

Title: How to predict market crash?

Author: Hopai79

Created 2021-07-22 01:39:50 UTC

Permalink: /r/ratioatblessons/comments/op3yx1/how_to_predict_market_crash/

Url: /r/DDintoGME/comments/oovsbh/how_to_predict_market_crash/

Is_self: False

If you look hard enough on the Internet, you'll find anything.

-dude behind wendies.

I wasn't even looking for an answer to that question. I was looking to see if I can learn how the coding for HFT work and what makes up the algorithm, obviously I got side tracked.

I was looking at [this](https://www.google.com/url?sa=t&source=web&rct=j&url=https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/289016/11-1226-dr7-crashes-and-high-frequency-trading.pdf&ved;=2ahUKEwjO_oqv1fTxAhWC0eAKHZC7D_wQFjAAegQIBhAC&usg;=AOvVaw2H-IKF6nh2ljGDy04mMKY6&cshid;=1626887969482) regarding crashes and HFT and in there there was a reference to a website called [**financial crash observatory**](<http://tasmania.ethz.ch/pubfco/fco.html>). Now bare in mind this is UK government document refrence so I was very curious to see what it was.

Turns out it is exactly that, a website that shows the possibility of a crash, it uses a technique called Log-periodic power law (LPPL) within their models. They have ran number of [case studies](http://tasmania.ethz.ch/pubfco/Bubbles_binder.pdf) on previous crashes and guess which fucking market is currently signalling the most? S&P500.;

Honestly I didn't even know such a thing existed or how accurate it is, but if UK government references it then be sure as shit that it carries some weight.

Also here is a [Ted talk](https://youtu.be/C_eFjLZqXt8) from professor Didier Sornette, the dude who came up with FCO. Honestly this guy fucks.

I call upon THEE wrinkle brained to help and see whats up with this bad boy

I'm not wrinkle brained enough. BUT BUT I specially like how there is a [spike](<https://imgur.com/gallery/3sh0bV8>) in his model everytime there has been a spike in GME. Like totally not related at all to one another. (Blue is s&p; 500, red is Lppl).

Also if you happen to go on the site, each red means inflated bubble and green means deflated bubble.

Ye so go ahead, help an ape out.