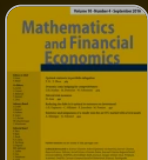


[Home](#) > [Mathematics and Financial Economics](#) > [Article](#)

Existence of a Radner equilibrium in a model with transaction costs

| Published: 27 February 2018

| Volume 12, pages 517–539, (2018) [Cite this article](#)



[Mathematics and Financial Economics](#)

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 [partners](#), also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our [privacy policy](#) for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

- > **Store and/or access information on a device**
- > **Personalised advertising and content, advertising and content measurement, audience research and services development**

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)



Access this article

Log in via an institution →

Subscribe and save

✓ Springer+

from €37.37 /Month

- Starting from 10 chapters or articles per month
- Access and download chapters and articles from more than 300k books and 2,500 journals
- Cancel anytime

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **[privacy policy](#)** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

Accept all cookies

Reject optional cookies

Manage preferences

Explore related subjects

Discover the latest articles, books and news in related subjects, suggested using machine learning.

[Financial Economics](#)

[General Economical Equilibrium](#)

[Game Theory](#)

[Institutional and Evolutionary Economics](#)

[Market Structure and Economic Design](#)

[Microeconomics](#)

References

1. Vayanos, D.: Transaction costs and asset prices: a dynamic equilibrium model. Rev. Financ. Stud. **11**(1), 1–58 (1998)

[Article](#) [Google Scholar](#)

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

7. Herdegen, M., Muhle-Karbe, J.: Stability of Radner equilibria with respect to small frictions. To appear in *Finance and Stochastics*, (2017)
8. Calvet, L.E.: Incomplete markets and volatility. *J. Econ. Theory* **98**(2), 295–338 (2001)

9. Wang, N.: Caballero meets Bewley: the permanent-income hypothesis in general equilibrium. *Am. Econ. Rev.* **93**, 927–936 (2003)

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

14. Kallsen, J., Muhle-Karbe, J.: The general structure of optimal investment and consumption with small transaction costs. Math. Financ. **27**(3), 659–703 (2015)

[Article](#) [MathSciNet](#) [MATH](#) [Google Scholar](#)

15. Jouini, E., Kallal, H.: Martingales and arbitrage in securities markets with transaction costs. J. Econ. Theory **66**(1), 178–197 (1995)

[Article](#) [MathSciNet](#) [MATH](#) [Google Scholar](#)

16. Cvitanić, J., Karatzas, I.: Hedging and portfolio optimization under transaction costs: a martingale approach. Math. Financ. **6**(2), 133–165 (1996)

[Article](#) [MATH](#) [Google Scholar](#)

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

21. Duffie, D.: Dynamic Asset Pricing Theory, 3 (English) edn. Princeton University Press, Princeton (2001)

[MATH](#) [Google Scholar](#)

22. Cocco, J.F., Gomes, F.J., Maenhout, P.J.: Consumption and portfolio choice over the life cycle. Rev. Financ. Stud. **18**(2), 491–533 (2005)

[Article](#) [Google Scholar](#)

23. Attanasio, O.P., Paiella, M.: Intertemporal consumption choices, transaction costs and limited participation in financial markets: reconciling data and theory. J. Appl. Econ. **26**(2), 322–343 (2010)

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 [partners](#), also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our [privacy policy](#) for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

The author would like to thank the anonymous referee and editor, Frank Riedel, as well as Gordan Žitković, Mihai Sîrbu, Kasper Larsen, Johannes Muhle-Karbe, Frank Seifried, and Matteo Burzoni for helpful discussions on this work. The author acknowledges support by the National Science Foundation under Grant No. DMS-1606253. Any opinions, findings and conclusions or recommendations expressed in this material are those of the author and do not necessarily reflect the views of the National Science Foundation (NSF).

Rights and permissions

[Reprints and permissions](#)

About this article

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 [partners](#), also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our [privacy policy](#) for more information on the use of your personal data. Your consent choices apply to [springer.com](#) and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

- Store and/or access information on a device**
- Personalised advertising and content, advertising and content measurement, audience research and services development**

Accept all cookies

Reject optional cookies

Manage preferences

Search

Search by keyword or author



Navigation

Find a journal

Publish with us

Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 [partners](#), also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our [privacy policy](#) for more information on the use of your personal data. Your consent choices apply to [springer.com](#) and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

Store and/or access information on a device

Personalised advertising and content, advertising and content measurement, audience research and services development

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)