Good Afternoon, Colleagues

Are there any questions?
Logistics

- Thursday’s readings - example strategies
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- Rest of the schedule to come soon
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• CAT: Don’t expect David to be ahead of you...
Logistics

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- Rest of the schedule to come soon
- CAT: Don’t expect David to be ahead of you...
- How many people have partners?
Survey

• Thanks!
Survey

- Thanks!
- Change rooms?
Survey

- Thanks!
- Change rooms?
- Discussion forum?
Survey

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- Change rooms?
- Discussion forum?
- Webpage links
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- Grade feedback
Survey

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- Questions at the start of class
Survey

- Thanks!
- Change rooms?
- Discussion forum?
- Webpage links
- Grade feedback
- Questions at the start of class
- Class discussions dominated by a few students
Survey (cont.)

- Student-led discussions
Survey (cont.)

- Student-led discussions
  - Give them more time?
  - Sometimes hard to follow
  - Maybe not worth it overall
Survey (cont.)

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• More guidelines about how to read a paper
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  - adaptation, beer game, congestion problems
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- Breadth vs. depth
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- Breadth vs. depth
  - My goal: impart *useful* knowledge *efficiently*
Terms

- Liquidity
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• Liquidity
  – “The ability of an asset to be converted into cash quickly and without any price discount.”
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- 95% confidence interval
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- Sharpe ratio
Scoring criteria (Fig. 3)

- Daily profit/loss (liquidity assumption)
- Overall consistency of profit and loss
- Daily intraday position reversals
- Robustness to market variations
- Daily risk saturation
- Daily position unwinding

Purposes? Impressions?
2003-04 rules

- Scoring based on Sharpe ratio only (over 10 days)
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- Fees introduced to reward increasing liquidity
  - An order that matches immediately charged $.003/share
  - The order that it matches against given $.002/share
Class Discussion

- Andrew Dreher on Efficient Market Theory: Implications for Autonomous Agents