Chaos Research

New Chaos Research Study Findings Recently Were Reported by Researchers at Madrid Polytechnic University

2012 JUN 30 (VerticalNews) -- By a News Reporter-Staff News Editor at Business & Finance Week -- Current study results on Chaos Research have been published. According to news reporting out of Madrid, Spain, by VerticalNews editors, researchers stated "An adaptive stochastic model is introduced to simulate the behavior of real asset markets. The model adapts itself by changing its parameters automatically on the basis of the recent historical data." Our news journalists obtained a quote from the research by the authors from Madrid Polytechnic University, "The basic idea underlying the model is that a random variable uniformly distributed within an interval with variable extremes can replicate the histograms of asset returns. These extremes are calculated according to the arrival of new market information. This adaptive model is applied to the daily returns of three well-known indices: Ibex35, Dow Jones and Nikkei, for three complete years. The model reproduces the histograms of the studied indices as well as their autocorrelation structures. It produces the same fat tails and the same power laws, with exactly the same exponents, as in the real indices. In addition, the model shows a great adaptation capability, anticipating the volatility evolution and showing the same volatility clusters observed in the assets." According to the news editors, the researchers concluded: "This approach provides a novel way to model asset markets with internal dynamics which changes quickly with time, making it impossible to define a fixed model to fit the empirical observations." For more information on this research see: An adaptive stochastic model for financial markets. *Chaos Solitons & Fractals*, 2012;45(6):899-908. *Chaos Solitons & Fractals* can be contacted at: Pergamon-Elsevier Science Ltd, The Boulevard, Langford Lane, Kidlington, Oxford OX5 1GB, England. Our news journalists report that additional information may be obtained by contacting J.A. Hernandez, Madrid Polytechnic University, ETSI Agronomos, Grp Sistemas Complejos, E-28040 Madrid, Spain. Keywords for this news article include: Spain, Madrid, Europe, Chaos Research, Finance and Financials, Investing and Investments Our reports deliver fact-based news of research and discoveries from around the world.

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