Follow the leader or contend him: Imitation or competition among traders in the percolation model of stock market.

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In the result of multi century experience, the large markets: London City or New York Stock Exchange, have developed the firmed structures. The fundamental assumption called Efficient Market Hypothesis [1] that the whole information is available for all investors at the same instant, is more less satisfied. Sharing the same information, opinion or analysis tools investors, unaware, make identical buy and sell decisions. This, so-called, herding behavior transforms into the large price movements. On the other hand it is known that investors are extremely strong personalities [2]. They are overconfident about their own understanding of the market. Moreover, they could predict some other investor decision. Having predicted some other investor decision they would make the competitive decision rather than the imitative one. Different situation is on poorly developed markets where plenty of less experienced investors act. Such local stock markets are full of weak liquidity assets and are often influenced by political decisions. The strategy to win for investors with little knowledge is to search for a successful investor to join his team or if it is impossible to follow his decisions.

The Cont-Bouchaud model [3] transfers the herding behavior of investors into percolation structure. Exploring properties of percolation phenomena the model is able to reproduce the over presence of large price changes. Our proposition is to consider intentional imitation or contention in the Cont-Bouchaud model. We say that an agent A imitates some agent B if A follows B decisions with a time step delay. It means A will sell/ buy next time step if at present B sells/buys, respectively. We say that an agent A contends against some agent B if A makes opposed to B decisions with a time step earlier. It means A sells/buys at present if B will buy/sell, respectively, on the next session.

The simulations of the model proposed provides that if the number of imitating / contending agents is large (more than 90%) then the strong modification to the typical Cont-Bouchaud model distribution of returns is obtained. Small value returns appear occasionally but huge values are redundant. Carefully selecting the histogram bin we have observed the similar property in real data taken from Warsaw Stock Exchange.

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