| Abrupt coefficient drift, see Coefficient drift | Amazon.com, 161–162 |
| Adaptive drift modeling, 16, 35, 41–44 | candlestick chart, 161–162 |
| for seasonal time series, see Influenza | American Airlines, see Terrorist attacks |
| for simultaneous, cointegrated time series, see | candlestick chart, 81 |
| Cointegration | Amplitude, see Model/Modeling, seasonal time series |
| for single time series, 93–103 | Anderson AP, 36, 41, 43 |
| for volatility time series, see ARCH/GARCH | Antigenic drift/shift, 44 |
| modeling | AR, see Autoregressive model |
| objectives, 39 | ARCH, see Autoregressive conditional |
| relation to the adaptive market hypotheses, 44 | heteroskedasticity |
| relation to evolution, 44 | ARMA, see Autoregressive moving average |
| time varying coefficients, see Coefficient drift | model |
| Adaptive market hypothesis, 15 | Atwood M, 30 |
| Adolescent problem gambling, 223, 227–238 | Authors J, 32, 162, 168–169 |
| SOGS-RA, pilot study results, 230–238 | Autoregressive (AR) model |
| Advanced Micro Devices (AMD), 68–69 | vector AR(p) model, 141 |
| candlestick chart, 69 | vector AR(p) model in error correction form, 141, 145 |
| Afifi A, 142, 213, 217 | Autoregressive conditional |
| Age | heteroskedasticity/ARCH/GARCH |
| of data acquisition, 225 | ARCH models, 45–46 |
| of data oversaturation, 225 | ARCH models with time-varying coefficients, 45–46 |
| Alavi A, 134 | extensions to generalized ARCH modeling |
| Algorithmic trading, 35 | (GARCH), 45–46. See also GARCH |
| flash trading, 35–36 | ARMA(1, 1) models, 41–44 |
| high frequency trading, 35 | ARMA(p, q) models, 93 |
| naked sponsored access, 36 | Aluminum Corporation of China, 174 |
| Aluminum Corporation of China, 174 | candlestick chart, 175 |
Autoregressive conditional heteroskedasticity/ARCH/GARCH
(Continued)
bilinear models, 41, 43, 46, 94
stationary, 136
time-varying coefficients generated through lagged shocks, see Coefficient drift
time-varying coefficients generated through random walk, see Coefficient drift

Bachelier L, 17
Baidu Inc./BIDU, 144–146, 174
candlestick chart, 144, 174
factor analysis, 146
Bank of America, 169
Behavioral economic and finance, 15
Baseball modeling, see Major League Baseball/MLB forecasting
Baseball shocks, see MLB forecasting
Basketball modeling, see National Basketball Association/NBA forecasting
Bastiat F, 27–28
Bayesian discriminant analysis, 216–219
analysis with non-uniform priors based on normality with constant variance/covariance structures between populations, 216
analysis with uniform priors based on normality, 216
Bayesian discriminant analysis based on normality with nonconstant variances/covariance structures between populations, 216
Bayes theorem, 216
Bayesian discriminant analysis based on non-normality, 216
Mahalanobis D2 distance, 217
modeling results, 218
stepwise selection of predictors, 218–219
Bean B, 17, 120
Bearsish candlestick patterns, see Candlestick patterns
Behavioral economic and finance, 15
Bell RJ, 206–207
Beta distribution, see Probability distributions
Beta function, see Beta distribution
Betting, see Kelly betting
Biases, see Model/modeling
Bilinear models, see ARMA model
Black box investment, 36
Black days in the financial markets, see Market crashes
Black Monday, see Market crashes
Black-Scholes model, 37
Blas J, 36, 75
BLDRS Emerging Markets 50 ADR Index, 47–48
candlestick chart, 48
Bliss CI, 241
Blitz R, 12, 19, 22
Bollerslev T, 45
Boston Red Sox, 18, 91, 114, 120–129
modeling results, 121–124
Bouchaud J, 37
Bowe C, 11
Box GEP, 94, 97, 218, 241
Brenner R, 21
Brittan S, 32, 61
Brooks D, 32, 34, 120
Bubbles, see Markets
Buehrle M, see No-Hitter
Bullish candlestick patterns, see Candlestick patterns
Burkhardt L, 22
Burnham T, 15
Calls, see Markets, options
California State University (CSU) Business Assessment Test, see Financial/mathematical literacy
Call options, see Options markets
Candlestick charts/ Japanese candlestick charts
definition of candlestick body, 3–4, 47
definition of candlestick wick, 3–4, 47
origins, 47
pseudo-candlestick charts, 87–91
Candlestick patterns.
bearish dark cloud cover, 50, 55–56, 62, 137, 140
bearish downside tasuki gap, 53
bearish engulfing, 50, 68, 77, 79, 82, 138, 140, 153
bearish falling three methods, 51
bearish hanging man, 51
bearish hammer, 51, 153
bearish inverted hammer, 51, 151, 153
bearish shooting star, 54
bearish three black crows, 52
bearish three line strike, 53
bearish upside gap two crows, 52
bullish breakaway, 49, 55–56
bullish concealing baby swallow, 53
bullish engulfing, 49, 50, 55, 57, 141, 169, 172
bullish hammer, 51, 55
bullish harami, 51, 151, 153
bullish inverted hammer, 54
bullish morning star, 50, 56, 173
bullish piercing, 50, 141, 153, 173
bullish rising three methods, 51
bullish stick sandwich, 54
bullish three line strike, 53
bullish three white soldiers, 52
bullish upside tasuki gap, 53
doji, 54
runs in white and dark bodies, 152
quantification of candlestick disequilibria, see Cointegration
Carlson M, 229
Categorical forecasting, see Bayesian discriminant analysis; Fisher’s discriminant function; Logistic regression
CBS Corp. (CBS), 84–85
candlestick chart, 84
Chanos J, see Safe Port Act
Chartists, see Candlestick charts
Chicago Cubs, 89–90
candlestick chart, 90
Chung J, 36–37, 67
Citrix Systems (CTXS), 14, 77–78, 155, 157–158. See also Short selling
candlestick chart, 78, 157
Clark V, 142
Classification, see Categorical forecasting
Clauset A, 38
Clemens R, 124–129
modeling results, 125–129
Cleveland Cavaliers, 204
Clinton WJ, 153, 155
CME Australian Dollar (A6, Globex), 75–76
candlestick chart, 76
CNOCC (CEO), 169, 171
candlestick chart, 171
Coates J, 25–26
Cochran WG, 38
Coefficient drift
abrupt drift, 42–43, 94, 146, 180
analogy between abrupt drift and Gould-Eldredge punctuated equilibrium, 45–46
analogy between gradual drift and Darwinian evolution, 45–46
generated by lagged gambling shocks, 179
generated by moving average process, 42, 93, 121, 146
generated by random walk, 42, 146
gradual drift, 42–43, 94, 146, 180
Cointegration
associated with modeling NBA games, see NBA
associated with modeling NFL games, see NFL
between relation shocks, 134–35
cointegrating vectors, 135, 142
definition of cointegrated time series, 135, 136
disequilibria comprised of confounded effects between and within relation shocks, 146, 179
estimation of cointegrating vectors, 142
estimation of disequilibria through factor analysis, see Factor analysis
estimation of disequilibria through Granger’s procedure, 135–136
estimation of disequilibria through Johansen’s maximum likelihood procedure, 142–146
 genesis in 18th century candlestick charts, 138
modeled in terms of vector autoregressive processes, see Autoregressive model
quantification of candlestick disequilibria, see Orthogonal polynomials
testing for cointegration through Granger’s procedure, 135–136
testing for cointegration through MacKinnon’s procedure, 135–136
time-varying cointegration, 147–148
Colbert Jean-Baptiste, 32
Coles S, 38
Comex Gold (GC, Globex), 73
candlestick chart, 73
Commodity Bubbles, 72–77
Complacency factor, 7
Cookson C, 26, 224
Cooper E, see No-hitter
candlestick chart, 75
Copernic Inc. (CNIC), 63. See also Insider trading, Cuban M
candlestick chart, 63
Corn Mini (YC, CBOT), 75
Cortisol, see Traders
Cowling C, 20
Creative destructive benevolence, 32
Critical repetition frequency, see Poker
Crude oil prices: NYMEX crude oil, 72, 74
candlestick chart, 74
Cuban M, see Insider Trading
sports hedge funds, 19
Curse of higher dimensionality, 134
Dallas Cowboys, 5, 186
candlestick chart, 186
Dallas Mavericks, 198–199
candlestick chart, 199
Daneshku S, 67
Darwin C, 16–17, 31, 44–45
DeGrauwe P, 23
DeLa C, 91
Discriminant analysis, see Categorical forecasting
Disequilibria, see Shocks
Disequilibria (Continued)
estimation through factor analysis, see Cointegration; Factor analysis
estimation through Johansen’s maximum likelihood procedure, see Cointegration
estimation through Granger’s procedure, see Cointegration
quantification of candlestick disequilibria through orthogonal polynomials, see Orthogonal polynomials
Disney (DSN), 83–85
acquisition of Marvel, 83–85
candlestick chart, 84
Dobra JL, 10
Donaghy T, see Monitoring referee performance
Dow Jones (DJ)
acquisition by Rupert Murdoch, 64–66. See also Insider trading
candlestick chart, 65
Dow Jones index/DJIA (INDU). See Terrorist attacks
Black Monday, 57
candlestick charts, 57–60, 81, 164
Dynamic models, see Adaptive drift modeling
EADS, 67. See also Insider trading
candlestick chart, 67
Economist, The, 14
Effective market efficiency
effective economic efficiency, 27–29
effective social efficiency, 27–29
Efficient market hypothesis (EMH), 14, 15, 30
applied to sports gambling markets, 14
Eldridge N, 16, 44
Empirical Bayesian estimation, see Estimation
Engle R, 45, 138
Epidemics
epidemic of adolescent problem gambling, see Adolescent problem gambling
epidemic of financial/mathematical illiteracy, see Financial/mathematical illiteracy
Epstein T, 18, 120
Estimation
empirical Bayesian estimation, 43, 97–99
estimating confounded effects of between and within relation shocks, see Cointegration
estimation of cointegrating vectors, see Cointegration
estimation of cointegration through Granger’s procedure, see Cointegration
estimation of cointegration through Johansen’s maximum likelihood procedure, see Cointegration
estimation of cointegration through factor analysis, see Cointegration
least squares estimation, 136
linearized nonlinear least squares estimation, 96–97
maximum likelihood estimation, 215
method of moments estimation, 215
reduced model estimation, 96–99
Estimator
Bayesian, see Estimation
confounded, see Estimation
least squares, see Estimation
maximum likelihood, see Estimation
method of moments, see Estimation
European football, 12
Evolution, see Darwin; Gould; Eldredge
Galapagos, 31–32
in financial markets, 15–16
pitching in Major League Baseball, 122
Exhaustion factor, see Predictive indicators
Expectation
gambling, see Line/Bookmaker’s line
rational, see Rational expectations hypothesis
statistical, see Adaptive drift modeling
Expected winning margin, 219. See also Expectation
Expert knowledge, non-statistical modeling, see Modeling
Exxon Mobile Corp., 86, 137
acquisition of XTO Energy (XTO), 86
candlestick chart, 86, 137
eigenroots (values)/vectors, 144, 159, 166, 183, 188, 192, 196, 202
factor scores 96, 145, 149, 158, 165
principal component/analysis 145, 149, 159, 166, 183, 189, 192, 196, 201
reducing dimensionality, 121
Varimax rotation, 145, 150, 159, 166, 183, 189, 193, 197, 203
Factor scores, see Factor analysis
Fama EF, 14
Farrell G, 71
Fat-tailed distributions, see Probability distributions
Fear index, see VIX index
Ferguson N, 13, 16
Fiedler I, 19
Financial markets, see Markets
Financial/mathematical literacy/illiteracy, 223–238
CSU Business Assessment Test Results, 230–237
epidemic of financial/mathematical illiteracy, 224
financial literacy questionnaire results, 230–237
information 225
innumeracy 224
recommendations, 237–38
The new 3 R’s, 225
Financial Times, 20, 163
Fisher RA, 38
Fisher’s discriminant function, 213–215, 236
fixes, 9–12
Flash trading, see Algorithmic trading
Football forecasts, see NFL forecasting
Forecasts/forecasting
adaptive drift forecasting, see Adaptive drift modeling
bilinear, see Bilinear models
candlestick forecasting, see Candlestick patterns
categorical forecasting, see Discriminant analysis
conditional variance forecasts, see ARCH; GARCH
conflicting forecasts, 180–181
baseball, see MLB modeling
basketball, see NBA modeling
football, see NFL modeling
financial, see Financial market modeling, model update forecasts, 190
one-step-ahead forecasts, 190
weekly influenza/pneumonia deaths, see Modeling, seasonal time series
Forrester J, 43
Frank B, 21
Friedman B, 36
Frist B, see Safe Port Act

Galapogos, see Evolution
Galleon Fund Case, see Insider trading
Gambling expectation, see Expectation
Gambling shocks/GS, 23, 105
as a measure of irrationality/rationality, 23
as approximations to statistical shocks, 105, 106, 118–119
as a reflection of physiological-psychological-biological variables, see Variables
definition in terms of score totals (GST), 5
definition in terms of score differentials (GSD), 5
in MLB forecasting, 87–88, 115
in NBA forecasting, 6–7
in NFL forecasting, 6–7
Gangahar A, 35
GARCH, see Generalized autoregressive conditional heteroskedasticity
Garrahan M, 83
Gates B, 223
Gelsi S, 85
Generalized autoregressive heteroskedasticity (GARCH)
modeling exercise, 130–132
time varying coefficients, 42, 99–100, 147–148
GNP deflator growth, see Models/modeling
Golden State Warriors, 198–199
Goldman Sachs (GS), 164–169
candlestick chart, 165
factor analysis, 166
modeling exercise, 165–167
Google (GOOG), 68
candlestick chart, 68
Gorton G, 43, 44
Gould SJ, 38, 44, 45, 134
punctuated equilibrium, 16, 32
Gradual coefficient drift, see Coefficient drift
Granger CWJ, 14, 17, 41, 43, 136, 138
Green Bay Packers, 185
candlestick chart, 185
Greenspan A, 155, 223
Groz M, 34
Guerrera F, 223

H1N1, 240
Hall B, 1
Harper C, 169
Harrison J, 41, 146
Hayek F, see Spontaneous order
Hedge funds, 35
quant funds, 36
relation to Galapogos, 31–32
sports hedge funds, 18
High frequency trading, see Algorithmic trading
START
Higher order ARMA models, see ARMA
High tech bubble, 153–160
Hollinger P, 1, 66
Houston Rockets, 6

ImClone Systems Inc (IMCL), 62. See also Insider trading
candlestick chart, 62
Indian BSE Sensex Index, 82–83. See also Terrorist attacks
candlestick chart, 82–83
Influenza, 239–245
  adaptive drift modeling of cointegrated seasonal time series through ARMA-type processes, 241
  adaptive drift modeling of cointegrated seasonal time series through periodic regression, 241–245
  deaths due to influenza and pneumonia, 229–240
  Iowa Electronic Market, 239–240
  modeling results, 243–245
Influenza futures markets, see Influenza
Information, see Financial/mathematical literacy unequal access to, 14
Innumeracy, see Financial/mathematical literacy
Institute of American Values/IAV, 34
Insider trading
  Cuban M, 62–64
  The EADS case, 64–67
  The Galleano Hedge Fund case, 67–72
  The Martha Stewart case, 61–62
  The Dow Jones & Company case, 64–66
  Interstate Wire Act, 11
Invisible hand, see Smith A
Iowa Electronic Market, see Influenza
Irrational line, see Oddsmakers line
Isaacson M, 89
Japanese candlestick charts, see Candlestick charts
Jenkins GM, 97, 134, 241
Johansen S, 141
Johnson S, 30, 31
Jones S, 36
Kahneman D, 15
Kaufman H, 38
Kay J, 10, 28
Kearns J, 70
Keen S, 76
Kelly betting, 220–222
Kelly JJ, see Kelly betting
Kendall MG, 17
Keynes JM, 1, 13, 18, 29
Kim C, 100
Kinikos Associates, see Safe Port Act
Kirchgaessner S, 21
Kuper S, 12
Ladbrokes, 19
Lagged variables, see Variables
Lawrence S, 33
Lehman Brothers, 40–41
Lewis M, 17
Line/oddsmaker’s Line/bookmaker’s line, 14
Liquiditiy, 162
Lo A, 15
Logistic regression, 219–220
  logistic multinomial regression, 219–220
Long-Term Capital Management, 155
Los Angeles Dodgers, 89–90
Los Angeles Lakers/LAL, 5–7, 106–109
  candlestick chart, 6
  modeling results, 107–109
Los Angeles Times, 107
Lotteries, 32–34
MA, see Moving average
Mackay C, 13
Mackenzie M, 36
MacKinnon JG, 136
Madoff B, 13, 37. See also Ponzi schemes
MacKinnon JG, 136
Madness of crowds, 23
  measuring levels of irrationality/rationality(I/R), 23
  measuring the madness of crowds, 23
Mahalanobis D² distance, see Discriminant analysis
Major League Baseball/MLB forecasting, 113–132
  baseball shocks, 87–88, 119
  Boston Red Sox modeling, see Boston Red Sox
  Clemens (Roger) pitching performance model, see Clemens R
data intensive sport, 113–114
  evolution of pitching, see Evolution
  Gibson (Bob) pitching performance model, see Gibson
  Oakland A’s modeling, see Oakland A’s structural system for MLB modeling, 120
  variables under study, see Variables
Malkani G, 33
Mallios S, 45
Mallios WS, 147, 211, 216
Mandlebrot BB, 38
Marathon Oil Company (MRO), 147–153
  candlestick chart, 147, 149
  factor analysis, 149–150
  modeling results, 151–153
Market crashes
  Black Monday: The October 1987 crash, 56–57
  The crash on 12/1/08, 57–58
  The October 1989 crash, 58–59
  The crash of October-November 1929, 58–61
Market nadirs
March 2009 nadir, 167–75
1982 nadir, 171
Markets
adaptive, see Adaptive market hypothesis
analogies with Galapagos, 31–32
behavioral, see Behavioral market hypothesis
bubbles, 72–77
efficient, see Efficient market hypothesis
inefficient, see Adaptive and behavioral market hypotheses
influenza futures markets, see Influenza
Iowa Electronic Market, see Influenza futures markets
levels of market efficiency, 24
options, 65–66, 80, 82
time-varying volatility, see ARCH/GARCH modeling
volatility, 38–41. See also ARCH/GARCH modeling
Martin R, 10
Marvel Entertainment, 84. See also Disney candlestick chart, 84
factor analysis, 196–197
modeling exercise, 197–198
Marwah K, 15
Masters B, 64
Mathematical literacy, see Financial/mathematical literacy
Measuring the madness of crowds, see Madness of crowds
Measuring levels of irrationality/rationality, see Madness of crowds
McTeer B, 28
Mehlman M, 25
Meyer G, 43–44
Miami Heat, 194
candlestick chart, 194
Microsoft Inc/MSFT, 3–5, 155
candlestick chart, 156
Milne R, 79
MLB, see Major League Baseball
Model/modeling, see Forecasts/forecasting
autoregressive, see AR
autoregressive moving average, see ARMA
ARCH/GARCH, see ARCH models/processes bilinear, see Bilinear/BL model
cointegrated times series, see Cointegration
disrupted model structure, see Punctuated equilibrium
drift, see Drift models
expert knowledge, nonstatistical, 16
identification, 95–96
monetary growth data, 100–101
GNP deflator growth data, 102–103
nonlinear, 96–97
parsimonious, see Parsimonious modeling
predictive validity, see Model update forecasts; One-step-ahead forecasts
quant, 16, 34
reduced equations, 42, 94, 106–109, 147, 180, 214
seasonal time series, see Influenza
single time series, 93–103
skeptic, 16
stepwise regression, 93, 96
volatility, see ARCH/GARCH modeling
Model identification, see Model
Modeling seasonal time series, see Influenza
Monetary growth data, see Model/modeling
Moneyball, 17
Money line, see Odds
Monitoring referee performance, 205–211
candlestick chart, 208
Donaghy T, 205–208
Morgenthau H, 59
Moving average variables, see Variables
Muth JF, 14
Naked sponsored access, see Algorithmic trading
NASDAQ Composite Index ($COMPX), 137–139, 153–154, 157, 168, 171, 172
candlestick chart, 137, 154
cointegration illustration, 136–138
modeling results, 173–174
Natus Medical Inc. (BABY), 55
candlestick chart, 55
National Basketball Association/NBA forecasting, see Los Angeles Lakers; Miami Heat; San Antonio Spurs
cointegrated processes associated with NBA games, 177–181
National Collegiate Athletic Association, 10
National Football League/NFL forecasting, see New England Patriots; New York Giants; Pittsburgh Steelers
cointegrated processes associated with NFL games, 177–81
NBA, see National Basketball Association
NCAA, see National Collegiate Athletic Association
New England Patriots, 2–3, 109–110, 218
candlestick chart, 8
modeling results, 187–90
candlestick chart, 9
modeling results, 218–219
Nisson S, 47, 49, 138
No-hitter, 90–91
Buehrle M, 90–91
Cooper, 90–91
Non-invertibility, see Invertibility
Non-stationary time series, see ARMA modeling
Nuttall N, 69
Nvidia (NVDA), 71–72
candlestick chart, 71
NYMEX Crude Oil (Light) (CL, GLOBEX), 74
candlestick chart, 74

Oakland Athletics, 17
Odds
money line, 87
relation to probability, see Probability
O’Connor S, 223
O’Neal S, 194–195
O’Neill P, 223
Options markets, see Markets
Orlando Magic, 6–7
Orthogonal polynomials, approximations to
candlestick disequilibria, 140–141

Parsimonious models, 36, 38
Performance enhancing drugs, 25
Periodic regression, see Influenza
Personal utility maximizers, 28–29
Phase angle, see Periodic regression
Philadelphia Phillies, 88
candlestick chart, 88
Phoenix Suns, 200–201
Physiological-psychological-biological variables, see Variables
Pittsburgh Steelers, 190–194, 215
candlestick chart, 190
factor analysis, 193
modeling exercise, 193, 215
Poker
poker skills, 18–19
critical repetition frequency, 19
Polaris Industries (PII), 169–170
candlestick chart, 170
Policy errors of the depression era, 59, 61
The mini-depression of 1937–1938, 59, 61
Ponzi schemes, 28, 37. See also Madoff B
Power law distributions, see Probability distributions
Predictive validity, see Model
Predictive indicators, 7–8
complacency factor, 7
exhaustion factor, 7
revenge factor, 7
Principal component analysis, see Factor analysis

Probability
interpretations, 114–115
prior, 216
posterior, 216
relation to odds, 114

Probability distributions
beta distribution, 209, 215
binomial beta distribution, 208–209
fat tailed distribution, 38
multinomial distribution, 209–210
multinomial multivariate beta distribution, 210–211
normal distribution, 38, 216
power law distributions, 38
Weibull distribution, 110

Process, see Model
Profitable trading rules/forecasts, likelihood of profitable trading rules/forecasts, 24
Profits and losses, see Sharpe ratio
Prohibition, 21–22
The German experience, 20
Volstead Act, 20
Prowse M, 28
Punctuated equilibrium, see Gould
Put options, see Options markets

Quality Systems (QSII), 47, 48
candlestick chart, 48
Quantification of trends, see Orthogonal polynomials
Quant modeling, see Modeling
Quenouille MH, 133

Radio Shack (RSH), 170
candlestick chart, 170
Rajaratnam R, see Insider trading
Rajaratnam R, see Insider trading
Random walk, 17, 39, 41, 146
Rational Expectations Hypothesis/REH. 14
Reduced form models/equations, see Models/modeling
Reducing dimensionality, see Factor analysis
Reed J, 45
Referees, see Monitoring referee performance
Regression, see Model/modeling
Reily P, 194–198
Renaissance Technologies, 175
Revenge factor, see Predictive indicators
Richards J, 155
Rock J, 19
Rose N, 11
Rouwenhorst G, 43–44
Runs (in candlestick bodies), see Variables

Sabermetrics/SABR, 17
Safe Port Act, 20–21
  Chanos J, 20
  Frist B, 21
Sportingbet, 20, 79
candlestick chart, 200
factor analysis, 201–203
modeling exercise, 204–205
San Francisco 49ers, 111–113
modeling exercise, 111–113
Santa Clara P, 80
Schwarz A, 11
Securities and Exchange Commission/SEC, 35–36, 61
Sharpe ratio, 25
Sharpe W, see Sharp ratio
Shocks
  baseball, see Baseball shocks
  between relation shocks, see Cointegration
  gambling, see Gambling Shocks
  reflecting physiological-psychological-biological variables, see Variables
  statistical, see Statistical shocks
  within relation shocks, see Statistical shocks
Short selling, 77–80
Citrix Systems, 77–78
Indian BSE Sensex Index, 82–82
Sportingbet, 78
Volkswagen, 77–78
World Gaming, 78
Simon M, 13, 15
Skellam JG, 209
Smith A, 28, 29
invisible hand, 29
Smith C, 30
Smith V, 15
Snopes.com, 82
Social efficiency, see Efficiency
SOGS-RA/South Oaks Gambling Screen Revised for Adolescents, see Adolescent problem gambling
Soros G, 21, 72
Sportingbet (SPBTF), 78–79
candlestick chart, 79
Spread see Line
Spread betting, 109–110, 213
Spengler O, 38
Spontaneous order, 29–30
Sportingbet, see Safe Port Act
Sports Illustrated, 5
SPSS, 216–217, 220
Stationary time series, see ARMA modeling
Statistical shocks, see Moving average variables
Stepwise regression, see Model/modeling
Stem D, 22
Stewart B, 125, 129–132
Stewart M, see Insider trading
Structural system for Major League Baseball, 120
Sugar #11 (SB, ICE, NYBOT), 74
candlestick chart, 74
Tait A, 22
Taleb N, 17, 38–39
Tampa Bay Rays, 87–89
Testosterone, see Traders
Terrorist attacks, 81–83
American Airlines, 80–82
Dow Jones Index, 80–82
Tett G, 15, 30
The Economist, 14
The new “3 R’s”, see Financial/mathematical literacy
Thompson J, 1
Thor E, 18
3Com (US:COMS), 69–71
candlestick chart, 70–71
Time varying model, see Adaptive drift modeling
Time varying coefficients, see Coefficient drift
Time Warner, 85
candlestick chart, 85
Time-varying volatility, see ARCH; GARCH
Traders
cortisol levels, 24–26
testosterone levels, 24–26
Tversky D, 15
Twain M, 13
Twenty-Five Standard Deviation Moves, 162–167
Tyler C, 65–66
Umpires, see Cooper E
United States v. Barajas, 206
US News and World Report, 227
Utah Jazz, 201, 203
Variables
  autoregressive (AR), see AR
  lagged gambling shocks, 24
  lagged statistical shocks, 24
  moving average (MA), see MA
  pertaining to financial market modeling, 138, 140, 143
  pertaining to MLB modeling, 115–19
Variables (Continued)
  pertaining to NBA modeling, 107–09, 177–78
  pertaining to NFL modeling, 111–12, 177–78
  psychological-physiological-sociological, 5, 24–26, 88
  runs, 152
  selection of, 95–96
Variance
  conditional, see ARCH; GARCH
  covariance structure, see Bayesian discriminant analysis
  time varying, see ARCH; GARCH
VIX index 38–51
Volatility, see Markets
Volatility modeling, see Model/modeling
Volkswagen (DE:VOW), 77–80. See also Short selling
  candlestick chart, 80
Volume (in financial markets)
  quantification of volume trends, see
  Orthogonal polynomials
Voltaire, 28
Wadhwani S, 30
Wall Street Journal, 89
West M, 41, 146
Wetzel D, 208
Weitzman H, 241
White K, 10, 175
Winters KC, 229
Wolfers J, 10
World Gaming, see Safe Port Act; Short selling
  candlestick chart, 79
Wright S, 46
XTO Energy, 86. See also Exxon Mobile
  candlestick chart, 86
Yahoo! Inc., 153–156
  candlestick chart, 154, 156
  factor analysis, 159
  modeling results, 159
Youkilis K, 18
Zellner A, 98, 147
Zezima K, 33