Re: OT: interesting global warming quote found elsewhwere

Source: http://sci.tech−archive.net/Archive/sci.electronics.design/2008−07/msg04791.html

- *From*: Martin Brown <|||newspam|||@nezumi.demon.co.uk>
- *Date*: Wed, 30 Jul 2008 10:50:26 +0100

James Arthur wrote:

> Martin Brown wrote:
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>> James Arthur wrote:
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>>> On Jul 26, 5:31 pm, bill.slo...@xxxxxxxx wrote:
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>>>> On Jul 26, 1:06 pm, James Arthur wrote:
>>>>
>>>>> No, I'm speaking of any
>>>>> number of super−secret
>>>>> attempts by
>>>>> Wall Streeters to hire PhD
>>>>> statisticians, super
>>>>> computers,
>>>>> and try to beat the street
>>>>> with models.
>>>>> They absolutely do not
>>>>> share info with the market.
>>>>> PBS (Public Broadcast
>>>>> System, public, non−profit
>>>>> TV in the US) has
>>>>> documented at least one
>>>>> such attempt.
>>>>
>>>> As soon as they buy shares, they share
>>>> information with the market.
>>>
>>> That notion doesn't follow. To the extent it's true, it would
>>> increase profits.
>>
>> Not necessarily − primarily it tends to increase volatility.

> Buying/selling stocks shares what information? That the stock is worth buying/selling.
>
> Buying drives prices up. Since you already bought (based on your successful model), a rising price benefits you.

Only if you sell again at or near the peak. Therein lies the problem. The herd instinct of traders driven by greed and fear in equal measure.

> Vice versa on the sell side.

However, that "advantage" only holds for the first mover. In the real market buy/sell decisions trigger additional ones and parasites take up highly leveraged derivatives or short positions on huge numbers of borrowed shares in companies they expect to fall in a crippled market. Several bank shares have been bounced up and down by 20% in the recent crisis of confidence. The amazing thing is if they win they get huge bonuses and if they lose like Fanny & Freddie did they are "too big to fail".

And the recent bounce in oil prices owes much of the overshoot to speculators driving the price ever higher and product scarcer. It does nothing at all for the real manufacturing economy.

> So, to the extent you've shared information, it benefits you, contradicting Bill's explanation.
>
> But I was illustrating the perils of longer−term models of chaotic systems; maybe he means short−term.
>
> There are other interactions and complications. That was my point: the stock market, far simpler than climate, defies prediction except over short spans. Not centuries. Not even six months.

Actually the stock market overall is more predictable over very long investment timescales otherwise there would be no point in putting money into it. Short term it can bounce about hellishly through speculators but over the longer term it should reflect actual real economic growth.

> Even this simpler system has subtleties the modelers can't capture. And the global climate modeling problem is worse.
>
> Wasn't a rash of hurricanes predicted the year after Katrina? And the next year? Wrongly? And weren't they wrong, even updating mid−season? They were. Why? Because their models /don't/ predict.

You will always get speculation like that. The only thing that is certain is that warmer air can carry a lot more water vapour.

> Here's another analog: we know about plate tectonics,
> measure strain and movement, know the history and
> long−term trends, yet cannot and do not try to predict
> earthquakes.

Actually it is the Holy grail of modern geophysics to do exactly that. There are some techniques that are close to being able to sense changes that signal the unlocking of the faults as may be precursors to the main quake.

I have been in a couple of moderate quakes. One a shallow very sharp one (not particularly strong) destroyed every magnetically levitated turbo pump in the Tokyo area. The amazing thing for me was that I heard it coming for what seemed about 5s before it arrived. Sounded a bit like a high pitced train. The jolt was very sharp − the whole world moved an inch very suddenly.

> /That's/ science. Seismologists have models, but
> do not presume to predict what they cannot predict.
> Despite huge pressure to do so. Kudos to them.

Actually they hope to predict several future quakes and obvious cities are instrumented for the purpose. The researchers have to be extremely careful about what they disclose because the mere mention of increased risk of an earthquake in obvious locations can affect property values and in a hyper litigious society like the US it gets hairy.

There have been only a handful of successful earthquake predictions to date. More at USGS:

http://www.geophys.washington.edu/SEIS/PNSN/INFO_GENERAL/eq_prediction.html

The Japanese are still trying pretty hard at earthquake prediction.
http://www.fujitaresearch.com/reports/earthquakes.html
http://query.nytimes.com/gst/fullpage.html?res=9F01E2D61539F930A25752C0A96E958260&sec=&spon=&pagewan

AFAIK some Japanese researchers still keep a few fish that are alleged to flip their tails when an earthquake is coming.

Regards,
Martin Brown
** Posted from http://www.teranews.com **
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