

Bulk Tissue Cell Type Deconvolution with Multi-Subject Single-Cell Expression Reference

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Abstract

We present MuSiC, a method that utilizes cell-type specific gene expression from single-cell RNA sequencing (RNA-seq) data to characterize cell type compositions from bulk RNA-seq data in complex tissues. When applied to pancreatic islet and whole kidney expression data in human, mouse, and rats, MuSiC outperformed existing methods, especially for tissues with closely related cell types. MuSiC enables characterization of cellular heterogeneity of complex tissues for identification of disease mechanisms.

Bulk tissue RNA-seq is a widely adopted method to understand genome-wide transcriptomic variations in different conditions such as disease states. Bulk RNA-seq measures the average expression of genes, which is the sum of cell type-specific gene expression weighted by cell type proportions. Knowledge of cell type composition and their proportions in intact tissues is important, because certain cell types are more vulnerable for disease than others. Characterizing the variation of cell type composition across subjects can identify cellular targets of disease, and adjusting for these variations can clarify downstream analysis.

The rapid development of single-cell RNA-seq (scRNA-seq) technologies have enabled cell type-specific transcriptome profiling. Although cell type composition and proportions are obtainable from scRNA-seq, scRNA-seq is still costly, prohibiting its application in clinical studies that involve a large number of subjects. Furthermore, scRNA-seq is not well suited to characterizing cell type proportions in a solid tissue, because the cell dissociation step is biased towards certain cell types¹.

48 Computational methods have been developed to deconvolve cell type proportions using
49 cell type-specific gene expression references². CIBERSORT³, based on support vector
50 regression, is a widely used method designed for microarray data. More recently,
51 BSEQ-sc⁴ extended CIBERSORT to allow the use of scRNA-seq gene expression as a
52 reference. TIMER⁵, developed for cancer data, focuses on the quantification of immune
53 cell infiltration. These methods rely on pre-selected cell type-specific marker genes, and
54 thus are sensitive to the choice of significance threshold. More importantly, these
55 methods ignore cross-subject heterogeneity in cell type-specific gene expression as
56 well as within-cell type stochasticity of single-cell gene expression, both of which cannot
57 be ignored based on our analysis of multiple scRNA-seq datasets (**Supplementary**
58 **Figure 1a**).

59
60 Here we introduce a new Multi-Subject Single Cell deconvolution (MuSiC) method
61 (<https://github.com/xuranw/MuSiC>) that utilizes cross-subject scRNA-seq to estimate
62 cell type proportions in bulk RNA-seq data (**Figure 1**). A key concept in MuSiC is
63 “marker gene stability”. We show that, when using scRNA-seq data as a reference for
64 cell type deconvolution, two fundamental types of stability must be considered: cross-
65 subject and cross-cell, in which the first is to guard against bias in subject selection, and
66 the second is to guard against bias in cell capture in scRNA-seq. By incorporating both
67 types of stability, MuSiC allows for scRNA-seq datasets to serve as effective references
68 for independent bulk RNA-seq datasets involving different individuals.

69
70 Rather than pre-selecting marker genes from scRNA-seq based only on mean
71 expression, MuSiC gives weight to each gene, allowing for the use of a larger set of
72 genes in deconvolution. The weighting scheme prioritizes stable genes across subjects:
73 up-weighting genes with low cross-subject variance (informative genes) and down-
74 weighting genes with high cross-subject variance (non-informative genes). This
75 requirement on cross-subject stability is critical for transferring cell type-specific gene
76 expression information from one dataset to another.

77
78 Solid tissues often contain closely related cell types, and correlation of gene expression
79 between these cell types leads to collinearity, making it difficult to resolve their relative
80 proportions in bulk data. To deal with collinearity, MuSiC employs a tree-guided
81 procedure that recursively zooms in on closely related cell types. Briefly, we first group
82 similar cell types into the same cluster and estimate cluster proportions, then recursively
83 repeat this procedure within each cluster (**Figure 1**). At each recursion stage, we only
84 use genes that have low within-cluster variance, a.k.a. the cross-cell stable genes. This
85 is critical as the mean expression estimates of genes with high variance are affected by
86 the pervasive bias in cell capture of scRNA-seq experiments, and thus cannot serve as
87 reliable reference. See online methods for details.

88
89 To demonstrate and evaluate MuSiC, we started with a well-studied tissue, the islets of
90 Langerhans, which are clusters of endocrine cells within the pancreas that are essential
91 for blood glucose homeostasis. Pancreatic islets contain five endocrine cell types
92 (α , β , δ , ϵ , and γ), of which β cells, which secrete insulin, are gradually lost during type 2
93 diabetes (T2D). We applied MuSiC to bulk pancreatic islet RNA-seq samples from 89

94 donors from Fadista et al.⁶, to estimate cell type proportions and to characterize their
95 associations with hemoglobin A1c (HbA1c) level, an important biomarker for T2D. We
96 were motivated to re-analyze this data because, as shown in **Figure 2** and in Baron et
97 al.⁴, existing methods failed to recover the correct β cell proportions, which should be
98 around 50-60%⁷, and also failed to recover their expected negative relationship with
99 HbA1c level. As reference, we experimented with scRNA-seq data from two sources: 6
100 healthy and 4 T2D adult donors from Segerstolpe et al.⁸, and 12 healthy and 6 T2D
101 adult donors from Xin et al.⁹. All bulk and single-cell datasets in this analysis are
102 summarized in **Supplementary Table 1**.

103
104 First, to systematically benchmark, we applied MuSiC and three other methods
105 (Nonnegative least squares (NNLS), CIBERSORT, and BSEQ-sc) to artificial bulk RNA-
106 seq data constructed by simply summing the scRNA-seq read counts across cells for
107 each single-cell sequenced subject. In this case, true cell type proportions are known,
108 which allows the evaluation of accuracy. More details on artificial bulk construction are
109 described in the **Supplementary Note**. **Figure 2a**, **Supplementary Figure 1c** and
110 **Supplementary Figure 2b** show the estimation results when the artificial bulk and the
111 single-cell reference data are from the same study, either both from Segerstolpe et al.⁸
112 or both from Xin et al.⁹. MuSiC achieves improved accuracy over existing procedures.
113 **Figure 2b** and **Supplementary Figure 2a** show the estimation results when the
114 artificial bulk and the single-cell reference data are from different studies. This is a more
115 challenging but more realistic scenario, since library preparation protocols vary across
116 labs and bulk deconvolution analyses are often performed using single-cell reference
117 generated by others. MuSiC still maintains high accuracy, while other methods perform
118 substantially worse. Further comparisons show that, unlike existing methods that rely
119 on pre-selected marker genes, MuSiC gives accurate results when the cell type
120 composition in the bulk data is substantially different from that of the single cell
121 reference (**Supplementary Figure 2c** and **Supplementary Note 2**), and when the bulk
122 tissue contains minority cell types that are missing in the reference (**Supplementary**
123 **Figure 3** and **Supplementary Note 3**). MuSiC's ability to transfer knowledge across
124 data sources is derived from its consideration of marker gene stability.

125
126 We now turn to the deconvolution of bulk RNA-seq data from Fadista et al.⁶. We used
127 the scRNA-seq data from Segerstolpe et al. as reference for all methods. MuSiC
128 recovers the expected ~50-60% β cell proportion for the healthy subjects⁷, whereas
129 other methods grossly overestimate the proportion of α cells and underestimate the
130 proportion of β cells. Furthermore, MuSiC detects a significant association of β cell
131 proportion with HbA1c level (p-value 0.00126, **Figure 2d**). Based on clinical standard,
132 HbA1c level <6.0% is classified as normal, and >6.5% is classified as diabetic. After
133 adjusting for age, gender and body mass index, MuSiC estimates suggest that 0.5%
134 increase in HbA1c level, representing the magnitude of increase from normal to the
135 diabetes cutoff, corresponds to a drop of $6.14\% \pm 4.98\%$ in β cell proportion.

136
137 As a second tissue example, we used the kidney, a complex organ consisting of several
138 anatomically distinct segments each playing critical roles in the filtration and
139 reabsorption of electrolytes and small molecules of the blood. Chronic kidney disease

140 (CKD), the gradual loss of kidney function, is increasingly recognized as a major health
141 problem, affecting 10-16% of the global adult population. We aim to characterize how
142 kidney cell type composition changes during CKD. Fibrosis is the histologic hallmark
143 common to all CKD models, and hence, we analyzed the bulk RNA-seq data from three
144 mouse models for renal fibrosis: unilateral ureteric obstruction induced by surgical
145 ligation of the ureter (UUO, Arvaniti et al.¹⁰), toxic precipitation in the tubules induced by
146 high dose folic acid injection (FA, Craciun et al.¹¹), or genetic alteration by transgenic
147 expression of genetic risk variant APOL1 in podocytes (APOL1 transgenic mice¹²). As
148 reference, we used the mouse kidney specific scRNA-seq data from Park et al.¹. Details
149 of all datasets are summarized in **Supplementary Table 2**. We systematically
150 benchmarked all methods on artificial bulk experiments performed using the Park et al.
151 scRNA-seq data, finding similar trends as those in **Figure 2a-b (Supplementary Figure**
152 **4a-b)**.

153
154 Hierarchical clustering of the cell types in the single cell reference reveals that, apart
155 from neutrophils and podocytes, kidney cells fall into two large groups: Immune cell
156 types (macrophages, fibroblasts, T lymphocytes, B lymphocytes, and natural killer cells)
157 and kidney-specific cell types (proximal tubule, distal convoluted tubule, loop of Henle,
158 two cell types forming the collecting ducts, and endothelial cells). Of these, proximal
159 tubule (PT) is the dominant cell type in kidney, and the proportion of PT cells is known
160 to decrease with CKD progression. MuSiC finds this decrease in all three mouse
161 models (**Figure 3b-d**). Other methods also detect this association for the APOL1 and
162 UUO mouse models, but showed ambiguous results for the FA model.

163
164 Distal convoluted tubule cells (DCT) are known to be the second most numerous cell
165 type in kidney, with an expected proportion of ~10-20%¹. Yet, CIBERSORT did not
166 detect DCT in any of the three bulk datasets; BSEQ-sc missed it in two datasets and
167 grossly over-estimated its proportion in the third dataset at the cost of a grossly
168 underestimated PT proportion. This is due to the high similarity between DCT and PT,
169 observable in **Figure 3a**. Through its tree-guided recursive algorithm, MuSiC first
170 estimates the combined proportion of kidney cell types versus immune cell types using
171 stable genes for these two large groups, and then zooms in and deconvolves the kidney
172 cell types using genes re-selected for each kidney cell type. This allows MuSiC to
173 successfully separate PT and DCT cells in all three bulk datasets, recovering a
174 consistent DCT proportion between 8-20%, matching expectations. Interestingly, unlike
175 for PT, the proportion of DCT cells show a consistent increase with disease progression
176 across all three mouse models. This may seem counterintuitive given that loss of kidney
177 function is expected to be associated with the loss of kidney cell types. But given the
178 substantial drop of the dominant PT cell type, the proportion of DCT cells relative to the
179 whole may increase, even if its absolute count drops.

180
181 Next, consider immune cells, known to play a central role in the pathogenesis of CKD.
182 MuSiC found the largest immune sub-type to be macrophage, and all methods detected
183 the expected increase of macrophage proportion with disease progression. Apart from
184 this, MuSiC also found fibroblasts, B-, and T-lymphocytes to increase in proportion with
185 disease progression, giving a consistent immune signature that is reproduced across

186 mouse models. These findings are consistent with clinical and histological observations,
187 indicating tissue inflammation is a consistent feature of kidney fibrosis. Such
188 reproducible signatures were not found by other methods, which show much less
189 agreement across mouse models.

190
191 Finally, to illustrate MuSiC's cross-species applicability, we used the mouse kidney
192 scRNA-seq reference from Park et al.¹ to deconvolve the bulk rat RNA-seq data from
193 Lee et al.¹³, which contains 105 samples obtained from 14 segments spaced along the
194 renal tubule. We mapped samples to their physical locations, and computed correlations
195 between their cell type proportions (**Figure 3e**). Reassuringly, cell types recovered by
196 MuSiC for each segment agree with knowledge about the dominant cell type at its
197 mapped position, e.g. DCT cells come from the DCT region. Correlation between
198 samples is also high within anatomically distinct segments.

199
200 Knowledge of cell type composition in disease relevant tissues is an important step
201 towards the identification of cellular targets in disease. Although most scRNA-seq data
202 do not reflect true cell type proportions in intact tissues, they do provide valuable
203 information on cell type-specific gene expression. Harnessing multi-subject scRNA-seq
204 reference data, MuSiC reliably estimates cell type proportions from bulk RNA-seq. As
205 bulk tissue data are more easily accessible than scRNA-seq, MuSiC allows the
206 utilization of the vast amounts of disease relevant bulk tissue RNA-seq data for
207 elucidating cell type contributions in disease.

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214 215 **Author Contributions**

216 This study was conceived of and led by N.R.Z. and M.L. Jointly with N.R.Z. and M.L.,
217 X.W. designed the model and estimation algorithm, implemented the MuSiC software,
218 designed the *in silico* experiments, and led the data analysis. J.P. and K.S. performed
219 the mouse scRNA-seq experiment and provided scientific insight on chronic kidney
220 disease and data interpretation. X.W., N.R.Z. and M.L. wrote the paper with feedback
221 from J.P. and K.S.

222 223 **Competing Financial Interests Statement**

224 The authors declare no competing interests.

225 226 227 **Reference**

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263

264 Figure Legends

265

266 **Figure 1:** Overview of MuSiC framework.

267 MuSiC starts from scRNA-seq data from multiple subjects, classified into cell types
268 (shown in different colors), and constructs a hierarchical clustering tree reflecting the
269 similarity between cell types. Based on this tree, the user can determine the stages of
270 recursive estimation and which cell types to group together at each stage. MuSiC then
271 determines the group-stable genes and calculates cross-subject mean (red to blue) and
272 cross-subject variance (black to white) for these genes in each cell type. MuSiC up-
273 weighs genes with low cross-subject variance and down-weighs genes with high cross-
274 subject variance. In the example shown, deconvolution is performed in two stages, only
275 cluster proportions are estimated for the first stage. Constrained by these cluster
276 proportions, the second stage estimates cell type proportions, illustrated by the length of

277 the bar with different colors. The deconvolved cell type proportions can then be
278 compared across disease cohorts.

279
280 **Figure 2:** Pancreatic islet cell type composition in healthy and T2D human samples.
281 **a and b** Benchmarking of deconvolution accuracy on bulk data constructed by
282 combining together scRNA-seq samples. **a.** The bulk data is constructed for 10 subjects
283 from Segerstolpe et al. while the single cell reference is taken from the same dataset.
284 The cell type proportions of healthy subjects are estimated by leave-one-out single cell
285 reference. The subject names are relabeled; the table shows average root mean square
286 error (RMSD), mean absolute deviation (mAD), and Pearson correlation (R) across all
287 samples and cell types. **b.** The bulk data is constructed for 18 subjects from Xin et al.
288 while the single cell reference is 6 healthy subjects from Segerstolpe et al. **c.** Jitter plots
289 of estimated cell type proportions for Fadista et al subjects, color-coded by
290 deconvolution method. Of the 89 subjects from Fadista et al., only the 77 that have
291 recorded HbA1c level are plotted, and T2D subjects are denoted as triangles. **d.** HbA1c
292 vs beta cell type proportions estimated by each of 4 methods. The reported p-values are
293 from single variable regression β cell proportion ~ HbA1c. Multivariable regression
294 results are reported in **Supplementary Table 3.**

295
296 **Figure 3:** Cell type composition in kidney of mouse CKD models and rat.
297 **a.** Cluster dendrogram showing similarity between 13 cell types that were confidently
298 characterized in Park et al. Abbreviations: Neutro: neutrophils, Podo: podocytes, Endo:
299 endothelials, LOH: loop of Henle, DCT: distal convoluted tubule, PT: proximal tubule,
300 CD-PT: collecting duct principal cell, CD-IC: CD intercalated cell, Macro: macrophages,
301 Fib: fibroblasts, NK: natural killers. **b, c and d.** Average estimated proportions for 6 cell
302 types in bulk RNA-seq samples taken from 3 different studies, each study based on a
303 different mouse model for chronic kidney disease. Results from three different
304 deconvolution methods (MuSiC, BSEQ-sc and CIBERSORT) are shown by different
305 colors. **Supplementary Figure 5a-c** show complete estimation results of all 13 cell
306 types. **b.** Bulk samples are from Beckerman et al., who sequenced 6 control and 4
307 APOL1 mice. **c.** Bulk data are from Craciun et al.⁹, where samples are taken before (C)
308 and at 1, 2, 3, 7, 14 days after administering folic acid. Line plot shows cell type
309 proportion changes over time (days), averaged over 3 replicates at each time point. **d.**
310 Bulk data are from Arvaniti et al.¹⁰, where samples are taken from mice after Sham
311 operation (C), 2 days after UUO operation (D2), and 8 days after UUO operation (D8).
312 The average proportions at each time point are plotted. **e.** MuSiC estimated cell type
313 proportions of rat renal tubule segments. The estimated cell type proportions (left) and
314 the proportions correlations between samples (right) are shown as heatmap. Segment
315 names are color coded and aligned according to their physical positions along the renal
316 tubule. **Supplementary Figure 6a-c** show NNLS, BSEQ-sc and CIBERSORT results.
317 Segment name abbreviation: S1: S1 proximal tubule; S2: S2 proximal tubule; S3: S3
318 proximal tubule; SDL: Short descending limb; LDLOM: Long descending limb, outer
319 medulla; LDLIM: Long descending limb, inner medulla; tAL: Thin ascending limb; mTAL:
320 Medullary thick ascending limb; cTAL: Cortical thick ascending limb; DCT: Distal
321 convoluted tubule; CNT: connecting tubule; CCD: Cortical collecting duct; OMCD: Outer
322 medullary collecting duct; IMCD: Inner medullary collecting duct.

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Online Methods

MuSiC model set-up

In this section, we derive the relationship between gene expression in bulk tissue and cell type-specific gene expression in single cells. This relationship forms the basis of our regression-based deconvolution. For gene g , let X_{jg} be the total number of mRNA molecules in subject j of the given tissue, which is composed of K cell types.

Then, $X_{jg} = \sum_{k=1}^K \sum_{c \in C_j^k} X_{jgc}$, where X_{jgc} is the number of mRNA molecules of gene g in cell c of subject j , and C_j^k is the set of cell index for cell type k in subject j with $m_j^k = |C_j^k|$ being the total number of cells in this set. The relative abundance of gene g in subject j for cell type k is

$$\theta_{jg}^k = \frac{\sum_{c \in C_j^k} X_{jgc}}{\sum_{c \in C_j^k} \sum_{g'=1}^G X_{jg'c}}. \quad (1)$$

We can show that

$$X_{jg} = \sum_{k=1}^K m_j^k S_j^k \theta_{jg}^k = m_j \sum_{k=1}^K p_j^k S_j^k \theta_{jg}^k, \quad (2)$$

where, for subject j , $S_j^k = \frac{\sum_{c \in C_j^k} \sum_{g'=1}^G X_{jg'c}}{m_j^k}$ is the average number of total mRNA

molecules for cells of cell type k (also referred to as “cell size” below), $m_j = \sum_{k=1}^K m_j^k$ is the total number of cells in the bulk tissue, and $p_j^k = \frac{m_j^k}{m_j}$ is the proportion of cells from

cell type k . Let $Y_{jg} = \frac{X_{jg}}{\sum_{g'=1}^G X_{jg'}}$ be the relative abundance of gene g in the bulk tissue of subject j . Equation (2) implies

$$Y_{jg} \propto \sum_{k=1}^K p_j^k S_j^k \theta_{jg}^k. \quad (3)$$

Thus, across G genes in subject j , we have

$$\begin{bmatrix} Y_{j1} \\ \vdots \\ Y_{jG} \end{bmatrix} \propto \begin{bmatrix} \theta_{j1}^1 & \cdots & \theta_{j1}^K \\ \vdots & \ddots & \vdots \\ \theta_{jG}^1 & \cdots & \theta_{jG}^K \end{bmatrix} \cdot \begin{bmatrix} S_j^1 & & \\ & \ddots & \\ & & S_j^K \end{bmatrix} \cdot \begin{bmatrix} p_j^1 \\ \vdots \\ p_j^K \end{bmatrix}. \quad (4)$$

The goal of MuSiC is to estimate p_j^k using data from scRNA-seq and bulk RNA-seq.

Model assumptions

If scRNA-seq data were available for subject j , we would be able to obtain the cell size factor S_j^k and cell type-specific relative abundance θ_{jg}^k . With bulk RNA-seq data in

354 subject j , we get the bulk tissue relative abundance Y_{jg} , and, if θ_{jg}^k and S_j^k were known,
 355 we would be able to perform a regression to estimate p_j^k . However, since scRNA-seq is
 356 still costly, most studies cannot afford the sequencing of a large number of individuals
 357 using scRNA-seq. To make deconvolution possible for a broader range of studies, it is
 358 desirable to utilize cell type-specific gene expression from other studies or from a
 359 smaller set of individuals in the same study. This is feasible under the following two
 360 assumptions: (A1) Individuals with scRNA-seq and bulk RNA-seq are from the same
 361 population, with their cell-type specific relative abundances θ_{jg}^k in equation (1) following
 362 the same distribution with means θ_g^k and variances σ_{gk}^2 ,

$$\theta_{jg}^k \sim F(\theta_g^k, \sigma_{gk}^2). \quad (5)$$

364 Under this assumption, deconvolution can use available single cell data from other
 365 subjects or even subjects from other studies as reference for cell type proportion
 366 estimation. (A2) The ratio of average cell size S_k^j across cell types are the same
 367 regardless of subjects and studies

$$\frac{S_j^k}{S_j^{k'}} = \frac{S_{j'}^k}{S_{j'}^{k'}} \quad \text{for all } j, j' \in \{1, \dots, N\} \text{ and } k, k' \in \{1, \dots, K\}. \quad (6)$$

370 The second assumption allows us to replace S_j^k by a common value S^k across subjects.
 371 In MuSiC, we use the average cell size and relative abundance across all subjects from
 372 the scRNA-seq data to estimate S_j^k and θ_g^k .

374 Cell type proportion estimation

375 To estimate cell type proportions $\mathbf{p}_j = \{p_j^k, k = 1, \dots, K\}$, we need to consider two
 376 constraints: (C1) Non-negativity: $p_j^k \geq 0$ for all j, k ; (C2) Sum-to-one: $\sum_{k=1}^K p_j^k = 1$ for
 377 all j . Because the bulk tissue and single-cell relationship derived in equation (5) is a
 378 “proportional to” relationship, to satisfy the (C2) constraint, we need a normalizing
 379 constant C so that

$$Y_{jg} = C \cdot \sum_{k=1}^K p_{jk} S_k \theta_{jg}^k + \epsilon_{jg}, \quad (8)$$

382 where $\epsilon_{jg} \sim N(0, \delta_{jg}^2)$ represents bulk tissue RNA-seq gene expression measurement
 383 noise. When cell type proportions $\mathbf{p}_j = \{p_j^k, k = 1, \dots, K\}$ and subject-specific relative
 384 abundances $\boldsymbol{\theta}_{jg} = \{\theta_{jg}^k, k = 1, \dots, K\}$ are known, the variance of bulk tissue gene
 385 expression measurement is

$$\text{Var}[Y_{jg} | \mathbf{p}_j, \boldsymbol{\theta}_{jg}] = \delta_{jg}^2. \quad (9)$$

387 Given only cell type proportions, the variance is

388

$$\begin{aligned}
 \text{Var}[Y_{jg} | \mathbf{p}_j] &= E[\text{Var}[Y_{jg} | \mathbf{p}_j, \boldsymbol{\theta}_{jg}]] + \text{Var}[E[Y_{jg} | \mathbf{p}_j, \boldsymbol{\theta}_{jg}]] \\
 &= \delta_{jg}^2 + \text{Var}\left[C \cdot \sum_{k=1}^K p_{jk} S_k \theta_{jg}^k\right] \\
 &= \delta_{jg}^2 + C^2 \cdot \sum_{k=1}^K p_{jk}^2 S_k^2 \text{Var}[\theta_{jg}^k] = \delta_{jg}^2 + C^2 \sum_{k=1}^K p_{jk}^2 S_k^2 \sigma_{gk}^2 \\
 &= \frac{1}{w_{jg}}
 \end{aligned} \tag{10}$$

389

390 Because of the heteroscedasticity of gene expression over genes, including the weight
 391 w_{jg} can improve estimates. Since δ_{jg}^2 is unknown, we will estimate the weight w_{jg}
 392 iteratively, initialized by NNLS.

393

394 MuSiC is a weighted non-negative least squares regression (W-NNLS), which does not
 395 require pre-selected marker genes. Indeed, the iterative estimation procedure
 396 automatically imposes more weight on informative genes and less weight on non-
 397 informative genes. Because it is a linear regression-based method, genes showing less
 398 cross cell type variations will have low leverage, thus having less influence on the
 399 regression, whereas the most influential genes are those with high weight and high
 400 leverage. To illustrate this point, we also performed benchmarking experiments to show
 401 that applying MuSiC using all genes gives more accurate results than applying MuSiC
 402 using pre-selected marker genes, thus demonstrating that MuSiC's weighting scheme
 403 makes marker gene pre-selection unnecessary (**Supplementary Figure 1c**,
 404 **Supplementary Figure 2**).

405

406 Recursive tree-guided deconvolution for closely related cell types

407 Complex solid tissues often include closely related cell types with similar gene
 408 expression levels. Correlation in gene expression can lead to collinearity, making it
 409 difficult to reliably estimate cell type proportions, especially for less frequent and rare
 410 cell types. Although the collinearity problem can be improved by selecting marker genes
 411 through support vector regression, as is done in CIBERSORT³ and BSEQ-sc⁴, these
 412 approaches still have limited power to resolve similar cell types. In MuSiC, we introduce
 413 a recursive tree-guided deconvolution procedure based on a cell type similarity tree,
 414 which can be easily obtained through hierarchical clustering. In stage 1 of this
 415 procedure, cell types in the design matrix are divided into high-level clusters by
 416 hierarchical clustering with closely related cell types clustered together. Proportion for
 417 these cell type clusters are estimated using genes with small intra-cluster variance
 418 (cluster-stable genes) using the above described W-NNLS. In stage 2, for cell types in
 419 each cluster, the cell type proportions are estimated using W-NNLS with genes
 420 displaying small intra-cell type variance, subject to the constraint on the pre-estimated
 421 cluster proportions. If necessary, more than 2 stages of recursion can be applied, with
 422 each stage separating the cell types within each large cluster into finer clusters, and
 423 using cluster-stable genes to do W-NNLS subject to the constraint that fixes higher-level
 424 cluster proportions.

425
 426 To illustrate this recursive tree-guided deconvolution procedure, we start with a simple
 427 case with four cell types and G genes. Let X_1, X_2, X_3, X_4 represent cell type-specific
 428 expression in the design matrix, obtained from scRNA-seq, and let Y be the gene
 429 expression vector in the bulk RNA-seq data. The relationship of bulk and single-cell
 430 data can be written as

$$\begin{pmatrix} Y^{(1)} \\ Y^{(2)} \end{pmatrix} = \begin{pmatrix} X_1^{(1)} & X_2^{(1)} & X_3^{(1)} & X_4^{(1)} \\ X_1^{(2)} & X_2^{(2)} & X_3^{(2)} & X_4^{(2)} \end{pmatrix} \begin{pmatrix} p_1 \\ p_2 \\ p_3 \\ p_4 \end{pmatrix} + \begin{pmatrix} \epsilon^{(1)} \\ \epsilon^{(2)} \end{pmatrix}, \quad (11)$$

432
 433 where the superscripts (1) and (2) indicate two sets of genes. Suppose the four cell
 434 types are grouped into two clusters, (X_1, X_2) and (X_3, X_4) . The first set of genes are those
 435 showing small intra-cluster variance in gene expression, that is, $X_1^{(1)} \approx X_2^{(1)}$ and $X_3^{(1)} \approx$
 436 $X_4^{(1)}$, whereas the second set of genes are the remaining genes.

437
 438 Stage 1: Estimate cluster proportions $\pi_1 = p_1 + p_2$ and $\pi_2 = p_3 + p_4$,

$$Y^{(1)} = X_1^{(1)} \pi_1 + X_3^{(1)} \pi_2 + \epsilon^{(1)}. \quad (12)$$

440 The cluster proportions, $\hat{\pi}_1$ and $\hat{\pi}_2$, are estimated by W-NNLS using intra-cluster
 441 homogenous genes.

442
 443 Stage 2: Estimate cell type proportions (p_1, p_2, p_3, p_4) ,

$$Y^{(2)} = X_1^{(2)} p_1 + X_2^{(2)} p_2 + X_3^{(2)} p_3 + X_4^{(2)} p_4 + \epsilon^{(2)}. \quad (13)$$

445
 446 The cell type proportions are estimated by W-NNLS using the remaining genes subject
 447 to the constraint that

$$\hat{p}_1 + \hat{p}_2 = \hat{\pi}_1, \text{ and } \hat{p}_3 + \hat{p}_4 = \hat{\pi}_2. \quad (14)$$

449
 450 Construction of benchmark datasets and evaluation metrics

451 To evaluate MuSiC and compare with other deconvolution methods, we need bulk RNA-
 452 seq data with known cell type proportions. Therefore, we construct artificial bulk tissue
 453 data from a scRNA-seq dataset in which the bulk data is obtained by summing up gene
 454 counts from all cells in the same subject. Relative abundance is calculated by equation
 455 (1). The true cell type proportions in the artificial bulk data can be directly obtained from
 456 the scRNA-seq data and this allows us to use this artificially constructed bulk data as a
 457 benchmark dataset to evaluate the performance of different deconvolution methods.

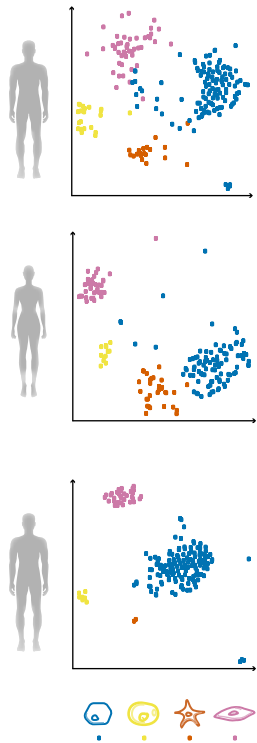
458 Denote the true cell type proportions by \mathbf{p} and the estimated proportions by $\hat{\mathbf{p}}$.

459 Deconvolution methods are evaluated by the following metrics.

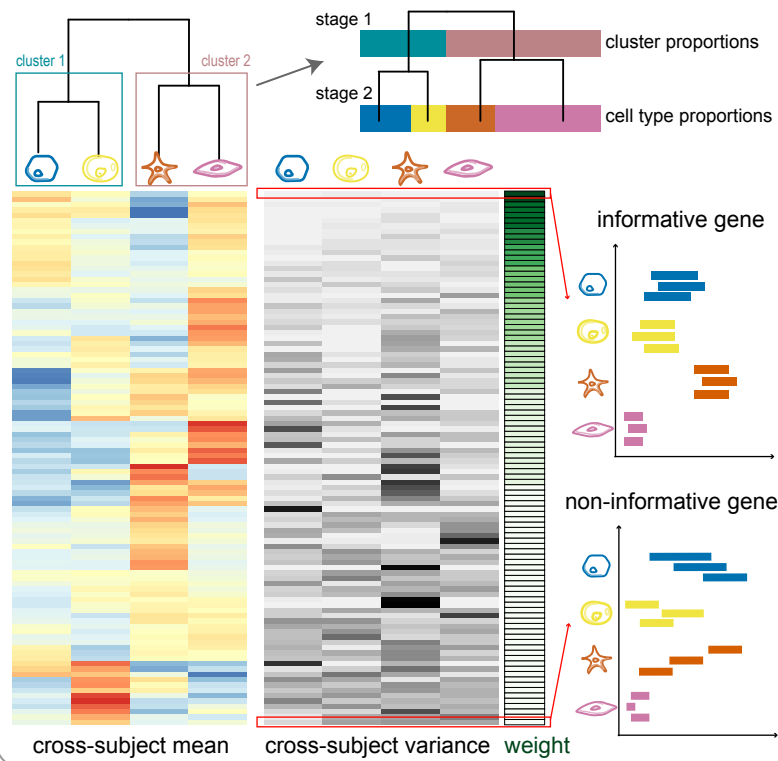
- 460 (i) Pearson correlation, $R = Cor(\mathbf{p}, \hat{\mathbf{p}})$.
 461 (ii) Root mean squared deviation, $RMSD = \sqrt{avg(\mathbf{p} - \hat{\mathbf{p}})^2}$;

462 (iii) Mean absolute deviation, $mAD = avg(|\mathbf{p} - \hat{\mathbf{p}}|)$.

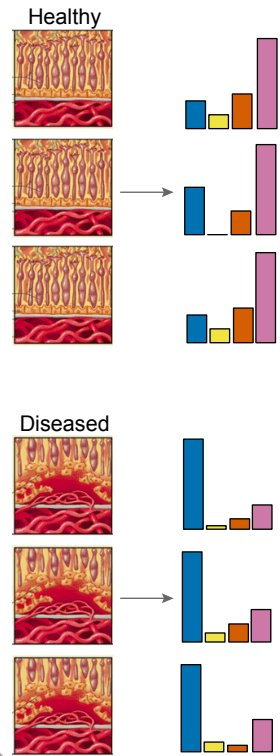
Multi-subject scRNA-seq

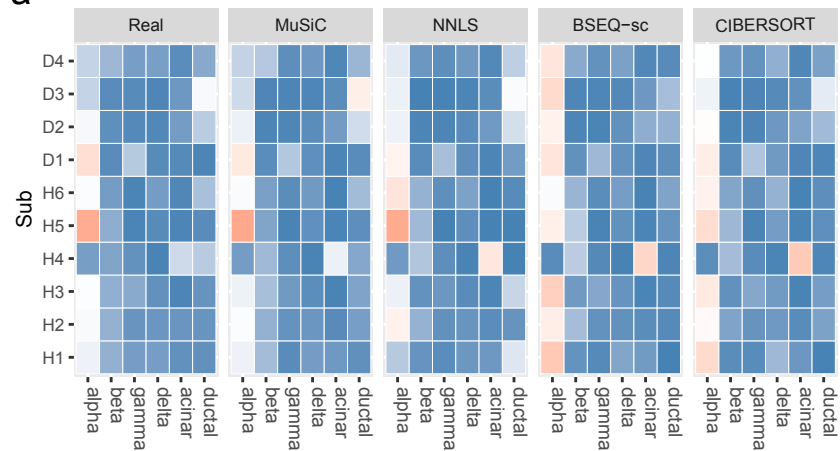


Cell type specific gene expression reference from scRNA-seq

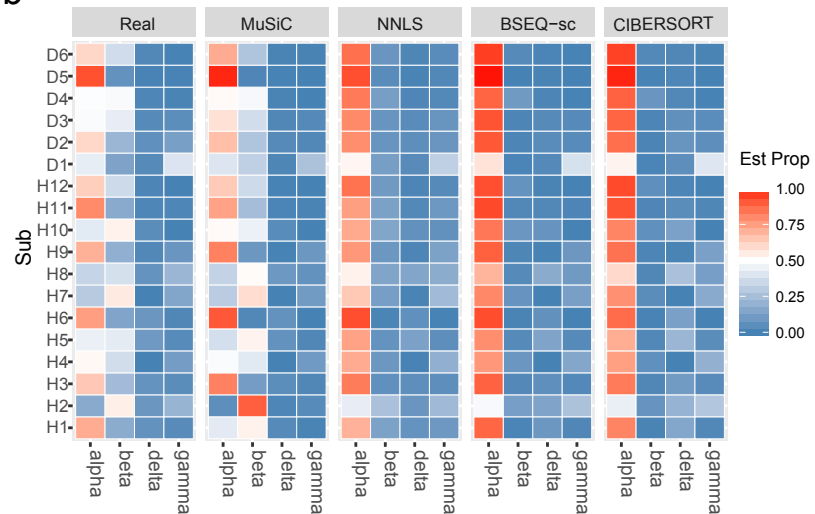


Bulk tissue deconvolution

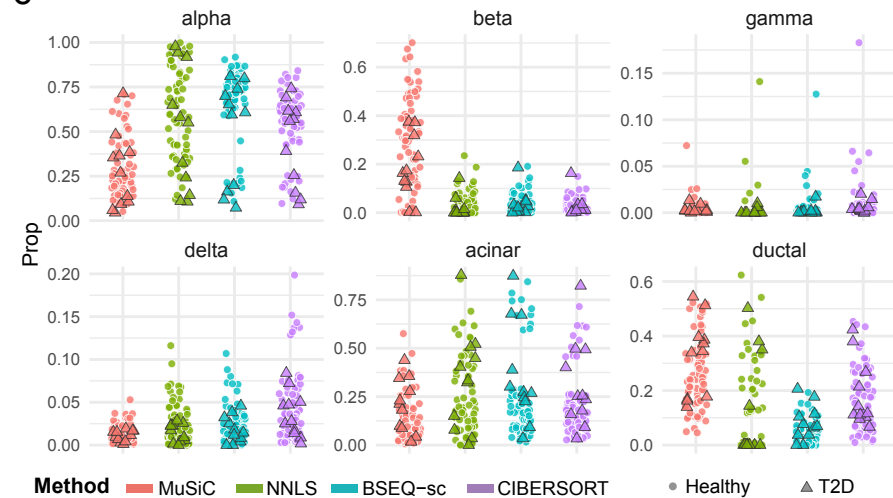


a

Method	MuSiC	NNLS	BSEQ-sc	CIBERSORT
RMSD	0.040	0.098	0.099	0.085
mAD	0.029	0.064	0.068	0.061
R	0.97	0.85	0.86	0.89

b

Method	MuSiC	NNLS	BSEQ-sc	CIBERSORT
RMSD	0.10	0.17	0.21	0.21
mAD	0.06	0.12	0.15	0.15
R	0.94	0.82	0.79	0.76

c**d**