

The War Hedge: How to Prepare for Conflict with Iran Now

No one is quite sure what will happen next with Iran.

Days ago, President Trump said Iran “will pay a very BIG PRICE” after protesters attacked the U.S. embassy in Baghdad, demanding that American troops withdraw.

Iran then didn’t take the threats seriously at all.

“The Iranian government, the Iranian nation, and I strongly condemn the US’s malice,” said Iran’s Ayatollah Khamenei, as quoted by Newsweek. “That guy has tweeted that we see Iran responsible for the events in Baghdad and we will respond to Iran. Firstly, you can’t do anything and secondly, if you were logical – which you’re not – you’d see that your crimes in Iraq, Afghanistan... have made nations hate you,” he added.

The U.S. then killed their top Iranian General Qassem Soleimani; with Iran’s supreme leader vows to deliver “severe revenge” to those responsible.

Again, President Trump isn’t taking threats lightly. In fact, he warns the U.S. will strike back if Iran attacks any U.S. interests following the killing of the general, adding, “If they do anything, there will be major retaliation,” as quoted by the AFP.

At the same time, Iran is abandoning all restrictions on uranium enrichment.

That means “Tehran could install new centrifuges – machines that produce enriched uranium – and further ramp up the purity of the fuel it produces closer to weapons-grade material,” says The Wall Street Journal. “That would allow Iran to reduce to less than six months the time needed to amass enough nuclear fuel for one bomb, once it reinstalls a sufficient number of its centrifuges, a process expected to take months.”

With a good deal of back and forth, there’s plenty of uncertainty – which markets hate.



Should we see further flare-ups between the two countries, we'll see elevated volatility. To prep for that potential, we're again looking at three top volatility-based trades, including:

ProShares Ultra VIX Short-Term Futures ETF (UVXY) – The ETF was designed to match two times (2x) the daily performance of the S&P 500 VIX Short-Term Futures Index.

VelocityShares Daily 2x VIX Short-Term ETN (TVIX) – The TVIX is another great way to trade elevated volatility. This ETF tracks an index of futures contracts on the S&P 500VIX Short-Term Futures Index.

iPath S&P 500 VIX Short-Term Futures (VXX) – As volatility returns to the markets, one of the best ways to profit from volatility is with the VXX ETN, which provides exposure to the S&P 500 VIX Short-Term Futures Index Total Return.