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Michael Goldberg's Paper was delivered at *Plaything*;
The Language of Gameplay: artist presentations.

The Language of Gameplay: artist presentations
Artists are incorporating various types of gameplay into their practice resulting in new hybrid forms.

Michael Goldberg (Aus)
catchingafallingknife: Greed, Fear and Irrational Exuberance – A Game of Financial and Cultural Speculation

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‘Greed, Fear and Irrational Exuberance A game of financial and cultural speculation: the *catchingafallingknife.com* project’

Michael Goldberg

Let me describe a scenario for you:

“It is midnight in Sydney, and you are in a room with a view. A room floating twenty-seven levels above the city centre. A room the size of a football pitch with wrap around windows… Inside this room, however, no one is paying attention to the view. Instead, the seven souls at work at this late hour focus their attention on the green figures that dance across the computer screens. They’re all umbilically attached to telephones, and are in consultation with New York, London, Paris, Frankfurt… there is a quiet, unmistakable air of unease, reminiscent of films you’ve seen of military officers working late into the night in a command centre, tracking the movements of the enemy on an elaborate array of ultra-sophisticated equipment. There’s the same sense of concentrated, witching hour intensity to the tableau. Only here the ‘enemy’ under scrutiny is the marketplace. For this squad of after-hours foreign exchange dealers know that their professional survival depends on how they manipulate those numbers… (these are) the people who play with midnight money.”

The passage is from Douglas Kennedy’s book Chasing Mammon[1]. In giving us access to the restricted zone of the dealing room, the military analogy was probably irresistible for the author – as it is for me in the context of this symposium.

Global financial markets are highly complex arenas of combative engagement. Although their economic cycles are generally simplified by the media as being either ‘boom or bust’, or going nowhere, in fact their bullish and bearish campaigns, which can last for a day or go on for years, are the evidence of an almost inconceivable number of transactions or ‘face-offs’ between market players - either bidding to buy or offering to sell, each trying to get the upper hand. Stock markets perform to an elaborate martial choreography. They unfold daily, minute-by-minute, second by second into rolling sequences of advances and retreats responding in an instant to constantly shifting global algorithms.

It is a common perception that these fluctuations in the main are directly driven by national and global events. However, it is human reaction to these events that is the key to understanding the Game of Mammon, and in playing it successfully. A multitude of personal psychologies is involved – speculators trying to predict the future as they make their moves to buy or sell and ponder the wisdom of their decisions. Like so many other serious games, financial markets are dramatic arenas in which “men and women pit their conflicting judgements, their hopes and fears, strengths and weaknesses, (their) greed and ideals” – or so claims one celebrated U.S. speculator. But can the outcomes of these judgements be foretold? Proponents of the so-called random walk theory claim that each trade is an independent event, similar to a coin toss, with little or no relationship between today’s price and tomorrow’s price. Contrary to this there has always been convincing evidence that

[1] ‘Chasing Mammon – travels in pursuit of money’
Douglas Kennedy
Time Warner U.K. 1999.

speculators living on opposite sides of the world, at specific moments in history, and even currently as I speak, show very similar forms of behaviour. These have resulted in the market responding in often-predictable ways as it ebbs and flows in a state of dynamic balance between rampant instability and uneasy calm. An ascending market is known as a bull market and its descending counterpart – a bear market.

The technical analysis of these fluctuations to gain profit is a highly specialised, sometimes mysterious activity. It has its roots in the Japanese rice trade of the seventeenth century, developed through the proliferation of stock markets in the nineteenth century and was honed to a fine art, post WWII, on the coat-tails of cybernetics and systems and chaos theory. What is involved is a systematic study of market behaviour using charts, statistics and mathematical indicators. These are used to analyse and interpret trading data - the tracers left by multitudes of speculators and investors over specific periods of time. Analysts would be searching for the recurrence of profitable trading patterns where above-average returns result from below-average risks. Simply put, the succinct analogy used by stock jocks is the game of catching a razor-sharp, swiftly falling knife, where you time your move to catch the knife by the hilt and not the blade. For anyone who's played this regularly enough you'd have collected sufficient scars on the palms of your hands to know that you are not likely to win all of the time. The market itself is not a perfect Cartesian mechanism governed by exact mathematical laws. Uncertainty principles are alive and kicking.

Human intelligence makes markets. Information is not processed with the same quiet logic as Artificial Intelligence systems. Human intelligence interacts with the environment by continually modulating its structure, thus paving the way for all kinds of emotional and surprising behaviour. In the market this results in sudden surges and falls in prices – all driven by the human emotions of greed, fear and Greenspan's now infamous "irrational exuberance". If the herd behaviour of investors can be followed closely enough a mother-lode reveals itself. Even if for a brief period of time, sometimes for minutes, even seconds. This is the glimmer, no matter how feint, that is sought by players in the game. Those who hold the advantage understand market psychology – but they also have to be pretty good at reading tea-leaves.

Before the wide availability of computers, stock traders relied on the slow telegraphic technology of the ticker-tape machine to provided data feeds from the bourse. Graphic representation of the seemingly random price movements has always been essential in order to interpret the price patterns that form over different time periods. The ticker-tape could not represent an overall picture of rises, falls and trends. It could simply print out stock prices as alphanumeric sequences. From the opening price to the closing price each day over weeks and years the relationship between supply and demand was laboriously configured by hand on charts, diagrams, graphs and statistical tables.

By the heady days of the 1990s data could be received from global bourses at lightspeed via newly developed online trading software. So-called 'black-box' trading software, marketed for the amateur speculator, supplied not only live data feeds but also offered trading strategies based on a vast array of probability algorithms. This type of software liberated players from a dependence on the time-consuming analysis and interpretation of alphanumeric sequences, replacing it with the instant gestalt of digitised interactive charts. Money and its abstract representation never looked so good.

The method of interpreting this visual data, once a highly specialised and even hermetic activity, was demystified and made widely available. The facility of pattern recognition afforded punters encouraged the proliferation of gung-ho cohorts of serious suburban market players. They entered the arena armed with nothing more than around two grand's worth of trading programs, but they brought with them plenty of greed and plenty of fear. In the Game of Mammon they were the online broker's dream come true – the G.I. Janes and Joes most of whom, no matter how hard they tried, simply could not beat the market once it had peaked and when the bubble burst around them they became losers almost in the time it took to boot up. ‘Chance’ and ‘probability’ became unbeatable adversaries. Dealing with these factors was never easy. It takes focus, constant back-testing and grim determination.

At the dawn of the new millennium those who survived the hack and slash as markets suddenly plunged, qualified as a breed alone. They are the take-no-prisoners, wring-the-market-by-its-neck storm-troopers known as daytraders – so called because they learnt not to hold any trades overnight, thus defending themselves against the unwelcome dawn surprise of a sudden downturn in a cranky and volatile market. No team players these, they are lone figures trading independently from the anonymity of home based work-stations, fuelled on caffeine, placing trades with the same rapidity and immediacy as professional stock jockeys working for you-know-which bank. They’ve learnt their lessons the hard way and in this phase of global battle, company shares, the Dow Jones and NASDAQ indices, currencies, futures, you name it are all fair game. Bids and offers pass in and out of daytraders’ hard drives like machine-gun fire. Positions are entered into and exited from without any consideration for the traded company’s product, its balance sheet, nor its ethics. Through the interplay of specialised and highly-leveraged stock derivatives, falling share prices are traded with as much gusto as rising ones. All that is important is liquidity in the market and voraciously active buyers and sellers.

Keeping their ears close to the ground they commune with other cyber-daytraders. These would probably also be veterans of the tech-wreck of April 2000. Shock-hardened, they’ve assembled in the smouldering NASDAQ shell and are finding ways to exist amongst the bears snapping at their still-ragged arses. The survivors bivouac around the online trading chatrooms where the camaraderie is palpable. Multi-nationals and the surviving dot-com fiber merchants no longer offer them promises of ‘blue sky’ opportunity, but they do provide a steady stream of income for the well-prepared.

Short-term profits are chased in 24-hour markets. At 8am in Sydney, daytraders are watching Tokyo getting into gear; at 4pm Frankfurt and London are cranking up, and at 11pm the beast in Wall St. begins to stir. There is no half-time whistle, A Reuters news monitor beeps at you in your toilet while you’re taking a pee, and sleeping – well that’s for wimps.

For David McNeill, writing in a review of my recent installation work[2], the professions of artists and sharemarket traders are worlds apart. He implies that those who cluster around the bourse are possessed of nothing more than greed and avarice, whereas artists he claims (perhaps not entirely tongue-in-cheek) are morally bound to take a collective stand against these parasitic values. McNeill suggests that ‘No-one embarks on an artistic career to make money’, for in his opinion there are better ways to do it. Conversely, ‘no-one chooses to be a stockbroker as a form of social critique’. Paradoxically, I attempted to exercise both options in the project I am going to describe.

The daytrader archetype came into its own for me when, over a three-week period last November at Artspace in Sydney, I actively traded share derivatives issued against Rupert Murdoch’s global titan, News Corporation. With its seventy percent share of the Australian newspaper market, not to mention its cable and satellite interests, this omnipresent media

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[2] ‘Trading Down: Michael Goldberg and the Art of Speculation’
David McNeill
Broadsheet Contemporary Visual Arts and Culture
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machine exerts a major influence not only on our everyday lives, but on both the local and international financial markets. Daily the company attracts share transactions to the value of around one hundred million dollars on the Australian Stock Exchange alone. It was my intention to participate for a brief moment in this immense movement of capital and to attempt to transcend what John Quiggin[3] describes in Christopher Sheil's 'Globalisation – Australian impacts' as 'perhaps our only remaining operational capacities… to labour and consume'.

The project was called *catchingafallingknife.com* and the title derived from trader jargon referring to particularly risky market speculation. The project was located in sites both physical and virtual with the artist-as-stock trader - a performing body in the gallery and at the same time embedded deep within the cyberworld of the Australian Stock Exchange by means of online brokers and sophisticated trading software.

While I was developing this project I flagged my ideas in daytrader chatrooms and attempted to raise trading capital. The project was touted as a union of art and commerce. By identifying myself as both an artist and a trader I drew the attention of a number of interested parties. Securing a financial commitment from anyone did not come easily and it took awhile before the online forums got used to the idea that I was serious. Eventually I developed a relationship with three individuals who surmised that by associating themselves with the project they could at one and the same time be stock market speculators *and* patrons of art. This conflation is probably not all that dissimilar from conventional investment in the art market. Speculators identify artists whose work they imagine will turn them a profit over time. In my case, the returns promised to be much more immediate – if a lot more risky.

An amount of $50 000 was deposited into a trading account with a brokerage firm. A contract between myself and the 'Consortium', as the group of backers became known, specified that all profits generated by the artist/trader over the agreed duration of the project would be passed on to the group, including the initial capital. Likewise, any deficit incurred during trading would be borne by the Consortium. The artist/trader thus acted essentially as an agent of risk and reward, neither benefiting financially nor experiencing any financial loss.

The initial lure was speculation on the art market, but in time the Consortium came to understand that they were indeed investing in an artist's skill - but here, I wanted the traditionally held notions of 'skill' to be intentionally challenged. Essentially it was my skill as a stock market trader on which their chances for a quick profit rode, not whether the project-as-art would appreciate in value; for intrinsically the project had no economic or exchange value – it could not be bought and sold and therefore had no place in the current art market.

The Consortium was provided with daily reports detailing trading strategies and profits and losses. The accounting process was conducted via telephone and email, with transcripts able to be accessed online by visitors to the gallery and on the 'catchingafallingknife.com' website.

The attempt to finesse News Corp was ultimately unsuccessful – perhaps even an exercise in the type of 'irrational exuberance' that has brought many speculators unstuck. I the closed the books with a bottom line loss of just over a thousand dollars after six losing trades and seven winners. I believe though, that the real value of the project still emerges in the form of

[3] 'The Fall and Rise of the global Economy: Finance'
John Quiggin in 'Globalisation – Australian impacts'
Ed. Christopher Sheil
UNSW Press: Sydney, 2001

interrogations arising from its implausibility and not from the all too obvious spectacle of having endeavoured, successfully or not, to meet its expectations.

The viewer enters a space devoid of natural light. Three walls reflect the glow of floor to ceiling digital projections - real-time stock prices, moving average charts and financial news. The values change and the graphs move, unfolding minute-by-minute, second by second in a sequence of arabesques and set moves. They respond instantly to constantly shifting algorithms pumping in through live feeds from global bourses. A desk light and standing lamp in the viewers' lounge reveal a desk and computer, armchairs, and a coffee table with a selection of daily newspapers and financial magazines. Opposite, high on a scaffold platform another desk lamp plays on the face of the artist as he stares at his computer screens. He's talking into a phone, placing or closing a trade. Below him there's the continual sweep of the LED ticker declaring current profit and loss. In the background an audio tape drones. The voice of the motivational speaker, urges you 'to create a clear mental picture of just how much money you want to make – and to decide just how you will earn this money until you are as rich as you want to be'.

A visit to *catchingafallingknife.com* posed problems for viewers expecting to encounter art. Questions levelled at the time might have sounded thus: What exactly is the activity being observed here? Is this someone's profession in the financial markets? By which criteria and to which aesthetic categories do we refer when we judge this work?

These slippages were encouraged. I was not so much *being* a stock trader, but *behaving* like one for the purposes of the project. I adopted a repertoire of tactics and employed strategies to achieve my ends, and whether or not it was a socio-political critique that was evident, or an endgame between chance and probability, depended very much on who was looking at the project.

Internet analyst and author, Geert Lovink, engaged in an ongoing email dialogue with me for the duration of the News Corp trading[4]. In his opinion, the reticence of viewers to consider the project as art was a result of their inquisitiveness about whether I was making any money or not. He wrote, 'The curiosity about the result (of the trading) overrules the more reflective, sceptical point of view of people who wonder if it is an art work or not. The work communicates with its audience in a very direct way. It doesn't allow the 'art question' to come up as a first response'.

There were other speculations as well. According to Lovink, difficulty in resolving the 'art question' might also be a direct result of the key medium of the *catchingafallingknife* project – the Internet. In welcoming me to what he terms the 'new media arts ghetto', he was of the opinion that, 'most technology-based works operate outside of the art system as defined and guarded by 'leading' curators and critics'. Using the example of video art which he ventures 'took a good three decades to get accepted', Lovink describes its current ascendancy thus: 'In the nineties the "technological" aspect became invisible'. This suggested to him that the mechanics of video were no longer self-consciously regarded. Video work ceased to be 'experimental' and this was a sign for commercial gallery owners that this floating of a new medium was going to be successful and that the shares could only go one way - up. This led the way for museums and the curators of big survey shows to get on board. Lovink concluded, 'that will happen with Internet-based works – but not anytime soon'. In fact in his opinion resistance within the established art world to 'new media arts' is high.

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[4] http://www.catchingafallingknife.com

Lovinks comments were written almost a year ago and things have moved on. It will be interesting to see if some of the issues I've just flagged surface in the proceedings of this symposium. However, if *catchingafallingknife.com* slips between attempts to define it, if it elicits a suspension of the aesthetic categories and criteria of art, then perhaps the viewer is better prepared to consider and reflect on the ethical and political implications embedded in the work.

To conclude, my position as an artist essentially concurs with Hans Haacke's opposition to the dictum that art should provoke nothing more than the 'disinterested pleasure' which is a key element in the underpinning of a bullish art market and a tourism-oriented culture industry. That the arts should be considered as ideologically neutral is anathema. Haacke states that they are in fact, 'one of the many arenas where our conflicting ideas about who we are and what our social relations should be - are pitted against each other'.

For now, the Game of Mammon is my arena. By speaking its language, and by blurring boundaries and roles in its relation to my work I've attempted to encourage a questioning of the institutions and an analysis of the ideologies that have enthusiastically spawned it.