

NORMAL TOWN

- Easy formula
- S.D.  $< \infty$
- Transforms  $q\%$
- Works at the time

REMEMBER CLASHES

Vakation  
Day-to-day RM.  
Protected tails

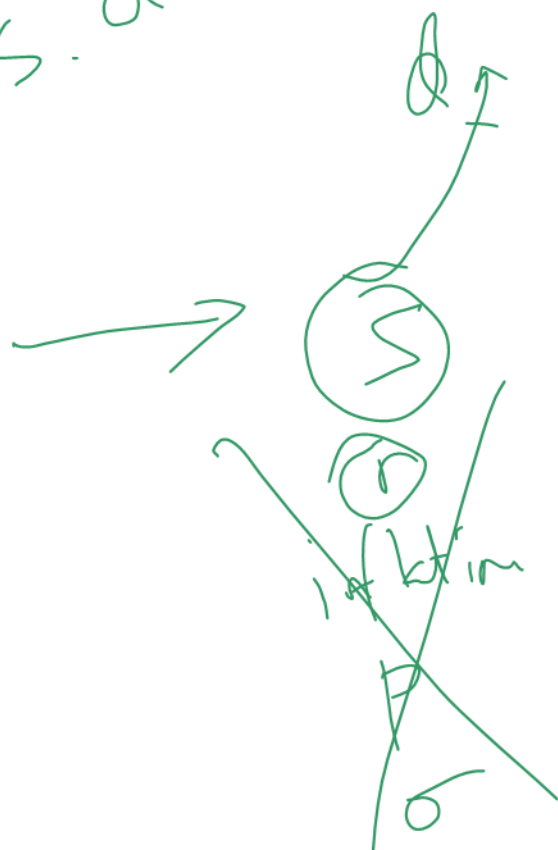
FAT-TAIL

CITY

- Messy
- S.D.  $= \infty$
- Throwing out all classical

theory  
Now  $q\%$   
Useful = twice  
every 50  
year

S.d.e.



$$= \frac{\mu S}{dt} + \frac{\sigma S}{dX}$$

$\mu S$

$? f(r)$

$\sigma S$

$g(r)$



$\frac{dS}{S} = \mu dt - \sigma dX$

7.6.

~~X~~





















