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**Tomoyuki Ichiba\*** ([ichiba@pstat.ucsb.edu](mailto:ichiba@pstat.ucsb.edu)), 5508 South Hall, University of California, Santa Barbara, CA 93106. *Portfolios in an abstract equity market with transitory volatility.*

It is often observed in financial equity markets that volatility increases temporarily by external economic shocks and then dissipates gradually. On a filtered probability space we shall construct and examine an abstract equity market model with such transitory volatility by which stocks with smaller values are influenced more, in addition to intrinsic volatility structure. We evaluate the effect of additional volatility structure from a view point of enhancing new information in the market, and compare several portfolios which include functionally generated portfolios and ones with short-term strong relative arbitrage property over the market. (Received February 07, 2016)