



Financial Environmetrics: Towards Better Financial Decision Making

Environmetrics is not as such a new science as it originated with the Ancient Egyptians whose word for sustainability was stability. And those ancient Egyptians were making quite an effective use of it in their studies of sustainable food production and conservation of natural resources which led to the creation of the earliest instruments of measurement and to the beginning of predictive mathematical formulas.

Every applied science requires data, and data in turn begins with accurate measurement. In the days of the pharaohs, environmental water measurements were made using 'nilometers', deep wells placed along the shores of the Nile and dug especially to record the height of the river's water. It is thought that the measurements were translated into estimates of crop yields.

Given the presence of this Nile flood water data, it is thought that they were analyzed across time, the Egyptian astronomer Hipparchus on studying ancient records of the risings and settings of stars was able to detect the earth's precession, a rotational wobble of the earth's axis which takes many thousands of years to complete. Hipparchus thus must have studied time series provided by his predecessors. But did the Nile river hydrologist ever plot his data and study his time series? The mystery deepens when we realize that the first plotted time series is from the 10th century AD, more than a thousand years later. It is presumed that, these data models and hypotheses vanished in the great fire that consumed the library of ancient Alexandria. As the Ancient Egyptian's discovered, measuring and predicting the environmental dynamics is a massive challenge, there are a vast number of variables to measure, at many different times and places and these variables react and interact in still un-discovered ways.

Despite all the advancements in measurement techniques and sciences, general Environmetrics remains a complex and scientifically diverse subject. However, Probus Environmetrics and Sfax University Business School are the first research entity to engage in the science of Financial Environmetrics with a strong focus upon Climate



Change. Sfax-Probis are the world's first academically based entities to focus and concentrate upon the production of accurate, consensus driven standardized benchmarks for the Global Banking, Investment and Reinsurance Markets with additional focus upon valuing Natural Capital.

It goes without saying that transparent, neutral, independent common official standards and accurate investment risk data, increases global trade and lowers investor risk, furthermore, it facilitates the required investment into the fight against the issue of the manmade contribution to Climate Change acceleration. Importantly, the matrix and algorithms developed by Sfax-Probis over the past few years already provide the required nonpartisan, non-conflict of interest, neutral science driven platform from which these standards may be developed.