

New Object Discovered Through the Stock Market

Martin Vlcek⁺

Abstract. Extensive modeling analysis discovered relations among companies, demonstrating properties giving an unknown, higher sense. After constructing a holistic scheme, the organization of a new, sophisticated but natural object was discovered, which was already observed by the author on a macroeconomic level (3), respectively on a global social level as an expression of a natural organization. Through this new organization an cooperation among companies happens, but its meaning is usually not observable on the level of companies. In the final instance, this cooperation augments their profitability and its sustainability.

Keywords: Tension, Satisfaction, Holistic, Event.

1. Introduction

How a new structure and a new object incubate? How the new object is defined and what is his philosophy and meaning. Where is this place, where a new organization stems from a chaos of interactions among ordinary, everyday objects? And how is it possible to observe it. The following paper tries to give responses on the basis of several-year calculations and modeling on the American stock market.

2. New Object

New object stems from the structure of firms into the economy. This object is not simply observable, it rises spontaneously and his sense is to increase the profitability of firms.

The whole object rises so that firms on the base of learning change their behavior – they learn to react on events in relations with other firms. And because the learning can be only in the interest of a firm, at the end the whole new object is in interest of all firms and a new entity rises, which by its existence solves its private interests, too.

This new object has properties of a living object – it has its own satisfaction and tension, two basic manifestations of the existence of life (2).

3. Incentive Tension

The new object will exist only, if it will be in the interest of firms, by other words if it will increase their profitability. That is why its behavior must be controlled by the interest, what is on another level but its complying will be in accordance with the interest of the majority of firms, with the growth of their profit.

That is why it must identify firms with a profit lower than usual and to activate procedures augmenting it. It is also important these firms are sufficiently important or they are in a sufficient amount.

But how can the object identify what profit is reasonably low and which one deserves its intervention? For this purpose serves the notion of tension.

The tension is derived from the successfulness, it means from the profitability of concrete firms and its principle is as follows. Two similar firms ought to have similar profitability. If there is a difference in profitability bigger than usual, it is evaluated as a tension – between these two firms.

The tension is identified by the banking sector and is manifested by the formation of typical events on relations with its environment. It is possible that the basis for its identification rises already inside firms. The firm evaluates the necessity of an investment credit on the basis of the comparison with the competitive firm and eventually go to the bank. Thus the increased credit activity of banks is the expression of an increased tension.

⁺ Corresponding author. Tel.: + 420 737 164 850.
E-mail address: martin.vlcek@e2011.cz.

A typical event in the identification of a tension is composed from an increased activity of the bank and following typical dynamism of relations: strengthening and weakening of relations with the environment.

This event spreads over the banking sector and a graduate aggregation happen. Eventually it reaches the critical location of the new object – the area of firms of raw material input, mining firms.

But it is probable that the aggregation of events in the banking sector is only an expression of the price formation – of an aggregation, what really happens among firms and what finally reaches mining firms.

The global tension is a projection of primary tensions in their aggregated form on a highest level and a realization of substantial primary problems. The place of aggregation are relations among firms engaged in the mining or the import of raw materials. It is possible to name it as a consciousness for its resemblance with living objects.

Procedures in the object are activated on the basis of the global tension and solve it, firstly in the area of credits and prices and secondly of investments and services, too.

An event persists in the consciousness for all the time of the solving of tension, in contrast with other events, what are short-term. But an exception exists, about what the speech follows – the event of a satisfaction of the new object.

Events of the consciousness have a simple form. They are a sequence of triggering impulses, it means shortly strengthened relations with the environment, without touching mining firms themselves. To some extent it evokes some membrane, itself stabile but with surrounding structures in a relative movement attached on it.

Events spread from the consciousness to nearly every parts of the new object and their final goal is to solve the tension been at the beginning, what means to discard it from the consciousness. To be a systemic solution, procedures are choose in a manner that the satisfaction of the whole new object as growths as possible.

4. Leading Satisfaction

The satisfaction of the new object is not a sum of partial satisfactions, of profitabilities of firms, but is defined anew. It must concern the success of functioning of the whole structure of production, of the whole system of firms. Calculations on the stock market showed that this definition is established on firms of the area of energy industry. It stands on the success of firms be engaged in the petrol and gas mining and the electricity production. The growth of the fruitfulness of every one of them is an element, event of new satisfaction.

Events of satisfaction feature by the fact that they output from every energetic firm anonymously, the new object doesn't distinguishes their origin. Thank to this attitude a common "pool" of events of energetic firms rises in the new object and a holistic element thus rises. This is a quite fundamental phenomenon of the new object, one new satisfaction, one common final evaluation of the tension solving.

The second holistic element of the new object is the overall tension and the already mentioned virtual membrane what realizes it.

Events of satisfaction output from the pool firstly into the area of the identification of the primary tension just at the beginning of it solving. This output continues yet into the area of the overall tension – consciousness in the following time step. Only thanks to activities of firms producing for investments and services the backward filling happens in next steps and thus the growth of the satisfaction, too.

The satisfaction is in a permanent movement but the aim of the object is augment it. This is a basic axiom of functioning of the object, the mode of existence: To solve, it means to discard continuously the overall tension in a manner the overall satisfaction growths as high as possible.

The second axiom is: To aggregate the local tension into the overall tension in a manner that important problems in the profitability of firms are solve by its solution.

5. Tension Solving

Events getting out from the consciousness are of the dual type:

- The first are events coming back into the banking sector and with the aim to discard the tension through a changed credit policy, eventually through other financial means. This is the quickest way. In its consequence the overall tension diminishes, but the overall satisfaction obviously as well.
- The second group are events changing fruitfulness of firms by the way of investments, it means by activation of firms producing for investments and thus changing the inner structure of production, and by the way of services, it means by the way of more effective exploitation of existing structure.

The manufacturing process and relations among firms project into the mode of the spreading of events in the banking sector from area of local, primary tension to the consciousness, probably through prices. That is why one of events, getting out from firms for investments, enters into the banking sector and modifies it. Realized investments are thus projected and change the way of tension. The second event enters the pool of satisfaction.

Activities of firms of services have quite a different form.

- They react on events coming from the consciousness and directly enter into the area of arising of the primary tension and participate at its solution. This holds for services among firms but also for import and export of services.
- They don't change the structure of the production and that is why no events output from them into the part of banking sector for spreading tension, but only into firms identifying the primary tension. They help to modify profit and thus solve the tension.

6. Generally

Generally they are two main way in the structure of the system. From the primary tension it is the way of money, non materialistic, what goes through the banking sector and terminates in the consciousness – on the beginning of the materialistic way, on the entry of the raw material into the system. The second main way starts there, and terminates at consumers and thus out of system – by the man.

7. Conclusion

Firms by their position in the functioning of the new object belong into different groups. These are for example following groups:

- Production for investment – e.g. production of software, hardware, electronics, machinery, transport. It was in calculations as firms as AAPL, IBM, ADOBE, BOEING, CATERPILLAR, in Fig. 1 code TFK

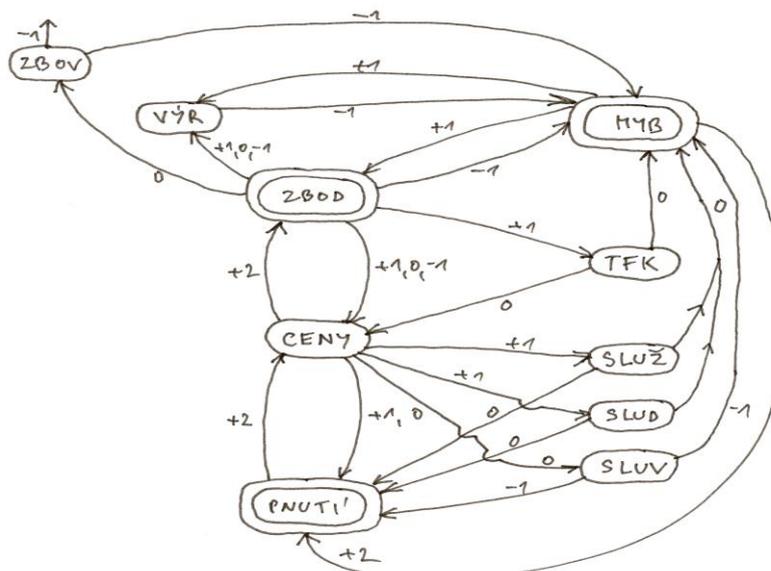


Fig. 1: The procedure of tension solving in the new object demonstrated on individual blocs of function. Flashes show the spreading of events among them and time goes in the direction of: +2, +1, 0, -1. Abbreviations were described in the previous text, excluded.

SLUD: Group of firms of import of services,

VÝR: Group of firms producing intermediate

For illustrate: *The tension solving start at time +2 at area PNUTI. This is a part of banking sector detecting the local, primary tension – difference of profit among firms. At this time inputs event from HYB, it is from the pool of satisfaction and it is a general preposition of detection. At the same time an event, informing about a detection of tension, goes into area CENY, area of spreading and finally get into ZBOD – consciousness.*

- Banking firms from the area of the local tension – BANK OF AMERICA, CITIGROUP, JPMORGAN, *in picture 1 code PNUT Í*
- Banking firms from the area of tension spreading – diversified banking institutions: AMERIPRISE, AMERICAN EXPRESS, BERKSHIRE HATAWAY,..., *in picture 1 code CENY*
- Mining firms – consciousness: ALCOA, FREEPORT MCMORAN,..., *in picture 1 code ZBOD*
- Firms of energy producing – satisfaction: AMERICAN ELECTRIC POWER, DOMINION RESOURCES, APACHE, ANADARKO PETROLEUM,..., *in picture 1 code HYB*
- Firms of services – among firms: PITNEY-BOWES, XEROX,..., *in picture 1 code SLUŽ*
- Firms of export of services: FACEBOOK, CISCO, JUNIPER NETWORKS,..., *in picture 1 code SLUV*
- And finally, firms of export of goods: AMERISOURCE-BERGEN, ABBOTT LABORATORIES, ALLERGAN, *in picture 1 code ZBOV*; concerned is export from the new object, it means out of the structure of firms, not export from the state.

8. Notes

An increase in success of about 10-20 percent points was get by using properties of the new object during the work on stock market.

The examination of the new object was held on the American stock market. The activity of firms and their success was observed on the activity of corresponding stocks. Similarly, relations among firms were observed on interconnection of activities of their stocks by using a non-econometric model.

9. References

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