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Extreme values in financial markets

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In Financial Markets usually price fluctuations are modelled via Gaussian random walks. Especially in Financial Risk Management financial institutions are bound to Gaussian models due to regulatory rules and laws. The current Financial Crisis is just another well known empirical demonstration to use more sophisticated models: Extreme Value Statistics, truncated Lévy Flights, stochastic volatilities etc. Nevertheless more sophisticated does not mean more accurate. In this special session we show results of the industry's practices of nonlinear processes that money and interest rates go and that have a chaotic character along with the stochastic part by mean of stochastic fluctuations.