Review: "Limitations of Stabilizing Effects of Fundamentalists Facing Positive Feedback Traders"

The article presents the model of financial markets with the traders of the different types, especially fundamentalists and chartists. The article contains a literature review in Sec. 1. The meaning of all symbols are clearly described in Secs. 1 and 2. Then the authors provide a reasoning that proves that presence of fundamental traders cannot prevent the market from a price bubble to be formed. However, this approach does not consider the interactions between traders, that can cause some emergent phenomena, as it assumes that we may have only one trader of each type, which can be treated as representative of all traders of a certain type on the market. In other words, in this model the whole is the same as the sum of all parts, which in the real world is not usually true. The model of the market proposed by the authors is rather simplified, which does not have to be a drawback, although one have to bear it in mind when drawing conclusions regarding the real markets.

Amendments/remarks:

You can add two more articles to the literature review:
- Kim-Markovitz model, that was one of the first historical models regarding two types of investors: Kim, Gew-rae, and Harry M. Markowitz. "Investment rules, margin, and market volatility." Journal of Portfolio Management 16.1 (1989): 45.
- Bornholdt model that is econophysical spin model, with chartists, fundamentalists, and market maker considered:
Bornholdt, Stefan. "Expectation bubbles in a spin model of markets: Intermittency from frustration across scales." International Journal of Modern Physics C 12.05 (2001): 667-674.

Figure 4 and 5: please explain explicitly the meaning of the thick solid line and the dashed line in the captions of the figures.
Figure 6 and 7: please explain explicitly the meaning of the solid, dashed, and dotted line in the captions of the figures.

4 Discussion of Effects of Linear Feedback Trading: please add the remark similar to that: "this approach does not consider the interactions between traders, that can cause some emergent phenomena, as it assumes that we may have only one trader of each type, which can be treated as representative of all traders of a certain type on the market". For the importance of emergent phenomena see e.g.:
Tesfatsion, Leigh. "Economic agents and markets as emergent phenomena." Proceedings of the National Academy of Sciences 99.suppl 3 (2002): 7191-7192.
Choi, Thomas Y., Kevin J. Dooley, and Manus Rungtusanatham. "Supply networks and complex adaptive systems: control versus emergence." Journal of operations management 19.3 (2001): 351-366.