# Table of Contents

Preface ........................................................................................................................................... xvii

Acknowledgment .......................................................................................................................... xxiii

## Section I

### Artificial Higher Order Neural Networks for Economics

#### Chapter I

Artificial Higher Order Neural Network Nonlinear Models: SAS NLIN or HONNs? ....................... 1

*Ming Zhang, Christopher Newport University, USA*

#### Chapter II

Higher Order Neural Networks with Bayesian Confidence Measure for the Prediction of the EUR/USD Exchange Rate ........................................................................................................ 48

*Adam Knowles, Liverpool John Moores University, UK*

*Abir Hussain, Liverpool John Moores University, UK*

*Wael El Deredy, Liverpool John Moores University, UK*

*Paulo G. J. Lisboa, Liverpool John Moores University, UK*

*Christian L. Dunis, Liverpool John Moores University, UK*

#### Chapter III

Automatically Identifying Predictor Variables for Stock Return Prediction ...................................... 60

*Da Shi, Peking University, China*

*Shaohua Tan, Peking University, China*

*Shuzhi Sam Ge, National University of Singapore, Singapore*

#### Chapter IV

Higher Order Neural Network Architectures for Agent-Based Computational Economics and Finance ................................................................................................................................. 79

*John Seiffertt, Missouri University of Science and Technology, USA*

*Donald C. Wunsch II, Missouri University of Science and Technology, USA*
Chapter V
Foreign Exchange Rate Forecasting Using Higher Order Flexible Neural Tree
Yuehui Chen, University of Jinan, China
Peng Wu, University of Jinan, China
Qiang Wu, University of Jinan, China

Chapter VI
Higher Order Neural Networks for Stock Index Modeling
Yuehui Chen, University of Jinan, China
Peng Wu, University of Jinan, China
Qiang Wu, University of Jinan, China

Section II
Artificial Higher Order Neural Networks for Time Series Data

Chapter VII
Ultra High Frequency Trigonometric Higher Order Neural Networks for Time Series Data Analysis
Ming Zhang, Christopher Newport University, USA

Chapter VIII
Artificial Higher Order Pipeline Recurrent Neural Networks for Financial Time Series Prediction
Panos Liatsis, City University, London, UK
Abir Hussain, John Moores University, UK
Efstathios Milonidis, City University, London, UK

Chapter IX
A Novel Recurrent Polynomial Neural Network for Financial Time Series Prediction
Abir Hussain, John Moores University, UK
Panos Liatsis, City University, London, UK

Chapter X
Generalized Correlation Higher Order Neural Networks for Financial Time Series Prediction
David R. Selviah, University College London, UK
Janti Shawash, University College London, UK

Chapter XI
Artificial Higher Order Neural Networks in Time Series Prediction
Godfrey C. Onwubolu, University of the South Pacific, Fiji
Chapter XII
Application of Pi-Sigma Neural Networks and Ridge Polynomial Neural Networks to Financial Time Series Prediction .......................................................... 271
Rozaida Ghazali, Liverpool John Moores University, UK
Dhiya Al-Jumeily, Liverpool John Moores University, UK

Section III
Artificial Higher Order Neural Networks for Business

Chapter XIII
Electric Load Demand and Electricity Prices Forecasting Using Higher Order Neural Networks Trained by Kalman Filtering ................................................................. 295
Edgar N. Sanchez, CINVESTAV, Unidad Guadalajara, Mexico
Alma Y. Alanis, CINVESTAV, Unidad Guadalajara, Mexico
Jesús Rico, Universidad Michoacana de San Nicolas de Hidalgo, Mexico

Chapter XIV
Adaptive Higher Order Neural Network Models and Their Applications in Business ................. 314
Shuxiang Xu, University of Tasmania, Australia

Chapter XV
CEO Tenure and Debt: An Artificial Higher Order Neural Network Approach ....................... 330
Jean X. Zhang, George Washington University, USA

Chapter XVI
Modelling and Trading the Soybean-Oil Crush Spread with Recurrent and Higher Order Networks: A Comparative Analysis ..................................................... 348
Christian L. Dunis, CIBEF, and Liverpool John Moores University, UK
Jason Laws, CIBEF, and Liverpool John Moores University, UK
Ben Evans, CIBEF, and Dresdner-Kleinwort-Investment Bank in Frankfurt, Germany

Section IV
Artificial Higher Order Neural Networks Fundamentals

Chapter XVII
Fundamental Theory of Artificial Higher Order Neural Networks ............................................. 368
Madan M. Gupta, University of Saskatchewan, Canada
Noriyasu Homma, Tohoku University, Japan
Zeng-Guang Hou, The Chinese Academy of Sciences, China
Ashu M. G. Solo, Maverick Technologies America Inc., USA
Takakuni Goto, Tohoku University, Japan
Chapter XVIII
Dynamics in Artificial Higher Order Neural Networks with Delays ....................................................... 389
Jinde Cao, Southeast University, China
Fengli Ren, Southeast University, China
Jinling Liang, Southeast University, China

Chapter XIX
A New Topology for Artificial Higher Order Neural Networks: Polynomial Kernel Networks ........ 430
Zhao Lu, Tuskegee University, USA
Leang-san Shieh, University of Houston, USA
Guanrong Chen, City University of Hong Kong, China

Chapter XX
High Speed Optical Higher Order Neural Networks for Discovering Data Trends
and Patterns in Very Large Databases ........................................................................................................ 442
David R. Selviah, University College London, UK

Chapter XXI
On Complex Artificial Higher Order Neural Networks: Dealing with Stochasticity,
Jumps and Delays ........................................................................................................................................ 466
Zidong Wang, Brunel University, UK
Yurong Liu, Yangzhou University, China
Xiaohui Liu, Brunel University, UK

Chapter XXII
Trigonometric Polynomial Higher Order Neural Network Group Models
and Weighted Kernel Models for Financial Data Simulation and Prediction ........................................... 484
Lei Zhang, University of Technology, Sydney, Australia
Simeon J. Simoff, University of Western Sydney, Australia
Jing Chun Zhang, IBM, Australia

About the Contributors .................................................................................................................................... 504

Index ................................................................................................................................................................ 514