The Top 3 Ways to Trade a Growing Cyber Security Threat

Cyber security issues are getting out of hand.

Over the weekend, U.S. fuel pipeline operator, Colonial Pipeline shut down its network after a ransomware attack. Considering Colonial Pipeline supplies nearly half of the fuel supply for the East Coast, and we have a real mess on our hands.

“The incident is one of the most disruptive digital ransom operations ever reported and has drawn attention to how vulnerable U.S. energy infrastructure is to hackers. A prolonged shutdown of the line would cause prices to spike at gasoline pumps ahead of peak summer driving season, a potential blow to U.S. consumers and the economy,” as reported by Reuters.

What makes this even worse is that the U.S. still isn’t prepared for cyberattacks. Neither are hundreds of companies across the country. All as “hackers still manage to compromise corporate data and systems with relative ease and on a regular basis. That is because organizations continue to lack cybersecurity awareness and utilize poor practices that result in their data being unprotected and vulnerable to theft and breaches,” as reported by Fortinet.

It's almost as if these companies are ok being attacked, and having consumer data exposed.

With more cyberattacks likely, investors may want to look at stocks like FireEye (FEYE), which is reportedly one of several security companies stepping in to help Colonial Pipeline.

**Pure Funds ISE Cyber Security ETF (HACK)**

We can also look at the Pure Funds Security ETF (HACK), which jumped from a 2016 low of $19 to nearly $55.74 this year. It's sure to draw more interest especially as threats worsen. The ETF has holdings in Fortinet Inc., Check Point Software, CyberArk Software, Imperva Inc. FireEye, Proofpoint and dozens more.

**First Trust NASDAQ Cybersecurity ETF (CIBR)**

CIBR has been quite explosive, running from a 2017 low of $21 to a recent high of $42.86. It's also sure to draw a good deal of attention with the latest cybersecurity threats. Some of CIBR’s top holdings include Splunk, Palo Alto Networks, CyberArk Software, and Symantec Corp.