

STRATEGIES

Talking War and Market Volatility With a Giant of Economics

Eugene F. Fama, the father of the efficient-markets theory, says the stock market can't easily process "irrational" behavior. What will happen? "Who knows?" he says.



By Jeff Sommer

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After watching financial markets gyrate from hour to hour as [Russia attacked Ukraine](#), I was getting dizzy myself.

People in Ukraine were dying. The Russian president, Vladimir V. Putin, put his [nuclear forces](#) on alert, and Western [sanctions](#) were beginning to bite. One moment stocks were up, the next they were falling. Then they were up again.

[On Wall Street](#) and in other financial centers, plenty of analysts had elaborate explanations for what was going on, but if the markets were conveying a coherent message, I didn't see it.