

## Best Time to Buy and Sell Stock III

### 1) Two pass prefix/suffix trick (very intuitive):

Idea: split the timeline at a cut  $i$ .

- Left side (days  $0 \dots i$ ): best profit with one transaction.

- Right side (days  $i+1 \dots n-1$ ): best profit with one transaction.

Add them and take the best over all cuts.

How to compute each side fast:

- Prefix: scan left  $\rightarrow$  right, track the minimum price so far, and at each day record  $best_1[i] = \max(best_1[i-1], price[i] - min\_so\_far)$ .

- Suffix: scan right  $\rightarrow$  left, track the maximum price so far, and at each day record  $best_2[i] = \max(best_2[i+1], max\_so\_far - price[i])$ .

Answer = max over  $i$  of  $best_1[i] + best_2[i+1]$  (also consider only one side if needed).

Complexity:  $O(n)$  time,  $O(n)$  space (can be reduced but this is simplest).

### 2) Turing state machine (1 pass, $O(1)$ space):

Think of four states (profits):

- buy 1: best profit after first buy (negative).

- sell 1: best profit after first sell.

- buy 2: best profit after second buy (you "rebuy" losing profit from sell 1).

- sell 2: best profit after second sell.

Update every day with price  $p$ :

- buy 1 =  $\max(buy_1, -p)$

- sell 1 =  $\max(sell_1, buy_1 + p)$

- buy 2 =  $\max(buy_2, sell_1 - p)$

- sell 2 =  $\max(sell_2, buy_2 + p)$

Answer =  $\max(0, sell_1, sell_2)$  (0 handles "never trade").

Why this works: each line either keeps the previous best or executes the

relevant action today.

3) DP table with up to  $k=2$  transactions (generalizable):

Let  $dp[t][i]$  be max profit up to day  $i$  with at most  $t$  transactions.

Transition for  $t \in \{1, 2\}$ :  $dp[t][i] = \max(dp[t][i-1], \text{price}[i] + \max_j (dp[t-1][j] - \text{price}[j]))$ .

Maintain  $best = \max_j (dp[t-1][j] - \text{price}[j])$  as you sweep  $i$ .

Answer =  $dp[2][n-1]$ .

Complexity:  $O(n \cdot k)$ .

[Edge Cases:]

- If prices are non-increasing, result is 0.
- "At most two" includes doing 0 or 1 transaction; the formulas naturally handle that.
- Watch out for integer overflow only if your language uses narrow ints; here constraints are safe.