

## **A NEW THEORY, ADAPTED TO TODAY'S FINANCIAL MARKETS - THE THEORY OF ADAPTIVE MARKETS**

The main idea behind the adaptive markets hypothesis is that financial markets are governed more by the laws of biology than by the laws of physics.

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### **Abstract**

The Theory of Adaptive Markets proposes a consonant solution for analyzing the financial ecosystem by putting together the theory of efficient markets and the theory of behavioral finance. Behavioral science, which just received three Nobel prizes in its recent teenage years, has the primary place. Thus, the analysis of economic and financial decision-making process must take into account the systemic influence of the human element in its primordial hypothesis in which the evolutionary success is measured by surviving in the competition for profit and jobs in the financial markets.

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