This paper investigates the dynamics of sequential decision-making in agricultural futures and options markets using a quantile regression framework. Analysis of trading records of 12 traders suggests that there is great heterogeneity in individual trading behavior. Traders respond differently to prior profits depending on how much risk their portfolios are carrying. In general, no significant response is found at average and below-average levels of risk, but response can become large and significant at above-average levels of risk. These results are consistent with studies which argued that behavior may be uneven under different circumstances, and calls into question the adoption of conditional mean framework to investigate trading behavior. Focusing the analysis on the effect of prior profits on the conditional mean of the risk distribution can yield misleading results about dynamic behavior.

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