

1. Record Nr.	UNINA9910463601903321
Autore	Cipriani Marco
Titolo	Herd behavior in financial markets : an experiment with financial market professionals // Marco Cipriani and Antonio Guarino
Pubbl/distr/stampa	[Washington, District of Columbia] : , : International Monetary Fund , , 2008 ©2008
ISBN	1-4623-1443-0 1-4527-4000-3 1-282-84092-4 1-4518-6999-1 9786612840920
Descrizione fisica	1 online resource (30 p.)
Collana	IMF Working Papers IMF working paper ; ; WP/08/141
Altri autori (Persone)	GuarinoAntonio
Disciplina	330.12
Soggetti	Capitalists and financiers - Psychology - Econometric models Investments - Decision making - Econometric models Collective behavior - Econometric models Electronic books.
Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	Description based upon print version of record.
Nota di bibliografia	Includes bibliographical references.
Nota di contenuto	Contents; I. Introduction; A. Literature Review; II. The Theoreticalmodel; A. The model structure; B. Theoretical predictions; Figures; 1. Prices and Traders' Expectations after a History of Buys; III. The Experiment and the Experimental Design; A. The experiment; B. Experimental design: the two treatments; 2. Prices and Traders' Expectations after a History of Sells; 3. Prices and Traders' Expectations after a Sell Followed by a History of Buys; IV. Results: Rationality, Herding and Contrarian Behavior; A. Treatment I; Tables; 1. Average behavior in Treatment I 2. Cascade trading behavior in Treatment IB. Treatment II; 3. No trade in Treatment I; 4. Average behavior in Treatment II; V. Comparison with Previous Experimental Results; 5. Cascade trading behavior in Treatment II; 6. No trade in Treatment II; VI. Individual Behavior; 7. Percentage of decisions in accordance with the theoretical prediction at

individual level.; VII. Conclusions; 8. Regressions of the level of rationality in the experiment on individual characteristics. P-values in parenthesis

9. Regression of subjects' payoff at the end of the experiment on individual characteristics. P-values in parenthesis10. Regressions of participants' proportion of herding, contrarianism and no trading on the trader's dummy. Herd 1 and Contrarian 1 refer to Treatment I. Herd 2 and Contrarian 2 refer to Treatment II. P-values in parenthesis;

References

Sommario/riassunto

We study herd behavior in a laboratory financial market with financial market professionals. We compare two treatments, one in which the price adjusts to the order flow so that herding should never occur, and one in which event uncertainty makes herding possible. In the first treatment, subjects herd seldom, in accordance with both the theory and previous experimental evidence on student subjects. A proportion of subjects, however, engage in contrarianism, something not accounted for by the theory. In the second treatment, the proportion of herding decisions increases, but not as much as theor
