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Dynamic Bit Coin Value Prediction

Ekta Gupta, Rajdavinder Singh Boparai

Abstract: ***Bitcoin is online money that is utilized worldwide to make online installments. It has thusly become a venture vehicle in itself and is exchanged a route like other open monetary forms. The capacity to foresee the value change of Bitcoin would in this way encourage future venture and installment choices. The objective of this paper is to learn with what exactness the bearing of Bitcoin cost in USD can be anticipated. The value information is sourced from the Bitcoin Price Index. The errand is accomplished with changing degrees of achievement through the usage of a Bayesian streamlined intermittent neural system (RNN) furthermore, a Long Short Term Memory (LSTM) arranges. The LSTM accomplishes the most noteworthy order precision of 59%.***

Keywords: Bit-coin; ARIMA; Machine learning; Crypto Currency; Price Prediction.

I. INTRODUCTION

Bit coin is the universes' most significant digital money and is exchanged on more than 40 trades overall tolerating over 30 unique monetary forms. It has a present market capitalization of 9 billion USD as per https://www.blockchain.info/ also, sees more than 250,000 exchanges occurring every day. As money, Bit coin offers a novel open door for cost expectation due its generally youthful age and coming about instability, which is far more prominent than that of fiat monetary standards. It is likewise interesting in connection to conventional fiat monetary standards in wording of its open nature; no total information exists in regards to money exchanges or cash available for use for fiat monetary standards. Expectation of develop money related markets, for example, the stock showcase has been examined finally. Bit coin presents a fascinating parallel to this as it is a period arrangement forecast issue in a market still in its transient stage. Conventional time arrangement expectation strategies, for example, Holt-Winters exponential smoothing models depend on straight suppositions and require information that can be separated into pattern, occasional and clamor to be viable. This kind of system is increasingly reasonable for an assignment, for example, determining deals where regular impacts are present. Because of the absence of regularity in the Bit coin advertise furthermore, its high unpredictability; these strategies are not compelling for this assignment.

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* Correspondence Author

Ekta Gupta*, Student, Computer Science, Chandigarh University, Mohali, India

Rajdavinder Singh Boparai , Professor, Computer Science, Chandigarh University, Mohali, India

Given the unpredictability of the errand, profound learning makes for an intriguing mechanical arrangement dependent on its execution in comparative zones. The point of this paper is to research with what exactness the cost of Bit coin can be anticipated utilizing AI what's more, analyze parallelization strategies executed on multi-center furthermore, GPU situations. This paper contributes in the accompanying way: of around 653 papers distributed on Bit coin, just 7 (at the season of composing) are identified with machine learning for forecast. To encourage a correlation with additional customary methodologies in monetary determining, an ARIMA time arrangement model is likewise created for execution correlation purposes with the neural system models. The autonomous variable for this investigation is the end cost of Bit coin in USD taken from the Coin desk Bit coin Price File. As opposed to concentrating on one explicit trade, we take the normal cost from five noteworthy Bit coin trades: Bit stamp, Bitfinex, Coin base, OkCoin and it Bit. If we somehow managed to execute exchanges dependent on the signs it is helpful to concentrate on only one trade. To evaluate the execution of models, we utilize the root mean squared mistake (RMSE) of the end cost also; further encode the anticipated cost into absolute variable reflecting: cost up, down or no change. This last advance permits for extra execution measurements that would be valuable to a merchant in the arrangement of an exchanging technique: characterization exactness, explicitness, affectability and accuracy. The ward factors for this paper originate from the Coin desk site, and Blockchain.info. Notwithstanding the end value, the opening value, day by day high and day by

Day low are incorporated just as Block chain information, for example the mining trouble and hash rate.

II. RELATED WORK

Research on anticipating the cost of Bit coin utilizing machine learning calculations explicitly is deficient. [8] Actualized an inactive source model as created by [9] to anticipate thecostofBit coin noticing 89% return in 50 days with a Sharpe proportion of 4.1. There has additionally been work utilizing content information from social media stages and different sources to anticipate Bit coin costs. [10] Examined assessment investigation utilizing bolster vector machines combined with the recurrence of Wikipedia sees, and the arrange hash rate. [11] Explored the connection between Bit coin value, tweets and perspectives for Bit coin on Google Trends. [12] Actualized a comparative procedure aside from rather than anticipating Bit coin value they anticipated exchanging volume utilizing Google Trends sees.

Be that as it may, one constraint of such examinations is the regularly little example size, and affinity for falsehood to spread through different (social) media channels, for example, Twitter or on message sheets, for example, Reddit, which misleadingly expand/collapse costs [13].

In the Bit coin trades liquidity is impressively restricted. Subsequently, the market experiences a more serious danger of control. Therefore, conclusion from web based life isn't viewed as further. [14] examined the Bit coin Block chain to anticipate the cost of Bit coin utilizing bolster vector machines (SVM) and fake neural systems (ANN) revealing value heading exactness of 55% with a standard ANN. They presumed that there was constrained consistency in Block chain information alone. [15] Likewise utilized Block chain information, actualizing SVM, Random Forests and Binomial GLM (summed up straight model) noticing expectation precision of over 97% anyway without cross-approving their models restricting the generalizability of their outcomes.

III. METHODOLOGY

It include following steps:

Data analyzing: For any AI information is the most significant part on which forecast totally depends. It ought to be subjective and quantitate. So absolute initial step of structure an expectation model is to dissect the data. We investigate the information and its parameters to check whether there are some excess qualities which impact the prediction. If dataset contains any futile parameters on which our forecast qualities never depend then we will expel those parameters from data. Or we can examine if there are a few parameters which we can converge to make it valuable for model.

Data_filteration: In this step, there is a need to channel the data. Here we expel or all unfilled/excess qualities from the data. Here we change the information if necessary for instance we have to combine the parameters to make information more useful. All such sort of steps is being done in information filtration.

Test-Train Split: Our next methodology is to part the information in preparing and testing structure i.e. we partition the information into two parts. Around 70% of information is being prepared to manufacture a model and staying 30% is being utilized for testing that model.

Information Scaling: Before passing the information to model, we need to scale the information as per the model's requirement. So we reshape the information to make it appropriate for the model.

Model-Building: For any AI models there are two most dominant libraries in python i.e. Theano and tensorflow.But these libraries are hard to utilize legitimately for structure a model. So here we use keras with tensor flow as backend library to make our model increasingly precise.

We use keras consecutive model in which we pass two layers i.e. lstm and thick layer. These layers will process the information inside and out to break down every single kind example framed in dataset which makes our model more précised. Then we pass the information to that model and train it.

Model Learning and Evaluation: Data is being prepared utilizing different LSTM units. It comprises of four entryways principally i.e. a memory cell, an information door, a yield entryway and an overlook gate. These entryways are utilized to give the data a chance to pass through. They comprises of initiation layers like sigmoid which yields numbers somewhere in the range of zero and one. Here zero signifies "let nothing through," and one signifies "let everything through". These entryways are utilized to secure and control the cell state.

Smaller types of the conditions for the passing of a LSTM unit with all doors are as per the following:

I=σ (XTUI+Tt−1wI)
F=σ (XTUF+HT−1WF)
O=σ (XTUO+HT−1WO) ~
CT=tanH (XTUG+HT−1WG)
CT=σ (FT∗CT−1+IT∗~CT)
HT=tanH (CT)*OT

Here, I, F, O are called the input, forget and output gates, respectively.
σ: sigmoid activation
HT: hyperbolic tangent function
W and U: weight matrices and bias vector parameters which refer to the number of all input features and all number of hidden units, respectively.

Expectation: Prediction is being finished by utilizing this spared model. We pass input esteems to the model and it will give the anticipated qualities as output. Then that yield is being contrasted with the testing information with ascertain exactness and misfortunes.

IV. IMPLEMENTATION

We execute this proposed bit coin expectation model on multi center CPU on a solitary machine as opposed to utilizing GPU. We pick CPU rather than GPU to make the usage straightforward and to lessen its unpredictability and for the simplicity of investigating.

Configuration:
Processor: Intel Core i7 processor
Operating System: Ubuntu
RAM: 16 GB
Graphics Processor: NVIDIA GeForce 930M

This information is taken from connection referenced and it is allowed to utilize the data. It's a Bit coin data, which is the longest running and most understood crypto currency. It comprises of trades for timespan of Jan 2012 to March 2018, with moment to minute updates of OHLC (Open, High, Low, and Close), Volume in BTC and demonstrated money, and weighted bit coin cost.

Link from where we get the data is https://www.kaggle.com/mczielinski/bitcoin-historical-data/data

We pass two types of currencies in dataset:
1. USD
2. JPY

Model trained passing three kind of dataset:
1. USD Dataset Details (Large amount):

Range Index: 3273377 entries, 0 to 3273376
Data columns (total 8 columns):
Timestamp int64

Open float64
High float64
Low float64
Close float64
Volume_ (BTC) float64
Volume_ (Currency) float64
Weighted Price float64
D types: float64 (7), int64 (1)
Memory usage: 199.8 MB
2. USD Less amount
Range Index: 16865 entries, 0 to 16865
Data columns (total 8 columns):
Timestamp 16865 non-null int64
Open 16865 non-null float64
High 16865 non-null float64
Low 16865 non-null float64
Close 16865 non-null float64
Volume_ (BTC) 16865 non-null float64
Volume_ (Currency) 16865 non-null float64
Weighted Price 16865 non-null float64
D_types: float64 (7), int64 (1)
Memory usage: 99.9 MB
3. JPY
Range Index: 37909 entries, 0 to 37909
Data columns (total 8 columns):
Timestamp 37909 non-null int64
Open 37909 non-null int64
High 37909 non-null int64
Low 37909 non-null int64
Close 37909 non-null int64
Volume_ (BTC) 37909 non-null float64
Volume_ (Currency) 37909 non-null float64
Weighted Price 37909 non-null float64
Dtypes: float64 (3), int64 (5)
Memory usage: 23.1 MB

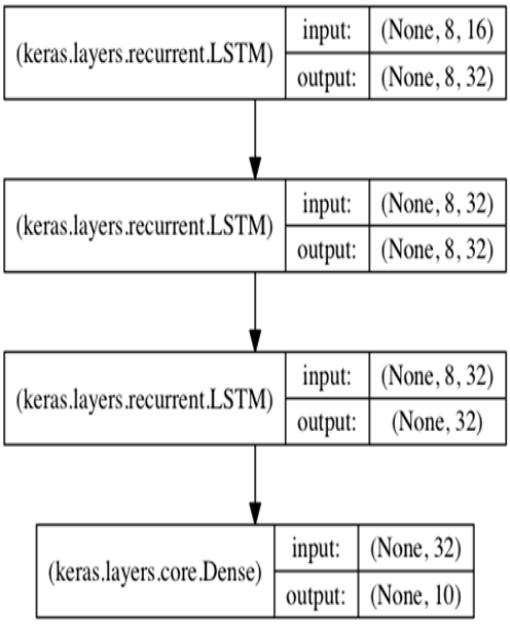

Fig. 1.

And then we calculate the result on the basis of following parameters:
1. Accuracy
2. Mean squared error
3 Number of loses
4. Quantity and quality of dataset.

Model is prepared on 10000 ages with 5 group size. We include four units of lstm input layer to display alongside sigmoid initiation work which controls the progression of data and remember all examples shaped in dataset. Along with that thick layer and Adam analyzer is passed to the model to make model very précised.

V. EVALUATION & RESULRS

The figure 2below illustrates the prediction values for JPY for 20M data. Here red line depicts the actual values and blue line depicts the predicted values. Here results are not good because of low quantity and quality of dataset. There is a huge difference between actual and predicted values.

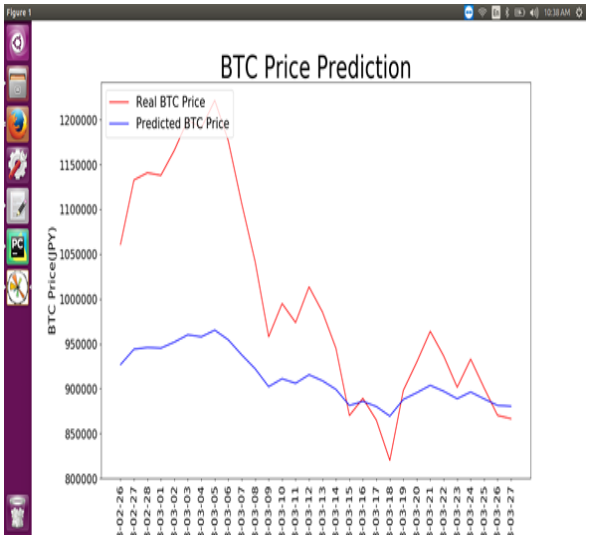

Fig.2

The 3rd figure illustrates the results for USD for 20MB data. Here we got 59% accuracy which is not good.

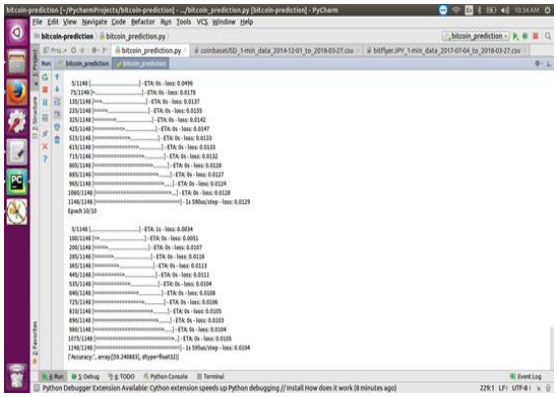

Fig. 3

This 3rd figure represents no of epochs Vs loss graph. Here model generates max 50% of loses on 13 epochs.

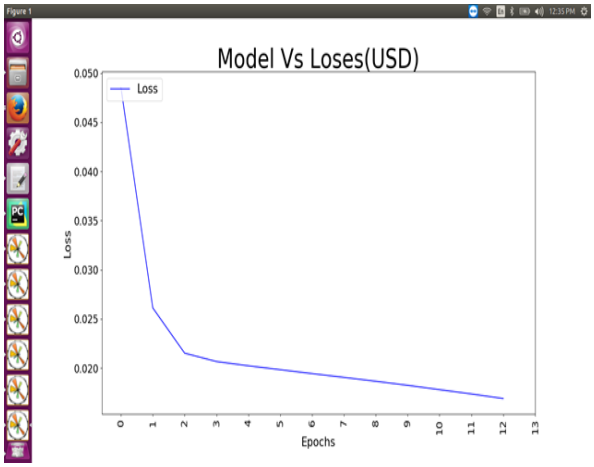

Fig. 4:when model is trained Using Bitcoin-USD dataset of length 100M.

Then we pass the model to Usd currency data of length 100M to check variations.

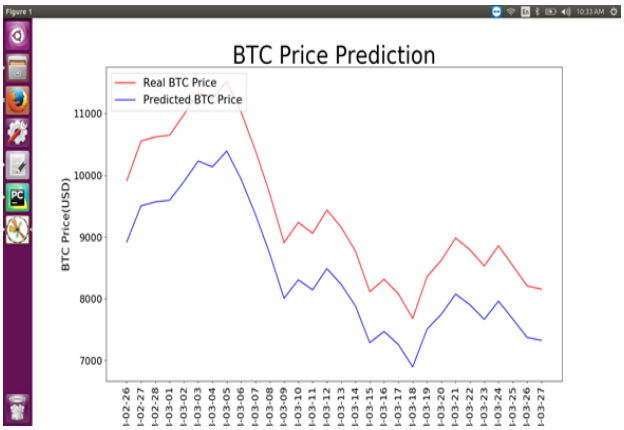

Fig. 5.Btc prediction for less data

Above figure illustrates the prediction values for USD for 100M data. Here red line depicts the actual values and blue line depicts the predicted values. Here the result is better than above. As the difference between the values reduces.

Fig. Accuracy for usd less data

Above figure illustrates the results for USD for 100M data. Here we got 78% accuracy.

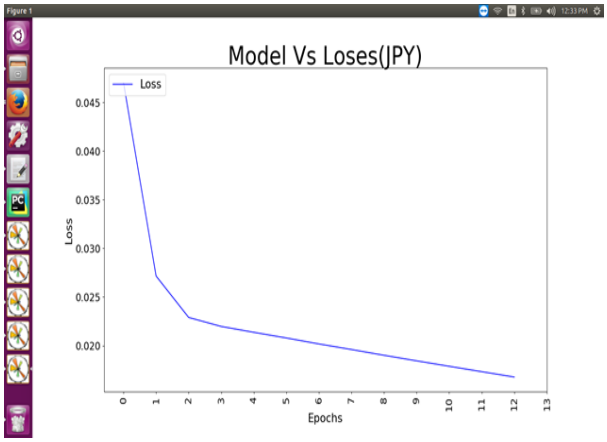

Fig. 6

This fig represents no of epochs Vs loss graph. Here model generates max 45% of loses on 13 epoch, which is better than above but b still not good.

When model is trained Using Bitcoin-USD dataset of length 200M.

Now, we increase quantity and quality of dataset. Now we pass USD data of 200M.

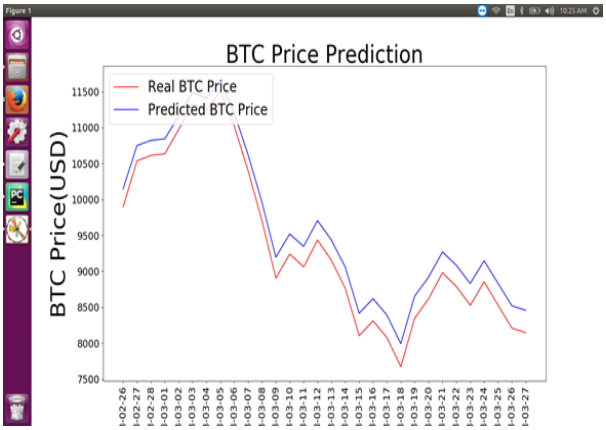

Fig. 7.Btc prediction for less data

Above figure illustrates the prediction values for USD for 200M data. Here red line depicts the actual values and blue line depicts the predicted values. Here results are better than all as difference between real price and predicted price reduced to huge extent.

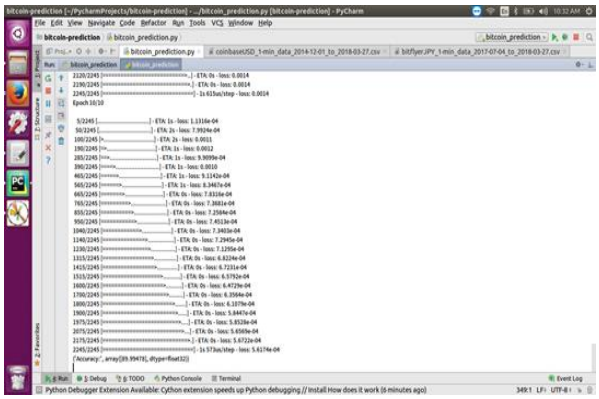

Fig. 8. Accuracy for USD less data

Above figure illustrates the results for USD for 200MB data. Here we got 87% accuracy which is far better than above all.

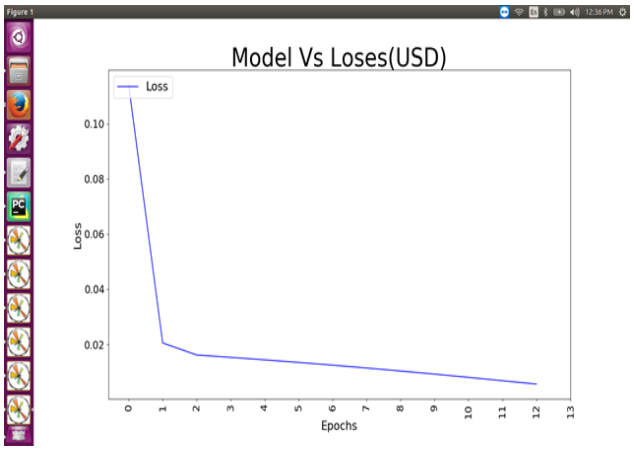

Fig. 9.Model Vs loss graph

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This fig represents no of epochs Vs loss graph. Here model generates max 10% of loses on 13 epochs, which is good for prediction model.

Comparison

Now we compare the accuracy and quantity of dataset and we get the result in the form of bar graph.

Accuracy Vs Quantity:

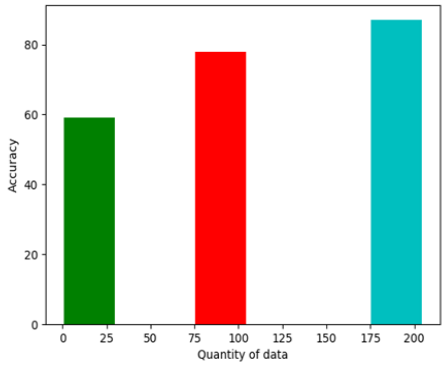

Fig. 10

This figure 10 depicts the variations of accuracy with respect to the quantity of dataset. It gives 59% accuracy w.r.t 20M data and 75% accuracy w.r.t 100M data and 90% w.r.t 200M data.

Mean Square Error Plot

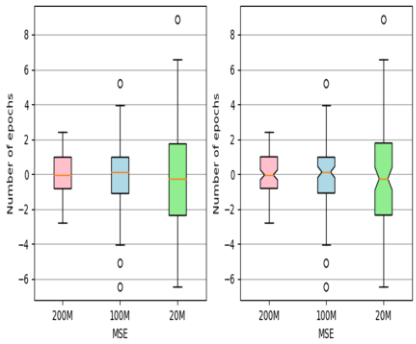

Fig. 11

This figure 11 represents the variations in mse rate of different type of datasets w.r.t to number of epochs. Error rate has inverse relation with quantity of dataset. Error rate decreases by increasing the quantity of dataset and vice versa.

Overall Comparison

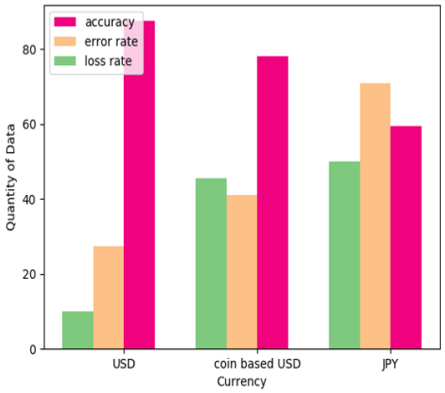

Fig. 12

Above figure 12 depicts the overall comparison of results among different quantity and quality of dataset. Here pink box represents accuracy, peach represents error rate and green represents loss rate.

VI CONCLUSION AND FUTURE SCOPE

The prediction for bitcoin gives us an estimate result which will helpful for the profit purpose. The crypto currency is one of the easiest way to make the economy stable of any country but in some countries there are not approved to used it and the best part of this crypto currency is that it not be robbed by someone and if we take the analysis of past some years the value of bit coin is changed from ten thousand to 7500 approx. which doesn't make a big change but it will definitely effect the digital market. And if we talk about the future scope of the research is definitely give us an idea that in future there are some percent of chances that the range of bit coin might be increased in some amount or make it constant as well but if we look for the investment purpose there are some chances for that also, the status of market will be completely digitalize soon. So it has a bright future scope...

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AUTHOR'S FROFILE

Ekta Gupta,I am Ekta Gupta, Student of Apex Institute of Technology of Chandigarh University, India.I have published a research paper "Sentiment-analysis : Achalleneg" in the domain of sentiment analysis .My primary research domain is Machine-Learning and big data engineering and secondary research areas are Social recommendation.

Rajdavinder Singh Boparai, is Assistant Professor in Apex Institute of Technology of Chandigarh University, India. He has published more than twenty-five research papers in various journals and conferences. His primary research domain is data science and big data engineering and secondary research areas are digital image processing and parallel computing.