

# Arbitrage

Arbitrage is the simultaneous buying and selling of a good, commodity, security or currency in two different markets with the goal of making a profit off of a discrepancy in the prices in the two different markets. Only if the difference in price is greater than the cost of the transaction will the arbitrage be successful and profitable. However, if done properly, arbitrage will carry no risk, and arbitrageurs fill the useful functions of equalizing prices and making markets more efficient.