

# Highlights

## *Limitations of Stabilizing Effects of Fundamentalists Facing Positive Feedback Traders*

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- We study interacting fundamentalists and chartists in a heterogeneous agent model.
- We show that fundamentalists' effects are not sufficient to stabilize asset prices.
- The proposition is proven mathematically rigorously and not only via simulations.
- We detect, although bounded, stabilizing effects of fundamentalists' behavior, too.
- We derive sufficient lower boundaries for chartists' investments to cause a bubble.

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