## **Supply and Shorting in Speculative Markets**

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Supply and Shorting in Speculative Markets

We study the formation of asset prices in equilibrium. In our model, agents who "agree to disagree" interact in continuous time and give rise to a tractable equilibrium that is described by a PDE of Hamilton-Jacobi-Bellman type and reveals the influence of speculation, short-selling, and exogenous supply.

Work-in-progress with Jose Scheinkman