Tuesday 9th March, 12:30-14:00
Gibbs Room, Keble College

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“Instant-Messaging Networks and the Collective Genius of Profitable Day Traders”

Synchronicity has been called one of the most pervasive and mysterious drives in all of nature. Analyzing unique, fine-grained stock trader data on more than 1 million moment-to-moment trades and over 2 million instant messages for a two year period that includes the 2008 crash, we report three results regarding sync and performance. First, we find novel patterns of synchrony among stock traders and a positive association between it and profitability. Independent traders experience periods of trading simultaneity despite trading different stocks. Second, like other forms of sync and collective genius, trade sync and profitability have a parabolic association. As traders move from asynchronic to highly synchronic trading their profits increase up to a threshold of sync and then reverse. Third, we find that traders' non-overlapping instant messaging networks trigger sync and explain its relation to system performance. We discuss how synchronicity may reduce information uncertainty and generate collective benefits in diverse human systems of collaboration and competition.

For further information contact info.cabdyn@sbs.ox.ac.uk
Seminar webpage: http://sbs-xnet.sbs.ox.ac.uk/complexity/complexity_seminars.asp
Please note: Although the seminar programme detailed above was correct at the time of printing, seminar arrangements are subject to change so, for the latest information please check seminar webpage.