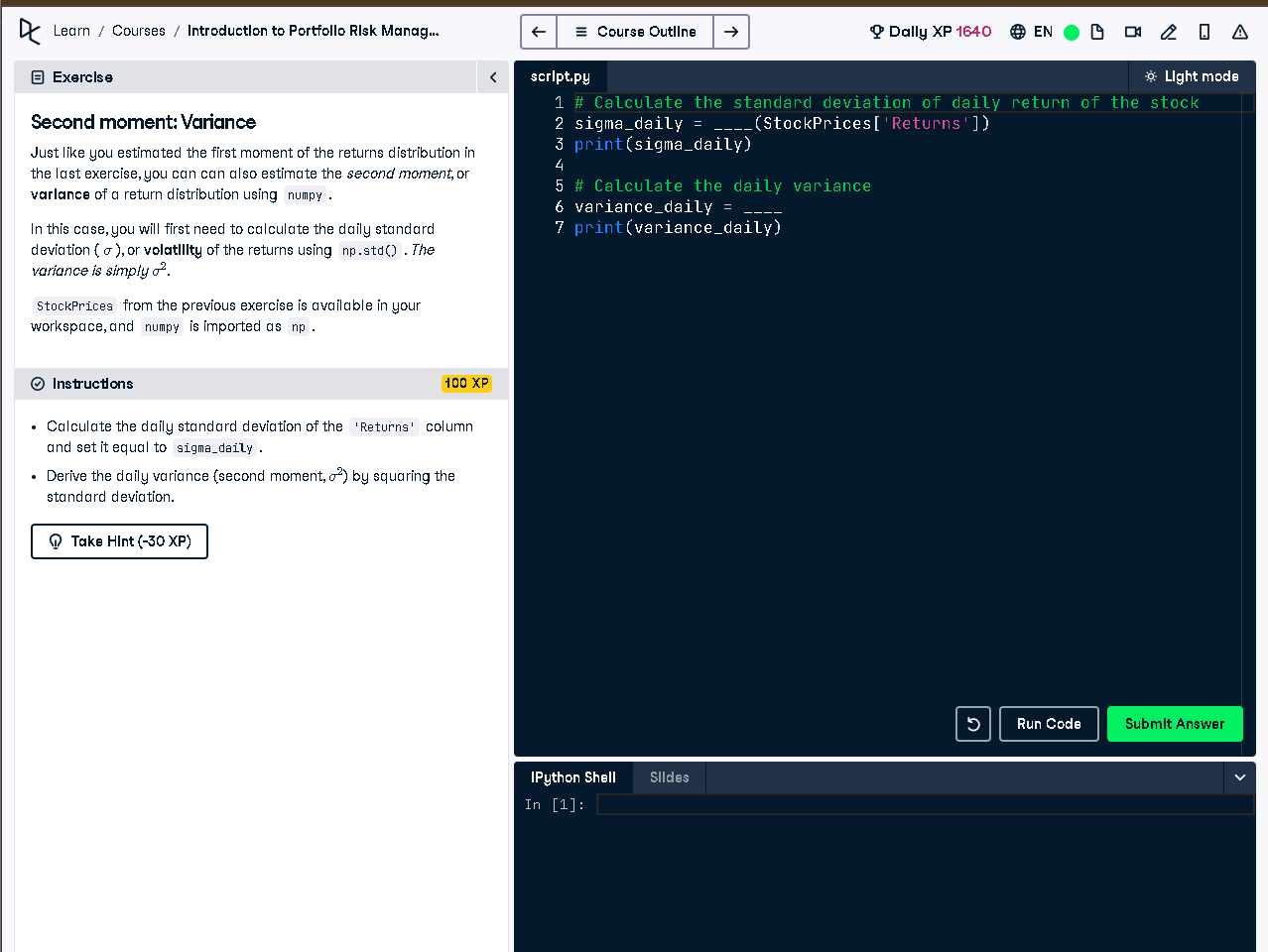
# Second Moment: Variance



## Python Code

# Calculate the standard deviation of daily return of the stock  
sigma\_daily = np.std(StockPrices['Returns'])  
print(sigma\_daily)  
  
# Calculate the daily variance  
variance\_daily = sigma\_daily \*\* 2  
print(variance\_daily)

## Explanation

We calculate how much the daily stock returns change using standard deviation (sigma\_daily). Then we square this value to get the daily variance (variance\_daily), which measures how spread out the returns are around the average. High variance means more risk.