

Title: GME is a Dragon King Event. Dragon King Events only exist in chaos

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Created 2021-09-17 19:37:05 UTC

Permalink: /r/DDintoGME/comments/pq73ss/gme\_is\_a\_dragon\_king\_event\_dragon\_king\_events/

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Dragon King Events are what GME MOASS is. I have previously posted about it on the sub. I wanted to share two important aspects regarding DKE. 1) they can be stopped, which is what HF are trying to do. and 2) they require, and are birthed in chaos and uncertainty. They cannot exist without outliers and variables. They cannot exist if fully understood, as understanding them allows for adjustment of the systemic parameters to contain an event. for a DKE to occur, the system must allow for the event but be unable to contain it.

[This article breaks down a comparison of Black Swans, Perfect Storms, and Dragon King Events](<https://www.sciencedirect.com/science/article/pii/S0951832021001678>). i will be pulling relevant text from the article. citation links included with article. emphasis mine;

" Rare and surprising events with extreme impacts have been given a substantial amount of attention in scientific environments for decades. Examples of such events are the terrorist attacks on September 11th 2001, the financial crisis in 2008 and the Fukushima nuclear accident in 2011. Common to these events is that we failed to predict them: their chain of events came as a surprise, and our existing mechanisms for prevention were insufficient.

Taleb [5](<https://www.sciencedirect.com/science/article/pii/S0951832021001678#bib0078>) refers to a black swan as an event with three attributes: firstly, it is an outlier, lying outside the realm of regular expectations, as nothing in the past can convincingly point to its possibility. Secondly, it brings an extreme impact. Lastly, despite its outlier status, it is rendered explainable and predictable in retrospect. Inspired by Taleb's work, many risk researchers have further discussed the meaning of a black swan. For example, Aven [5](<https://www.sciencedirect.com/science/article/pii/S0951832021001678#bib0005>), [6](<https://www.sciencedirect.com/science/article/pii/S0951832021001678#bib0006>), [7](<https://www.sciencedirect.com/science/article/pii/S0951832021001678#bib0007>) looks more closely into three possible interpretations:

- 1 An unknown unknown with extreme consequences
- 2 A surprising extreme event relative to one's beliefs/knowledge
- 3 A surprising extreme event with a very low probability

Catanach Jr. and Ragatz describe a perfect storm as "an unexpected dramatic event resulting from a confluence of unpredictable circumstances. No individual contributing factor is powerful enough to create the resulting 'storm'; collectively their confluence creates an effect that is exponentially more devastating and unimaginable"

Another metaphor used to describe these rare, surprising and extreme events is the "dragon-king" [69](<https://www.sciencedirect.com/science/article/pii/S0951832021001678#bib0069>). This metaphor is composed of two terms: 'dragon' and 'king'. The term 'king' was introduced by Laherrère and Sornette [40](<https://www.sciencedirect.com/science/article/pii/S0951832021001678#bib0040>) to describe extreme outliers that strongly deviate from an overall pattern of events, much as the fortune of kings greatly exceeds the wealth of the population in general. Sornette later coupled this term with 'dragon' to incorporate the extraordinary characteristics of these events "whose presence, if confirmed, has profound significance" ([69](<https://www.sciencedirect.com/science/article/pii/S0951832021001678#bib0069>)), p. 5). \*\*\*The term 'dragon' is also linked to the unknown, for example by the Latin phrase 'hic sunt dracones' (translated to 'here be dragons'), often used in ancient maps as a reference to unexplored territory. \*\*\*

Faggini et al. ([20])(<https://www.sciencedirect.com/science/article/pii/S0951832021001678#bib0020>), p. 112) "[dragon-kings] are the result of the same system properties that give rise to the power law, but they violate the power law because those properties have been arranged in such a way as to create severe instability, producing a systemic risk. \*\*Moreover, the presence of a positive feedback mechanism 'creates faster-than-exponential growth, making them larger than expected'.\*\*"

The mechanisms of dragon-kings are extended to include the system behaviour beyond the confluence; the growth caused by positive feedback mechanisms will lead to a maturation of the system, in which a tipping point is reached and the system will change regime (e.g. the bursting of financial bubbles) ([71])(<https://www.sciencedirect.com/science/article/pii/S0951832021001678#bib0071>). By monitoring the mechanisms of the phenomena over time, important knowledge can be attained on the system behaviour. This knowledge may be used to identify useful precursors that could provide information on when and how the instability in the system will occur and, furthermore, \*\*how to prevent it.\*\*

We argue that a dragon-king should be seen as an extreme event, resulting from emergent behaviour caused by the \*\*amplifying interplay of a confluence of uncertain factors.\*\* By this interpretation, dragon-kings are linked to perfect storms, as they describe similar phenomena. However, for perfect storms, the contributing events are well-known, while, for the dragon-kings, this may not be the case. Consider, for example, the bursting of a financial bubble. "

For the MOASS to occur, the system must be allowed to propagate positive feedback loops. that means buying, holding, them shorting and no one selling. Attempts to create certainty, develop predictions, aggregate data, or influence a MOASS in coordination in any attempt will not work, at best. At worst, could prevent a MOASS.