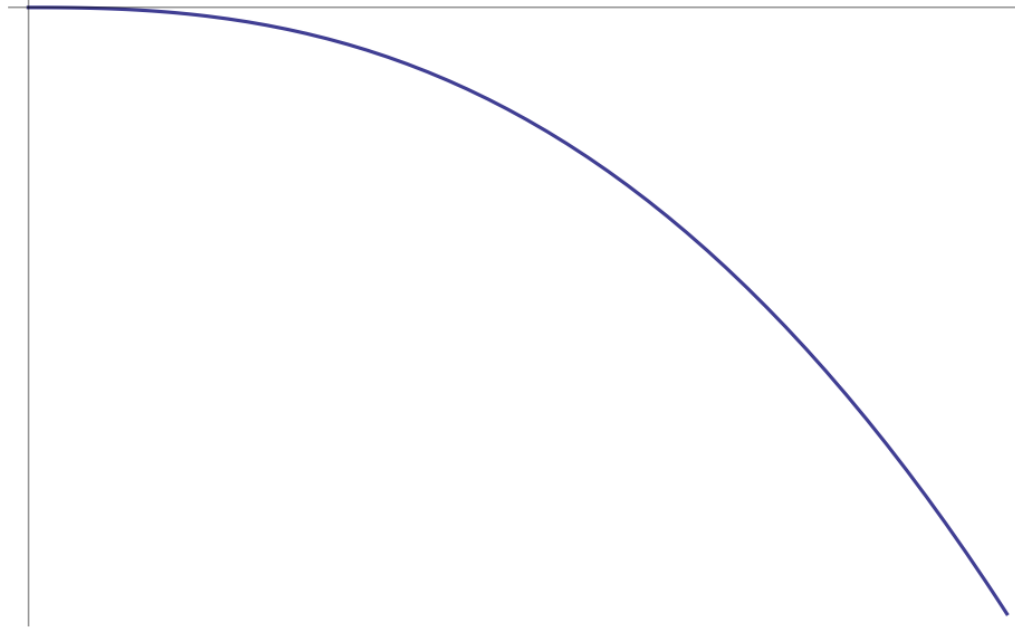
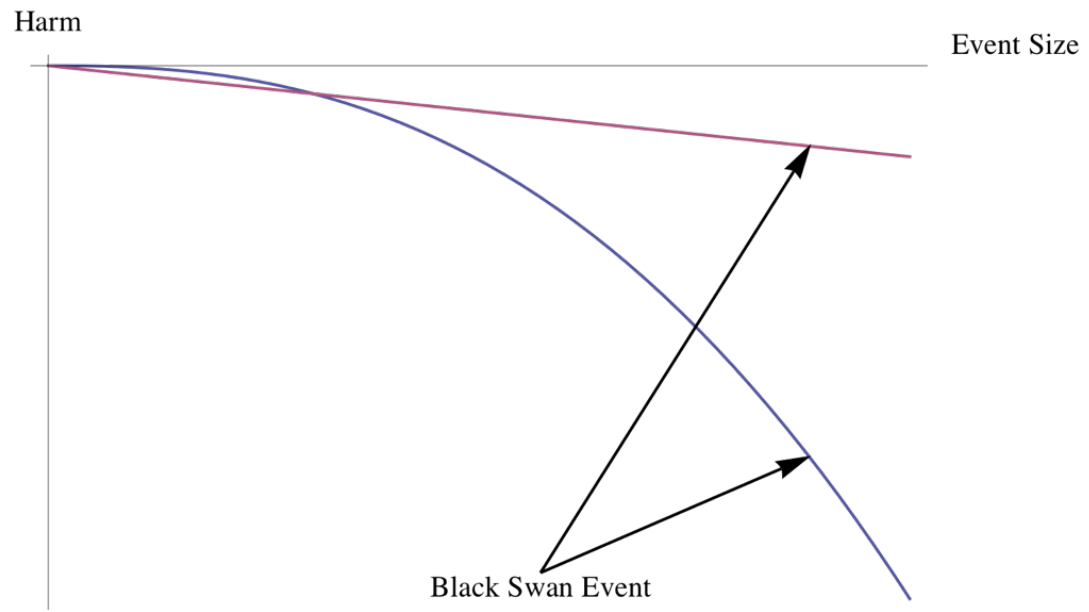


Fragility

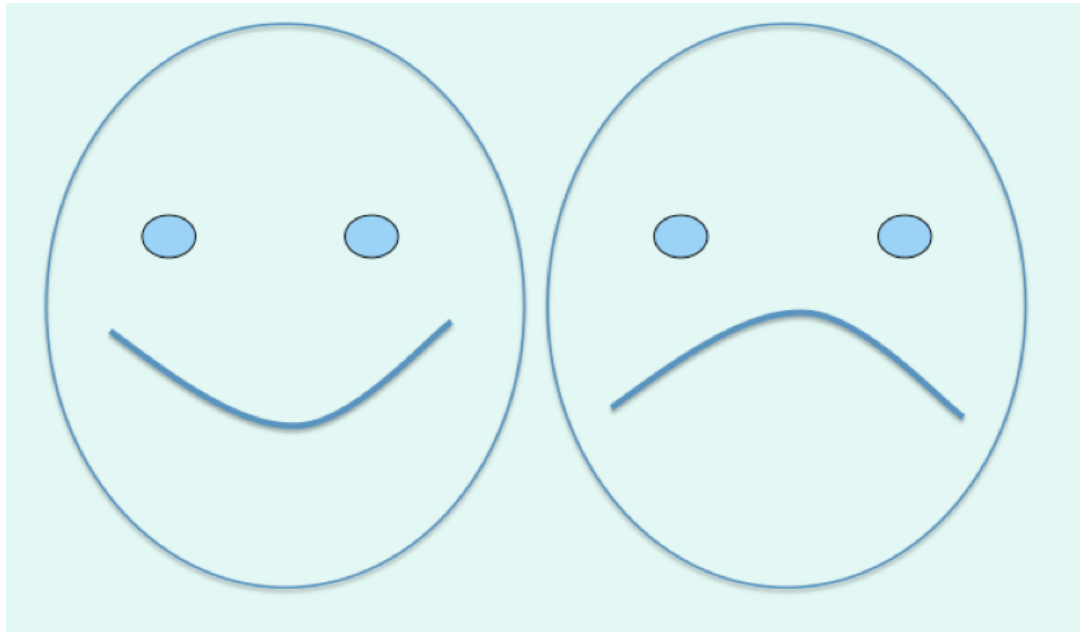
Harm

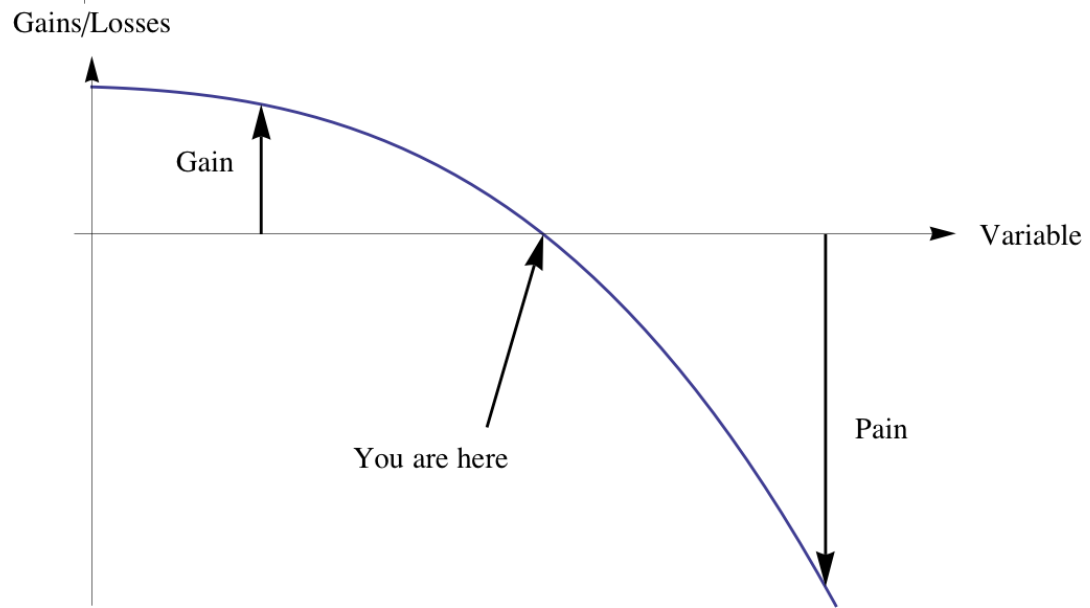
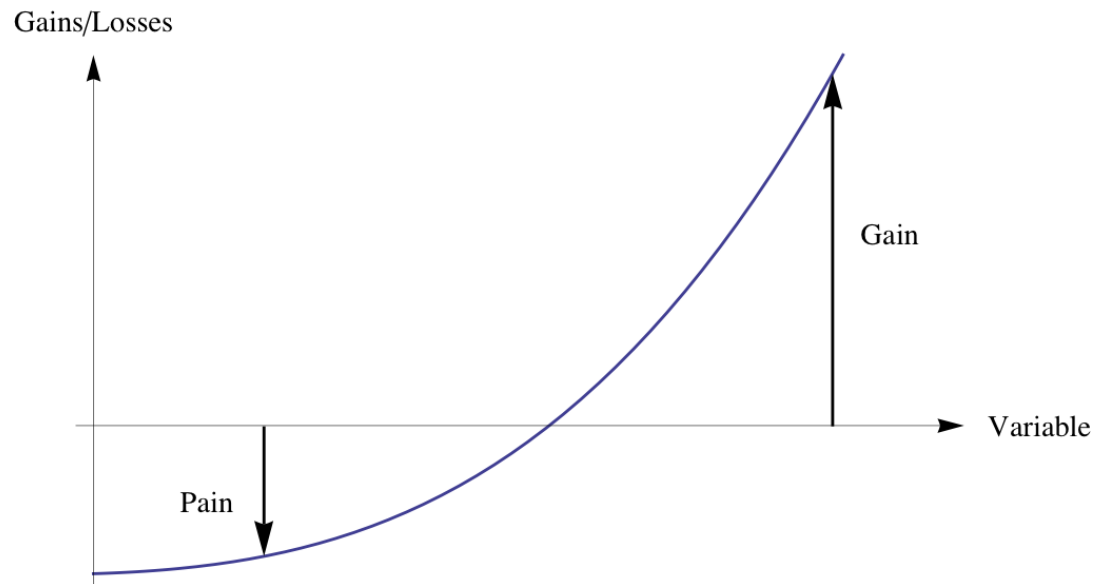
Size of Stone



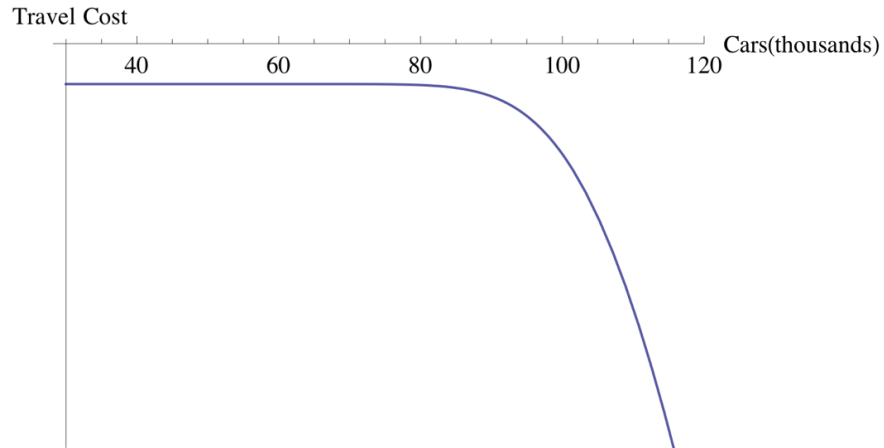




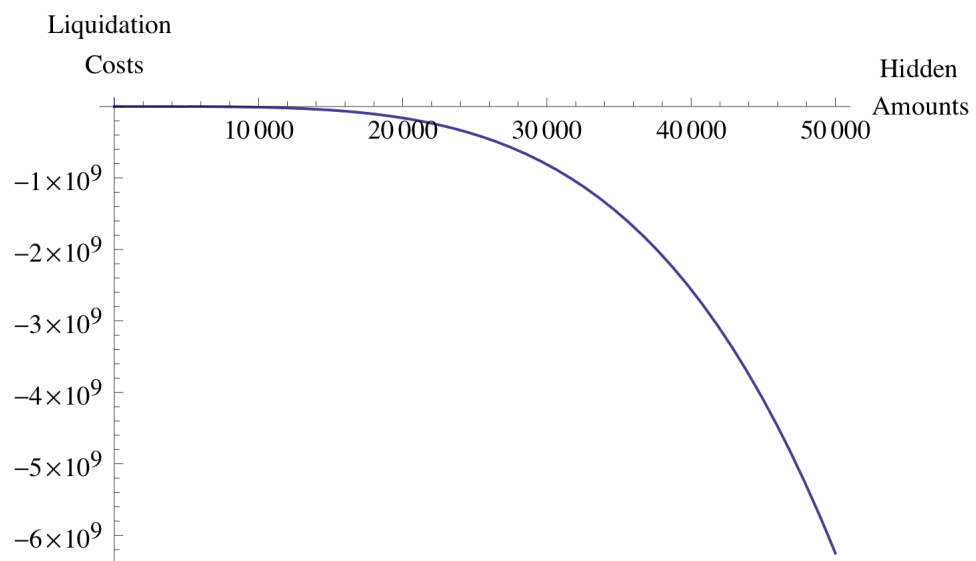




Nonlinearities & Optimization

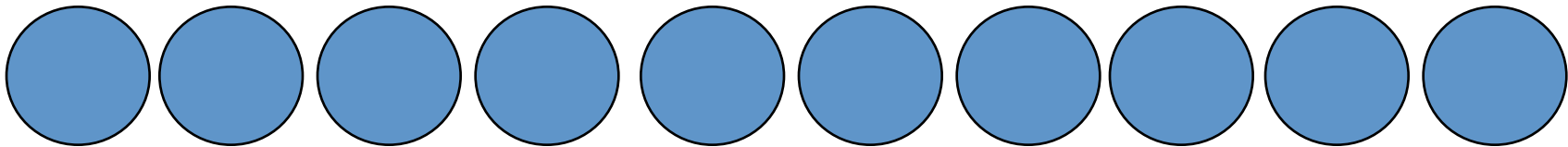


- Cars in cities
- Airline traffic (Heathrow)
- Exposure to squeezes
- Overoptimized, redundancy-free systems
- Overleveraged systems

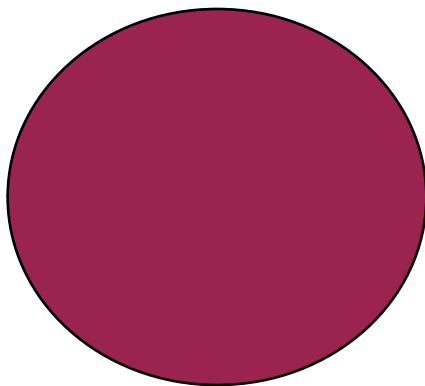


SIZE EFFECTS -Taleb & Tapiero 2009

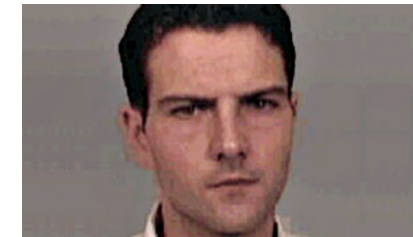
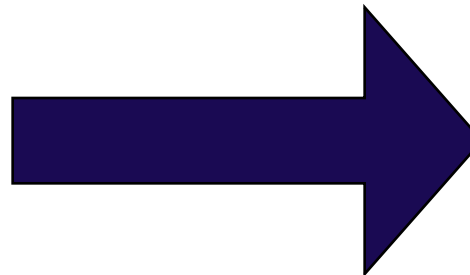
€5 bn hidden risk



€50 bn



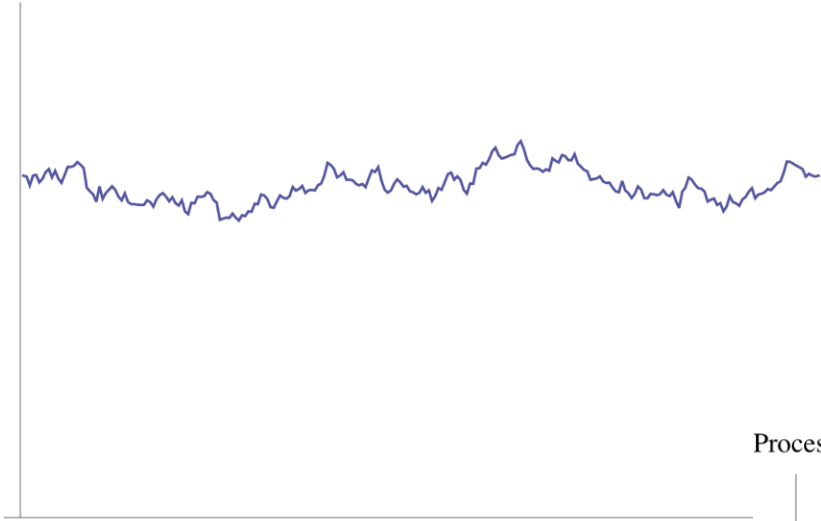
Price Impact



Liquidation Costs
~ €4 bn

Interventionism

Process



Process

