# Twitter Thread by Piyush Chaudhry

**Piyush Chaudhry**
@piyushchaudhry

## Concept of Standard Deviation, simplified.

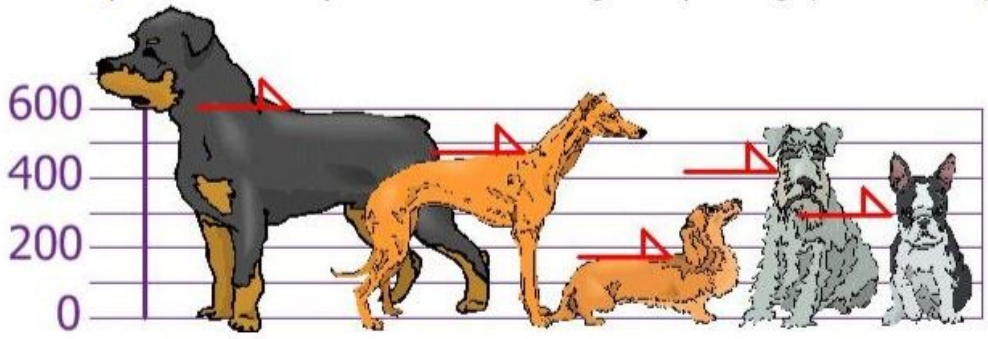
13. Standard Deviation 1/4

A measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation. Standard deviation is calculated as the square root of variance.

Standard deviation is a statistical measurement that sheds light on historical volatility. For example, a volatile stock will have a high standard deviation while the deviation of a stable blue chip stock will be lower.

Example

You and your friends have just measured the heights of your dogs (in millimeters):




The heights (at the shoulders) are: 600mm, 470mm, 170mm, 430mm and 300mm.

Find out the Mean, the Variance, and the Standard Deviation.

Your first step is to find the Mean:

Next time when I talk about Mean +/- 1 or 2 or 3 Standard Deviation, you'll know what exactly am I talking about, especially whenever I mention Regression Channel. Concept is used in Bollinger Bands as well.
While all indicators plot, it's always good to know the background.