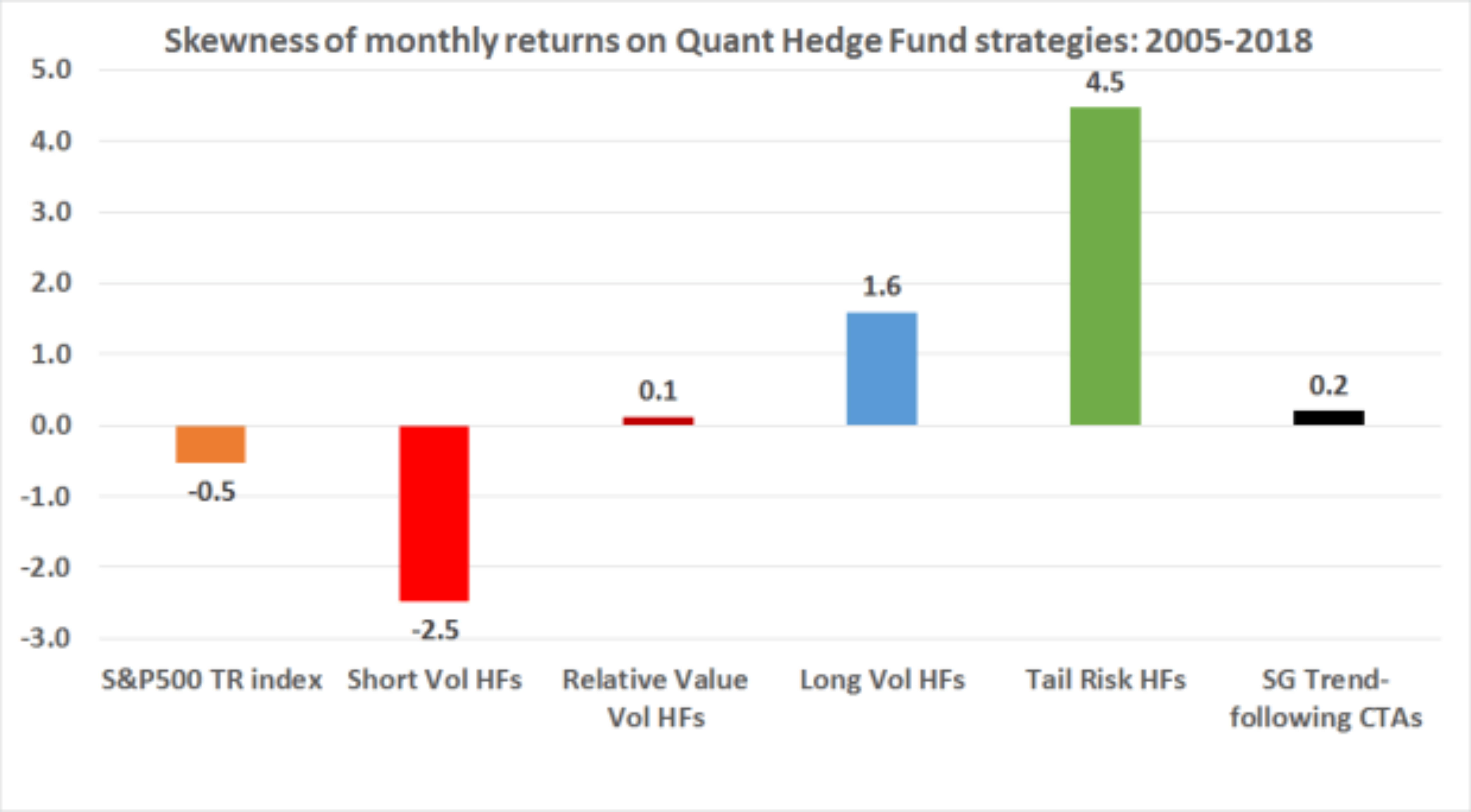
4. Behavioral example: Skewness of returns



source: Artur Sepp, https://artursepp.com/2018/04/24/trend-following-strategies-for-tail-risk-hedging-and-alpha-generation/

4. Behavioral example: Skewness of returns

Skew is time dependent, as financial data is not stationary.

Skew is different for different asset classes:
- bonds have a negative skew (small returns most of the times, defaults some times)
- a stock index has slightly negative skew (volatility is higher in crises and bear markets)
- a set of individual stocks has positive skew