Online learning
in
repeated matrix games

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February 24, 2006

Outline

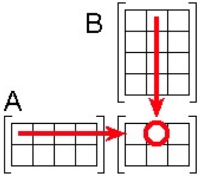
Zero sum games in matrix form

- Game between two players.
- Defined by $n \times m$ matrix $\mathbf{M}$
- Row player chooses $i \in \{1, \ldots, n\}$
- Column player chooses $j \in \{1, \ldots, m\}$
- Row player gains $\mathbf{M}(i, j) \in [0, 1]$
- Column player looses $\mathbf{M}(i, j)$
- Game repeated many times.

Pure vs. mixed strategies

- Choosing a single action = pure strategy.
- Choosing a Distribution over actions = mixed strategy.
- Row player chooses dist. over rows $\mathbf{P}$
- Column player chooses dist. over columns $\mathbf{Q}$
- Row player gains $\mathbf{M}(\mathbf{P}, \mathbf{Q})$.
- Column player looses $\mathbf{M}(\mathbf{P}, \mathbf{Q})$.

Mixed strategies in matrix notation



$$(A \times B)_{12} = \sum_{r=1}^{4} a_{1r} b_{r2} = a_{11}b_{12} + a_{12}b_{22} + a_{13}b_{32} + a_{14}b_{42}$$

Q is a column vector. $\mathbf{P}^T$ is a row vector.

$$\mathbf{M}(\mathbf{P}, \mathbf{Q}) = \mathbf{P}^T \mathbf{M} \mathbf{Q} = \sum_{i=1}^{n} \sum_{j=1}^{m} \mathbf{P}(i)\mathbf{M}(i,j)\mathbf{Q}(j)$$

The basic algorithm

- Choose an initial distribution $\mathbf{P}_1$
- $$\mathbf{P}_{t+1}(i) = \mathbf{P}_t(i)\frac{e^{-\eta \mathbf{M}(i,\mathbf{Q}_t)}}{Z_t}$$
- Where $Z_t = \sum_{i=1}^{n} \mathbf{P}_t(i) e^{-\eta \mathbf{M}(i,\mathbf{Q}_t)}$
- $\eta > 0$ is the learning rate.

Main Theorem

- For any game matrix $\mathbf{M}$.
- Any sequence of mixed strat. $\mathbf{Q}_1, \ldots, \mathbf{Q}_T$
- The sequence $\mathbf{P}_1, \ldots, \mathbf{P}_T$ produced by basic alg using $\eta > 0$ satisfies

$$\sum_{t=1}^{T} \mathbf{M}(\mathbf{P}_t, \mathbf{Q}_t) \leq \left(\frac{1}{1-e^{-\eta}}\right) \min_{\mathbf{P}} \left[\eta \sum_{t=1}^{T} \mathbf{M}(\mathbf{P}, \mathbf{Q}_t) + \mathrm{RE}\left(\mathbf{P} \parallel \mathbf{P}_1\right)\right]$$

Corollary

- Setting $\eta = \ln\left(1 + \sqrt{\frac{2\ln n}{T}}\right)$
- the average per-trial loss is

$$\frac{1}{T}\sum_{t=1}^{T}\mathbf{M}(\mathbf{P}_t, \mathbf{Q}_t) \leq \min_{\mathbf{P}} \frac{1}{T}\sum_{t=1}^{T}\mathbf{M}(\mathbf{P}, \mathbf{Q}_t) + \Delta_{T,n}$$

- Where

$$\Delta_{T,n} = \sqrt{\frac{2\ln n}{T}} + \frac{\ln n}{T} = O\left(\sqrt{\frac{\ln n}{T}}\right).$$

Main Lemma

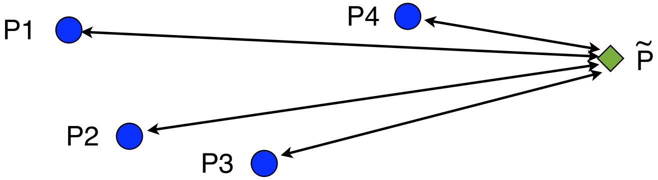
On any iteration t

For any mixed strategy $\tilde{\mathbf{P}}$

$$\mathrm{RE}\left(\tilde{\mathbf{P}} \;\|\; \mathbf{P}_{t+1}\right) - \mathrm{RE}\left(\tilde{\mathbf{P}} \;\|\; \mathbf{P}_{t}\right) \leq \eta \mathbf{M}(\tilde{\mathbf{P}}, \mathbf{Q}_t) - (1 - e^{-\eta}) \mathbf{M}(\mathbf{P}_t, \mathbf{Q}_t)$$

Visual intuition

$$\mathrm{RE}\left(\tilde{\mathbf{P}} \;\|\; \mathbf{P}_{t+1}\right) - \mathrm{RE}\left(\tilde{\mathbf{P}} \;\|\; \mathbf{P}_{t}\right) \leq \eta \mathbf{M}(\tilde{\mathbf{P}}, \mathbf{Q}_t) - (1 - e^{-\eta}) \mathbf{M}(\mathbf{P}_t, \mathbf{Q}_t)$$



Proof of Lemma (1)

$$
\begin{aligned}
& \mathrm{RE}\left(\tilde{\mathbf{P}} \;\|\; \mathbf{P}_{t+1}\right) - \mathrm{RE}\left(\tilde{\mathbf{P}} \;\|\; \mathbf{P}_{t}\right) \\
= & \sum_{i=1}^{n} \tilde{\mathbf{P}}(i) \ln \frac{\tilde{\mathbf{P}}(i)}{\mathbf{P}_{t+1}(i)} - \sum_{i=1}^{n} \tilde{\mathbf{P}}(i) \ln \frac{\tilde{\mathbf{P}}(i)}{\mathbf{P}_{t}(i)} \\
= & \sum_{i=1}^{n} \tilde{\mathbf{P}}(i) \ln \frac{\mathbf{P}_{t}(i)}{\mathbf{P}_{t+1}(i)} \\
= & \sum_{i=1}^{n} \tilde{\mathbf{P}}(i) \ln \frac{Z_t}{e^{\eta \mathbf{M}(i,\mathbf{Q}_t)}}
\end{aligned}
$$

Proof of Lemma (2)

$$
\begin{aligned}
&= \eta \sum_{i=1}^{n} \tilde{\mathbf{P}}(i)\mathbf{M}(i,\mathbf{Q}_t) + \ln Z_t \\
&\le \eta \mathbf{M}(\tilde{\mathbf{P}},\mathbf{Q}_t) + \ln \left[\sum_{i=1}^{n} \mathbf{P}_t(i) \left(1 - (1-e^{-\eta})\mathbf{M}(i,\mathbf{Q}_t)\right) \right] \\
&= \eta \mathbf{M}(\tilde{\mathbf{P}},\mathbf{Q}_t) + \ln \left(1 - (1-e^{-\eta})\mathbf{M}(\mathbf{P}_t,\mathbf{Q}_t)\right) \\
&\le \eta \mathbf{M}(\tilde{\mathbf{P}},\mathbf{Q}_t) + (1-e^{-\eta})\mathbf{M}(\mathbf{P}_t,\mathbf{Q}_t)
\end{aligned}
$$

The minmax Theorem

John von Neumann, 1928.

$$\min_{\mathbf{P}} \max_{\mathbf{Q}} \mathbf{M}(\mathbf{P}, \mathbf{Q}) \leq \max_{\mathbf{Q}} \min_{\mathbf{P}} \mathbf{M}(\mathbf{P}, \mathbf{Q})$$

In words: for mixed strategies, choosing second gives no advantage.

Proving minmax Theorem using online learning (1)

Row player chooses $\mathbf{P}_t$ using learning alg.
Column player chooses $\mathbf{Q}_t$ after row player so that
$\mathbf{Q}_t = \arg\max_{\mathbf{Q}} \mathbf{M}(\mathbf{P}_t, \mathbf{Q})$
Let $\overline{\mathbf{P}} \doteq \frac{1}{T}\sum_{t=1}^{T} \mathbf{P}_t$ and $\overline{\mathbf{Q}} \doteq \frac{1}{T}\sum_{t=1}^{T} \mathbf{Q}_t$

$$\begin{aligned}
\min_{\mathbf{P}} \max_{\mathbf{Q}} \mathbf{P}^{\mathrm{T}}\mathbf{M}\mathbf{Q} &\leq \max_{\mathbf{Q}} \overline{\mathbf{P}}^{\mathrm{T}}\mathbf{M}\mathbf{Q} \\
&= \max_{\mathbf{Q}} \frac{1}{T}\sum_{t=1}^{T} \mathbf{P}_t{}^{\mathrm{T}}\mathbf{M}\mathbf{Q} \quad \text{by definition of } \overline{\mathbf{P}} \\
&\leq \frac{1}{T}\sum_{t=1}^{T} \max_{\mathbf{Q}} \mathbf{P}_t{}^{\mathrm{T}}\mathbf{M}\mathbf{Q}
\end{aligned}$$

Proving minmax Theorem using online learning (2)

$$
\begin{aligned}
&= \frac{1}{T}\sum_{t=1}^{T} \mathbf{P}_t{}^{\mathrm{T}}\mathbf{M}\mathbf{Q}_t && \text{by definition of } \mathbf{Q}_t \\
&\leq \min_{\mathbf{P}} \frac{1}{T}\sum_{t=1}^{T} \mathbf{P}^{\mathrm{T}}\mathbf{M}\mathbf{Q}_t + \Delta_{T,n} && \text{by the Corollary} \\
&= \min_{\mathbf{P}} \mathbf{P}^{\mathrm{T}}\mathbf{M}\overline{\mathbf{Q}} + \Delta_{T,n} && \text{by definition of } \overline{\mathbf{Q}} \\
&\leq \max_{\mathbf{Q}} \min_{\mathbf{P}} \mathbf{P}^{\mathrm{T}}\mathbf{M}\mathbf{Q} + \Delta_{T,n}.
\end{aligned}
$$

but $\Delta_{T,n}$ can be set arbitrarily small.

Minmax is weaker than diminishing regret

- The minmax theorem proves the existence of an Equilibrium.
- Learning guarantees no regret with respect to the past.
- If all sides use learning, then game will converge to minmax equilibrium.
- If opponent is not optimally adversarial (limited by knowledge, computationa power...) then learning gives better performance than min-max.
- Is it realistic to assume that markets are at equilibrium?
- If game is not zero sum (allows incentives to collaborate) and all players use learning then game converges to correlated equilibrium.