# PREDICT CRUDE OIL PRICES IN THE INTERNATIONAL MARKET

## AN ALTERNATIVE FORECASTING TECHNIQUE

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## ABSTRACT

The severe clearly unrest in the oil market reflected in the volatility of oil prices, allowed to consider the efficiency of the various forecasting techniques applied. In order to stand on the ability of some models to provide forecasts for decision-makers and to investigate the presence of any sort of seasonality and identify the type of the trend component crude oil prices we used weekly, monthly and annually data collected from the U S Energy Information Administration for the period 1987 to 2015. Appropriate forecasting technique mainly based on a two forms of the "double exponential smoothing" model related to Brown's Linear (i.e., double) Exponential Smoothing and the Holt-Winters Double Exponential Smoothing referred to a more sophisticated version of the first ones is model. After construct short-term forecasts for weekly, monthly and annual data. The "Evaluation statistics" section shows the RMSE and RSS statistics for each of the forecasts. Results have shown the importance of the non-parametric models in providing reasonable forecasts supported by appropriate statistical tests and indicated absence of seasonal effects and also economic cycles of them in terms of their compounds. The slump in the prices will deepen unless the OPEC and non OPEC producers sit together to avoid any further prices collapse.

**KEYWORDS:** Crude Oil Prices, Forecasting, Double Exponential Smoothing, Brown's And Holt's Models