Dynamics of market states

- Dynamics for μ: uniform transition probabilities $W_{\mu\to\nu}$ do not produce inter-pattern predictability

- [Hendricks, Gebbie and Wilcox (2015)], 1h periods

		$\mathbf{state}_{t+1}$					
		1	**2**	**3**	**4**	**5**	**6**
	1	0.13	0.49	0.32	0.00	0.06	0.00
	2	0.41	0.41	0.09	0.00	0.09	0.00
$\mathbf{state}_t$	**3**	0.00	0.00	0.00	0.52	0.05	0.43
	4	0.25	0.07	0.00	0.25	0.43	0.00
	5	0.32	0.59	0.05	0.05	0.00	0.00
	6	0.00	0.00	0.00	1.00	0.00	0.00

$$\to W_{\mu\to\nu} \neq \frac{1}{P}$$

Dynamics of market states

[Hendricks, Gebbie and Wilcox (2015)], 1h periods