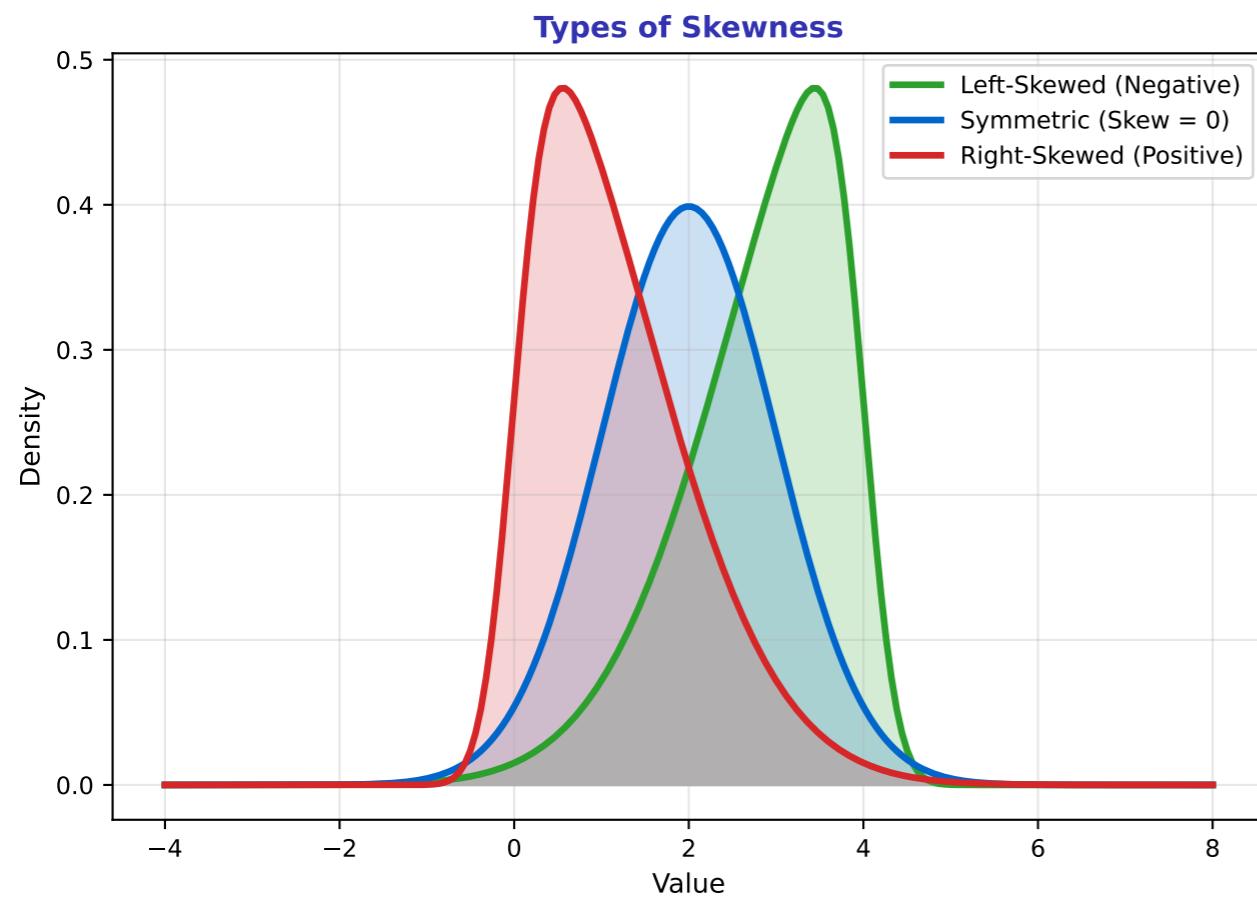
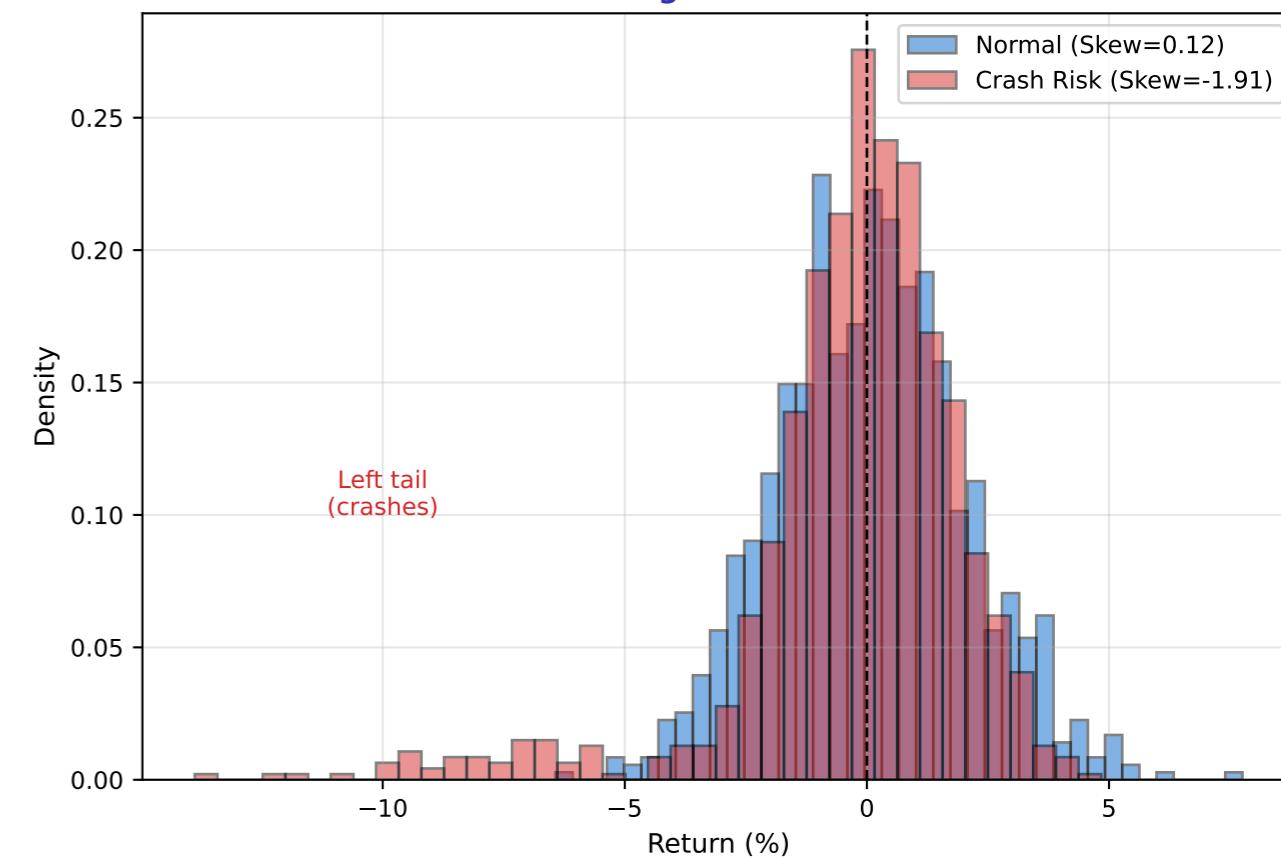


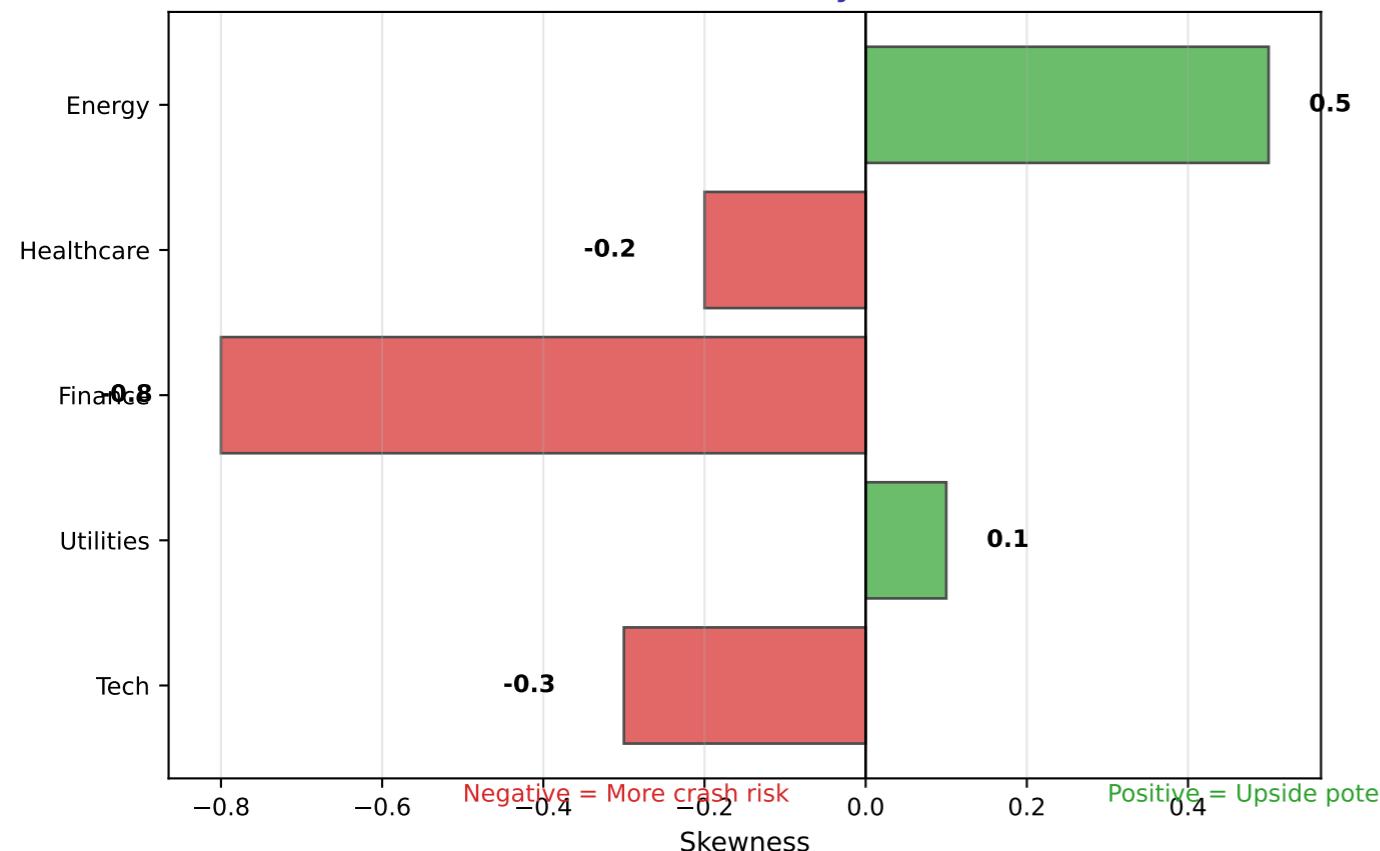
Skewness: Measuring Asymmetry



Stock Returns: Negative Skew = Crash Risk



Return Skewness by Sector



Skewness Interpretation

Skew = 0 Symmetric distribution
Mean = Median

Skew < 0 Left-skewed (Negative)
Long left tail, Mean < Median

Skew > 0 Right-skewed (Positive)
Long right tail, Mean > Median

Finance: Most stock returns have negative skewness
(Small gains common, rare large losses)