

M339D: January 30th, 2026.

A Pair of Basic Trades.

Outright Purchase of One Share of Stock.

$S(t), t \geq 0$ stock price

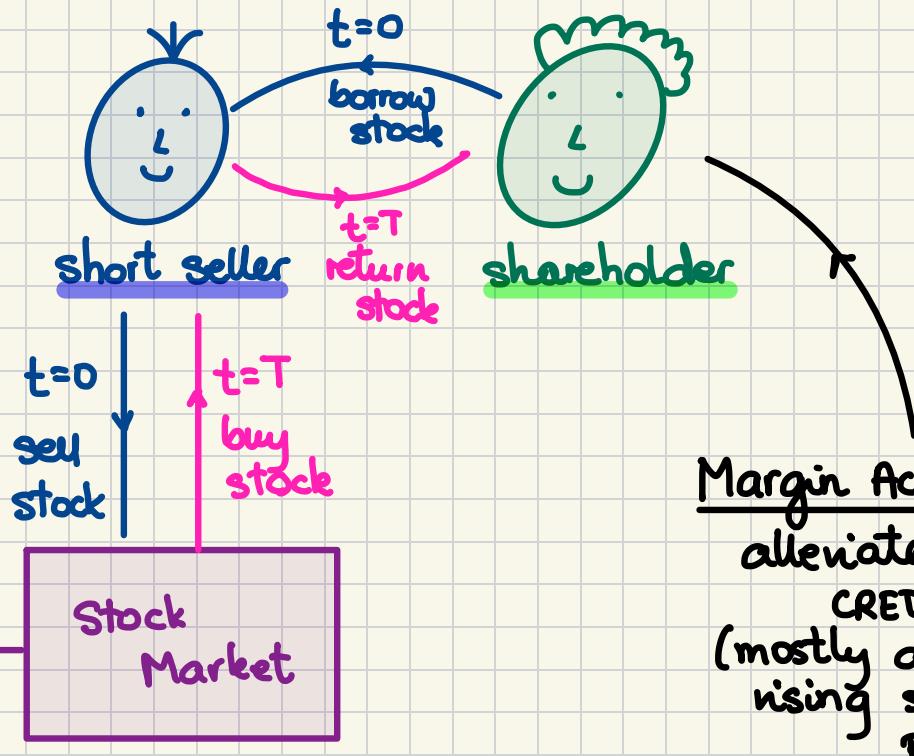
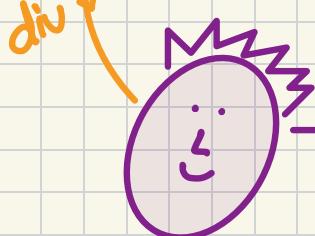
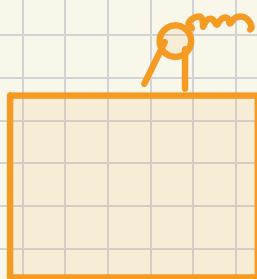
RANDOM PROCESS aka
STOCHASTIC PROCESS



RANDOM VARIABLE

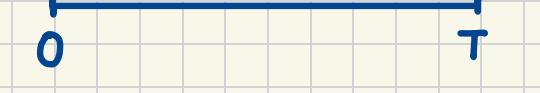
Short Sale.

T... Short sale closed



Margin Account
alleviates
CREDIT RISK
(mostly due to
rising stock
prices)

$+S(0)$



On Portfolios.

Time	Cash	Stock
0	+	+\$
1	+	-\$
2	-	
⋮	⋮	⋮