Quant finance Tutorial with python

Libraries being used:

- pandas
- numpy
- yfinance
- matplotlib.pyplot

→ cleans data by using df.index to remove unnecessary zeros in the data.

1. computes returns if invest in one day
2. uses % change day-to-day
   → lost money on both days

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↑. Simple Returns Model (00:01:00 - 00:04:31) ↑

- Plotting daily Returns (00:04:32 - 00:06:13)

1. σ distribution
   - .5 is the x̄ (median)
2. Uses R to compute alternative returns
   - code: df['R'] = df['Adj Close'] / df['adjclose_log'] - 1

Question: why do you subtract 1?
→ b/c of distribution in stats of normal
2% return in one of the months in S&P

- Expected Return over a lifetime (7:20 - 11:25)

↳ using Q-Q plots for descriptive distribution
x-axis → theoretical distribution
y-axis → ordered values
* used for not normal distribution

↳ using box-plots
* to view the distribution

* using code for defining monthly code.