Abstract

This paper shows how the performance of the basic Local Linear Wavelet Neural Network model (LLWNN) can be improved with hybridizing it with fuzzy model. The new improved LLWNN based Neurofuzzy hybrid model is used to predict two currency exchange rates i.e. the U. S. Dollar to the Indian Rupee and the U. S. Dollar to the Japanese Yen. The forecasting of foreign exchange rates is done on different time horizons for 1 day, 1 week and 1 month ahead. The LLWNN and Neurofuzzy hybrid models are trained with the backpropagation training algorithm. The two performance measurers i.e. the Root Mean Square Error (RMSE) and the Mean Absolute Percentage Error (MAPE) show the superiority of the Neurofuzzy hybrid model over the LLWNN model.

References

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Index Terms
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Keywords
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