

Information at equilibrium ^{*†}

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Abstract

In a game with rational expectations, individuals simultaneously refine their information with the information revealed by the strategies of other individuals.

At a Nash equilibrium of a game with rational expectations, the information of individuals is essentially symmetric: the same profile of strategies is also an equilibrium of a game with symmetric information; and strategies are common knowledge.

If each player has a veto act, which yields a minimum payoff that no other profile of strategies attains, then the veto profile is the only Nash equilibrium, and it is an equilibrium with rational expectations and essentially symmetric information; which accounts for the impossibility of speculation.

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