that data is stored in files or databases is not in the right format for a particular task.
- Many researchers choose to do ad hoc processing of data from one form to another using a general-purpose programming language, like Python, Perl, R, or Java, or Unix text-processing tools like sed or awk.
- Fortunately, pandas, along with the built-in Python language features, provides you with a high-level, flexible, and fast set of tools to enable you to manipulate data into the right form.
- If you identify a type of data manipulation that isn't anywhere in this book or elsewhere in the pandas library, feel free to share your use case on one of the Python mailing lists or on the pandas GitHub site.
- Indeed, much of the design and implementation of pandas has been driven by the needs of real-world applications.
- In this chapter I discuss tools for missing data, duplicate data, string manipulation, and some other analytical data transformations. In the next chapter, I focus on combining and rearranging datasets in various ways.

Handling Missing Data1

- Missing data occurs commonly in many data analysis applications. One of the goals of pandas is to make working with missing data as painless as possible.
- For example, all of the descriptive statistics on pandas objects exclude missing data by default.
- The way that missing data is represented in pandas objects is somewhat imperfect, but it is functional for a lot of users.
- For numeric data, pandas uses the floating-point value NaN (Not a Number) to represent missing data. We call this a *sentinel value* that can be easily detected:


```
In [10]: string_data = pd.Series(['aardvark', 'artichoke', np.nan, 'avocado'])

In [11]: string_data
Out[11]:
0     aardvark
1    artichoke
2          NaN
3      avocado
dtype: object

In [12]: string_data.isnull()
Out[12]:
0    False
1    False
2     True
3    False
dtype: bool
```

- In pandas, we’ve adopted a convention used in the R programming language by referring to missing data as NA, which stands for *not available*.
- In statistics applications, NA data may either be data that does not exist or that exists but was not observed (through problems with data collection, for example).
- When cleaning up data for analysis, it is often important to do analysis on the missing data itself to identify data collection problems or potential biases in the data caused by missing data.

Handling Missing Data2

The built-in Python None value is also treated as NA in object arrays:

```
In [13]: string_data[0] = None

In [14]: string_data.isnull()
Out[14]:
0     True
1    False
2     True
3    False
dtype: bool
```


There is work ongoing in the pandas project to improve the internal details of how missing data is handled, but the user API functions, like pandas.isnull, abstract away many of the annoying details. See Table 7-1 for a list of some functions related to missing data handling.

Table 7-1. NA handling methods

Argument	Description
dropna	Filter axis labels based on whether values for each label have missing data, with varying thresholds for how much missing data to tolerate.
fillna	Fill in missing data with some value or using an interpolation method such as 'ffill' or 'bfill'.
isnull	Return boolean values indicating which values are missing/NA.
notnull	Negation of isnull.

Filtering Out Missing Data1

There are a few ways to filter out missing data. While you always have the option to do it by hand using pandas.isnull and boolean indexing, the dropna can be helpful. On a Series, it returns the Series with only the non-null data and index values:

```
In [15]: from numpy import nan as NA

In [16]: data = pd.Series([1, NA, 3.5, NA, 7])

In [17]: data.dropna()
Out[17]:
0    1.0
2    3.5
4    7.0
dtype: float64
```


This is equivalent to:

```
In [18]: data[data.notnull()]
Out[18]:
0    1.0
2    3.5
4    7.0
dtype: float64
```

Filtering Out Missing Data2

With DataFrame objects, things are a bit more complex. You may want to drop rows or columns that are all NA or only those containing any NAs. dropna by default drops any row containing a missing value:

```
In [19]: data = pd.DataFrame([[1., 6.5, 3.], [1., NA, NA],
   ....:                      [NA, NA, NA], [NA, 6.5, 3.]])

In [20]: cleaned = data.dropna()

In [21]: data
Out[21]:
     0    1    2
0  1.0  6.5  3.0
1  1.0  NaN  NaN
2  NaN  NaN  NaN
3  NaN  6.5  3.0

In [22]: cleaned
Out[22]:
     0    1    2
0  1.0  6.5  3.0
```


Passing how='all' will only drop rows that are all NA:

```
In [23]: data.dropna(how='all')
Out[23]:
     0    1    2
0  1.0  6.5  3.0
1  1.0  NaN  NaN
3  NaN  6.5  3.0
```

Filtering Out Missing Data3

To drop columns in the same way, pass axis=1:

```
In [24]: data[4] = NA

In [25]: data
Out[25]:
     0    1    2   4
0  1.0  6.5  3.0 NaN
1  1.0  NaN  NaN NaN
2  NaN  NaN  NaN NaN
3  NaN  6.5  3.0 NaN

In [26]: data.dropna(axis=1, how='all')
Out[26]:
     0    1    2
0  1.0  6.5  3.0
1  1.0  NaN  NaN
2  NaN  NaN  NaN
3  NaN  6.5  3.0
```

A related way to filter out DataFrame rows tends to concern time series data. Suppose you want to keep only rows containing a certain number of observations. You can indicate this with the thresh argument:

```
In [27]: df = pd.DataFrame(np.random.randn(7, 3))

In [28]: df.iloc[:4, 1] = NA

In [29]: df.iloc[:2, 2] = NA

In [30]: df
Out[30]:
          0         1         2
0 -0.204708       NaN       NaN
1 -0.555730       NaN       NaN
2  0.092908       NaN  0.769023
3  1.246435       NaN -1.296221
4  0.274992  0.228913  1.352917
5  0.886429 -2.001637 -0.371843
6  1.669025 -0.438570 -0.539741

In [31]: df.dropna()
Out[31]:
          0         1         2
4  0.274992  0.228913  1.352917
5  0.886429 -2.001637 -0.371843
6  1.669025 -0.438570 -0.539741

In [32]: df.dropna(thresh=2)

Out[32]:
          0         1         2
2  0.092908       NaN  0.769023
3  1.246435       NaN -1.296221
4  0.274992  0.228913  1.352917
5  0.886429 -2.001637 -0.371843
6  1.669025 -0.438570 -0.539741
```

Filling In Missing Data1

Rather than filtering out missing data (and potentially discarding other data along with it), you may want to fill in the "holes" in any number of ways. For most purposes, the `fillna` method is the workhorse function to use. Calling `fillna` with a constant replaces missing values with that value:

```
In [33]: df.fillna(0)
Out[33]:
          0         1         2
0 -0.204708  0.000000  0.000000
1 -0.555730  0.000000  0.000000
2  0.092908  0.000000  0.769023
3  1.246435  0.000000 -1.296221
4  0.274992  0.228913  1.352917
5  0.886429 -2.001637 -0.371843
6  1.669025 -0.438570 -0.539741
```

Calling `fillna` with a dict, you can use a different fill value for each column:

```
In [34]: df.fillna({1: 0.5, 2: 0})
Out[34]:
          0         1         2
0 -0.204708  0.500000  0.000000
1 -0.555730  0.500000  0.000000
2  0.092908  0.500000  0.769023
3  1.246435  0.500000 -1.296221
4  0.274992  0.228913  1.352917
5  0.886429 -2.001637 -0.371843
6  1.669025 -0.438570 -0.539741
```

`fillna` returns a new object, but you can modify the existing object in-place:

```
In [35]: _ = df.fillna(0, inplace=True)

In [36]: df
Out[36]:
          0         1         2
0 -0.204708  0.000000  0.000000
1 -0.555730  0.000000  0.000000
2  0.092908  0.000000  0.769023
3  1.246435  0.000000 -1.296221
4  0.274992  0.228913  1.352917
5  0.886429 -2.001637 -0.371843
6  1.669025 -0.438570 -0.539741
```


The same interpolation methods available for reindexing can be used with `fillna`:

```
In [37]: df = pd.DataFrame(np.random.randn(6, 3))

In [38]: df.iloc[2:, 1] = NA

In [39]: df.iloc[4:, 2] = NA

In [40]: df
Out[40]:
          0         1         2
0  0.476985  3.248944 -1.021228
1 -0.577087  0.124121  0.302614
2  0.523772       NaN  1.343810
3 -0.713544       NaN -2.370232
4 -1.860761       NaN       NaN
5 -1.265934       NaN       NaN

In [41]: df.fillna(method='ffill')
Out[41]:
          0         1         2
0  0.476985  3.248944 -1.021228
1 -0.577087  0.124121  0.302614
2  0.523772  0.124121  1.343810
3 -0.713544  0.124121 -2.370232
4 -1.860761  0.124121 -2.370232
5 -1.265934  0.124121 -2.370232

In [42]: df.fillna(method='ffill', limit=2)
Out[42]:
          0         1         2
0  0.476985  3.248944 -1.021228
1 -0.577087  0.124121  0.302614
2  0.523772  0.124121  1.343810
3 -0.713544  0.124121 -2.370232
4 -1.860761       NaN -2.370232
5 -1.265934       NaN -2.370232
```

Filling In Missing Data2

With `fillna` you can do lots of other things with a little creativity. For example, you might pass the mean or median value of a Series:

```
In [43]: data = pd.Series([1., NA, 3.5, NA, 7])

In [44]: data.fillna(data.mean())
Out[44]:
0    1.000000
1    3.833333
2    3.500000
3    3.833333
4    7.000000
dtype: float64
```

See Table 7-2 for a reference on `fillna`.

Table 7-2. fillna function arguments

Argument	Description
`value`	Scalar value or dict-like object to use to fill missing values
`method`	Interpolation; by default `'ffill'` if function called with no other arguments
`axis`	Axis to fill on; default `axis=0`
`inplace`	Modify the calling object without producing a copy
`limit`	For forward and backward filling, maximum number of consecutive periods to fill

Removing Duplicates1

Removing Duplicates

Duplicate rows may be found in a DataFrame for any number of reasons. Here is an example:

```
In [45]: data = pd.DataFrame({'k1': ['one', 'two'] * 3 + ['two'],
   ....:                      'k2': [1, 1, 2, 3, 3, 4, 4]})

In [46]: data
Out[46]:
    k1  k2
0  one   1
1  two   1
2  one   2
3  two   3
4  one   3
5  two   4
6  two   4
```


The DataFrame method `duplicated` returns a boolean Series indicating whether each row is a duplicate (has been observed in a previous row) or not:

```
In [47]: data.duplicated()
Out[47]:
0    False
1    False
2    False
3    False
4    False
5    False
6     True
dtype: bool
```

Removing Duplicates2

Relatedly, drop_duplicates returns a DataFrame where the duplicated array is False:

```
In [48]: data.drop_duplicates()
Out[48]:
    k1  k2
0  one   1
1  two   1
2  one   2
3  two   3
4  one   3
5  two   4
```

Both of these methods by default consider all of the columns; alternatively, you can specify any subset of them to detect duplicates. Suppose we had an additional column of values and wanted to filter duplicates only based on the 'k1' column:


```
In [49]: data['v1'] = range(7)

In [50]: data.drop_duplicates(['k1'])
Out[50]:
    k1  k2  v1
0  one   1   0
1  two   1   1
```

duplicated and drop_duplicates by default keep the first observed value combination. Passing keep='last' will return the last one:

```
In [51]: data.drop_duplicates(['k1', 'k2'], keep='last')
Out[51]:
    k1  k2  v1
0  one   1   0
1  two   1   1
2  one   2   2
3  two   3   3
4  one   3   4
6  two   4   6
```

Transforming Data1

For many datasets, you may wish to perform some transformation based on the values in an array, Series, or column in a DataFrame. Consider the following hypothetical data collected about various kinds of meat:

```
In [52]: data = pd.DataFrame({'food': ['bacon', 'pulled pork', 'bacon',
   ....:                               'Pastrami', 'corned beef', 'Bacon',
   ....:                               'pastrami', 'honey ham', 'nova lox'],
   ....:                      'ounces': [4, 3, 12, 6, 7.5, 8, 3, 5, 6]})

In [53]: data
Out[53]:
          food  ounces
0        bacon     4.0
1  pulled pork     3.0
2        bacon    12.0
3     Pastrami     6.0
4  corned beef     7.5
5        Bacon     8.0
6     pastrami     3.0
7    honey ham     5.0
8     nova lox     6.0
```


Suppose you wanted to add a column indicating the type of animal that each food came from. Let's write down a mapping of each distinct meat type to the kind of animal:

```
meat_to_animal = {
  'bacon': 'pig',
  'pulled pork': 'pig',
  'pastrami': 'cow',
  'corned beef': 'cow',
  'honey ham': 'pig',
  'nova lox': 'salmon'
}
```

Transforming Data2

The `map` method on a Series accepts a function or dict-like object containing a mapping, but here we have a small problem in that some of the meats are capitalized and others are not. Thus, we need to convert each value to lowercase using the `str.lower` Series method:

```
In [55]: lowercased = data['food'].str.lower()

In [56]: lowercased
Out[56]:
0          bacon
1    pulled pork
2          bacon
3       pastrami
4    corned beef
5          bacon
6       pastrami
7      honey ham
8       nova lox
Name: food, dtype: object

In [57]: data['animal'] = lowercased.map(meat_to_animal)

In [58]: data
Out[58]:
          food  ounces  animal
0        bacon     4.0     pig
1  pulled pork     3.0     pig
2        bacon    12.0     pig
3     Pastrami     6.0     cow
4  corned beef     7.5     cow
5        Bacon     8.0     pig
6     pastrami     3.0     cow

7    honey ham     5.0     pig
8     nova lox     6.0  salmon
```

Mapping

Syntax: **r = map(func, seq)**

- map() is a function which takes two arguments:
- Basically, mapping applies the function to all sequence elements (E.g. a list)
- The map() function applies a given to function to each item of an iterable and returns a list of the results.
- The returned value from map() (map object) then can be passed to functions like list() (to create a list), set() (to create a set) and so on.

We could also have passed a function that does all the work:

```
In [59]: data['food'].map(lambda x: meat_to_animal[x.lower()])
Out[59]:
0       pig
1       pig
2       pig
3       cow
4       cow
5       pig
6       cow
7       pig
8    salmon
Name: food, dtype: object
```

Using `map` is a convenient way to perform element-wise transformations and other data cleaning–related operations.

Replacing Values1

Filling in missing data with the `fillna` method is a special case of more general value replacement. As you've already seen, `map` can be used to modify a subset of values in an object but `replace` provides a simpler and more flexible way to do so. Let's consider this Series:

```
In [60]: data = pd.Series([1., -999., 2., -999., -1000., 3.])

In [61]: data
Out[61]:
0       1.0
1    -999.0
2       2.0
3    -999.0
4   -1000.0
5       3.0
dtype: float64
```


The -999 values might be sentinel values for missing data. To replace these with NA values that pandas understands, we can use `replace`, producing a new Series (unless you pass `inplace=True`):

```
In [62]: data.replace(-999, np.nan)
Out[62]:
0       1.0
1       NaN
2       2.0
3       NaN
4   -1000.0

5       3.0
dtype: float64
```

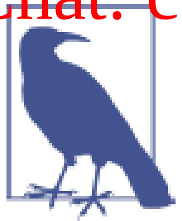
Replacing Values2

If you want to replace multiple values at once, you instead pass a list and then the substitute value:

```
In [63]: data.replace([-999, -1000], np.nan)
Out[63]:
0    1.0
1    NaN
2    2.0
3    NaN
4    NaN
5    3.0
dtype: float64
```


To use a different replacement for each value, pass a list of substitutes:

```
In [64]: data.replace([-999, -1000], [np.nan, 0])
Out[64]:
0    1.0
1    NaN
2    2.0
3    NaN
4    0.0
5    3.0
dtype: float64
```

The `data.replace` method is distinct from `data.str.replace`, which performs string substitution element-wise. We look at these string methods on Series later in the chapter.

The argument passed can also be a dict:

```
In [65]: data.replace({-999: np.nan, -1000: 0})
Out[65]:
0    1.0
1    NaN
2    2.0
3    NaN
4    0.0
5    3.0
dtype: float64
```

Renaming Indexes1

- Like values in a Series, axis labels can be similarly transformed by a function or mapping of some form to produce new, differently labeled objects.
- You can also modify the axes in-place without creating a new data structure. Here's a simple example:


```
In [66]: data = pd.DataFrame(np.arange(12).reshape((3, 4)),
   ....:                     index=['Ohio', 'Colorado', 'New York'],
   ....:                     columns=['one', 'two', 'three', 'four'])
```

Like a Series, the axis indexes have a `map` method:

```
In [67]: transform = lambda x: x[:4].upper()

In [68]: data.index.map(transform)
Out[68]: Index(['OHIO', 'COLO', 'NEW '], dtype='object')
```

You can assign to `index`, modifying the DataFrame in-place:

```
In [69]: data.index = data.index.map(transform)

In [70]: data
Out[70]:
      one  two  three  four
OHIO    0    1      2     3
COLO    4    5      6     7
NEW     8    9     10    11
```

If you want to create a transformed version of a dataset without modifying the original, a useful method is `rename`:

```
In [71]: data.rename(index=str.title, columns=str.upper)
Out[71]:
      ONE  TWO  THREE  FOUR
Ohio    0    1      2     3
Colo    4    5      6     7
New     8    9     10    11
```

Renaming Indexes2

Notably, `rename` can be used in conjunction with a dict-like object providing new values for a subset of the axis labels:

```
In [72]: data.rename(index={'OHIO': 'INDIANA'},
    ....:             columns={'three': 'peekaboo'})
Out[72]:
         one  two  peekaboo  four
INDIANA    0    1         2     3
COLO       4    5         6     7
NEW        8    9        10    11
```


`rename` saves you from the chore of copying the DataFrame manually and assigning to its `index` and `columns` attributes. Should you wish to modify a dataset in-place, pass `inplace=True`:

```
In [73]: data.rename(index={'OHIO': 'INDIANA'}, inplace=True)

In [74]: data
Out[74]:
         one  two  three  four
INDIANA    0    1      2     3

COLO       4    5      6     7
NEW        8    9     10    11
```

Detecting and Filtering Outliers1

Filtering or transforming outliers is largely a matter of applying array operations. Consider a DataFrame with some normally distributed data:

```
In [92]: data = pd.DataFrame(np.random.randn(1000, 4))

In [93]: data.describe()
Out[93]:
                 0            1            2            3
count  1000.000000  1000.000000  1000.000000  1000.000000
mean      0.049091     0.026112    -0.002544    -0.051827
std       0.996947     1.007458     0.995232     0.998311
min      -3.645860    -3.184377    -3.745356    -3.428254
25%      -0.599807    -0.612162    -0.687373    -0.747478
50%       0.047101    -0.013609    -0.022158    -0.088274
75%       0.756646     0.695298     0.699046     0.623331
max       2.653656     3.525865     2.735527     3.366626
```


Suppose you wanted to find values in one of the columns exceeding 3 in absolute value:

```
In [94]: col = data[2]

In [95]: col[np.abs(col) > 3]
Out[95]:
41    -3.399312
136   -3.745356
Name: 2, dtype: float64
```

Detecting and Filtering Outliers2

To select all rows having a value exceeding 3 or –3, you can use the any method on a boolean DataFrame:

```
In [96]: data[(np.abs(data) > 3).any(1)]
Out[96]:
            0         1         2         3
41   0.457246 -0.025907 -3.399312 -0.974657
60   1.951312  3.260383  0.963301  1.201206
136  0.508391 -0.196713 -3.745356 -1.520113
235 -0.242459 -3.056990  1.918403 -0.578828
258  0.682841  0.326045  0.425384 -3.428254
322  1.179227 -3.184377  1.369891 -1.074833
544 -3.548824  1.553205 -2.186301  1.277104
635 -0.578093  0.193299  1.397822  3.366626
782 -0.207434  3.525865  0.283070  0.544635
803 -3.645860  0.255475 -0.549574 -1.907459
```


Values can be set based on these criteria. Here is code to cap values outside the interval –3 to 3:

```
In [97]: data[np.abs(data) > 3] = np.sign(data) * 3

In [98]: data.describe()
Out[98]:
                 0            1            2            3
count  1000.000000  1000.000000  1000.000000  1000.000000
mean      0.050286     0.025567    -0.001399    -0.051765
std       0.992920     1.004214     0.991414     0.995761
min      -3.000000    -3.000000    -3.000000    -3.000000
25%      -0.599807    -0.612162    -0.687373    -0.747478
50%       0.047101    -0.013609    -0.022158    -0.088274
75%       0.756646     0.695298     0.699046     0.623331
max       2.653656     3.000000     2.735527     3.000000
```

The statement `np.sign(data)` produces 1 and –1 values based on whether the values in `data` are positive or negative:

```
In [99]: np.sign(data).head()
Out[99]:
     0    1    2    3
0 -1.0  1.0 -1.0  1.0
1  1.0 -1.0  1.0 -1.0
2  1.0  1.0  1.0 -1.0
3 -1.0 -1.0  1.0 -1.0
4 -1.0  1.0 -1.0 -1.0
```