

# Chaos and nonlinear forecastability in economics and finance

Blake LeBaron

+ [Author & article information](#)

*Philos Trans A Math Phys Eng Sci* (1994) 348 (1688): 397–404 .

<https://doi.org/10.1098/rsta.1994.0099>

## Abstract

Both academic and applied researchers studying financial markets and other economic series have become interested in the topic of chaotic dynamics. The possibility of chaos in financial markets opens important questions for both economic theorists as well as financial market participants. This paper will clarify the empirical evidence for chaos in financial markets and macroeconomic series emphasizing what exactly is known about these time series in terms of forecastability and chaos. We also compare these two concepts from a financial market perspective contrasting the objectives of the practitioner with those of the economic researchers. Finally, we will speculate on the impact of chaos and nonlinear modelling on future economic research.

---

This content is only available via PDF.

Scanned images copyright © 2017, Royal Society

You do not currently have access to this content.

## Sign in

Don't already have an account? [Register](#)

## Client account

Email address / username

[Reset password](#)  
[Register](#)

---

**Sign in via your institution**

[Sign in via your institution](#)

---

Pay-per-view access \$24.00

 **Buy this Article**