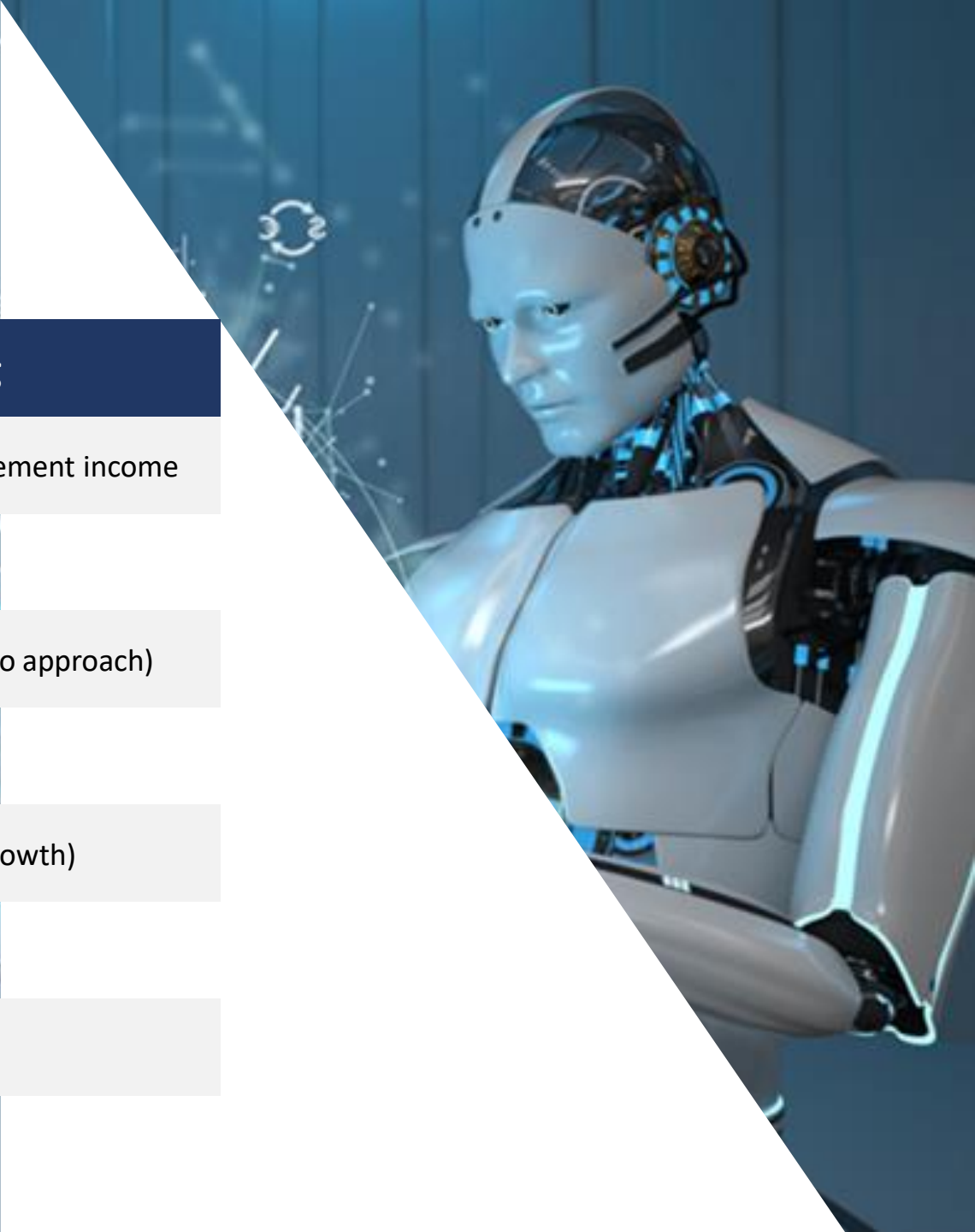# Algorithmic Trading A-Z

with Python and Machine Learning

Day Trading vs. Long-Term Investing

	Day Trading	Long-term Investing
Purpose	Current Income	accumulate wealth / retirement income
Time Horizon	One Day / Intraday	10 - 50 Years
Diversification	Not required	Highly diversified (Portfolio approach)
Positions	Long and Short	(typically) Long only
Source of Return	alpha (bull and bear markets)	beta (long-term market growth)
Instruments	Derivatives (CFD)	(typically) Physical
Leverage	Yes (10 - 30)	No
Risk	Very High	Low to Moderate

Day Trading vs. Long-Term Investing

Day Trading vs. Long-Term Investing

The Max Sharpe Ratio Portfolio