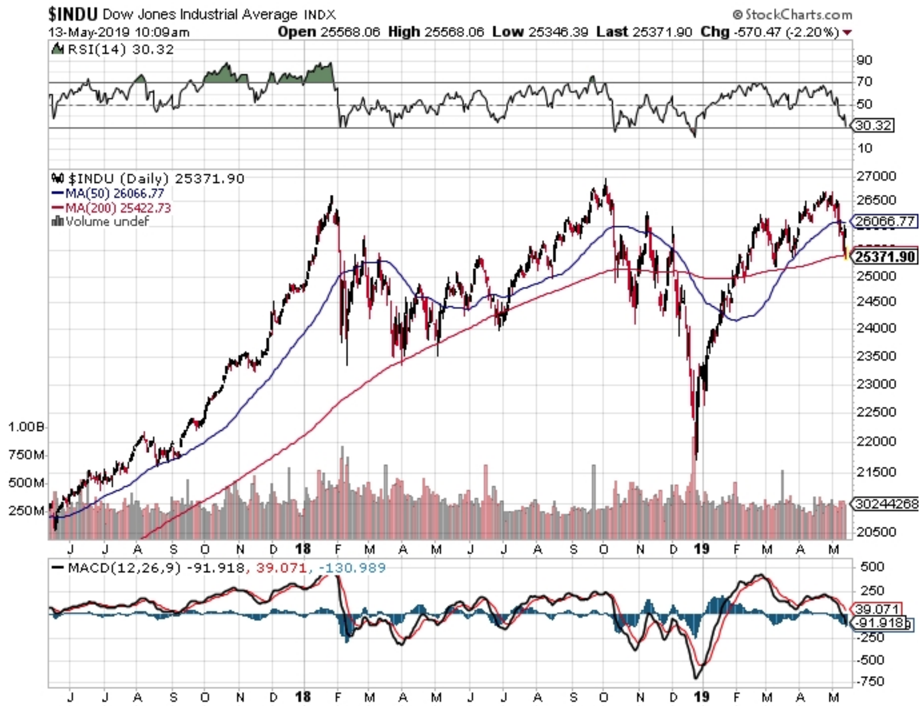
Three of the Best Ways to Hedge for Incredible Volatility

Let's keep this short. Volatility is back in a big way.

Just last week, markets swung hundreds of points on escalating trade war fears.

On May 6, 2019, the Dow Jones Industrial Average (DJIA) plunged 400 points after President Trump threatened to escalate the trade war between the U.S. and China. In fact, he tweeted that he'd raise tariffs to 25% from 10% because talks were moving too slowly.



By May 8, 2019, the Dow Jones moved 100 points higher after a Chinese delegation informed the White House that it would still be coming to the U.S. to make a deal.

By Thursday, the Dow Jones plunged 350 points after President Trump said that China "broke the deal," fueling fears that the U.S. and China will be unable to reach an agreement before the 25% tariffs take effect at 12:01 a.m. Friday.

"By the way, you see the tariffs we're doing? Because they broke the deal. They broke the deal," Trump said, as quoted by CNBC. "So, they're flying in, the vice premier tomorrow is flying in – good man – but they broke the deal. They can't do that, so they'll be paying."

By May 10, 2019, the Dow Jones plunged again at the open. By closing higher after a big swing lower on the day. Unfortunately, as tensions soar between the U.S. and China, we could see bigger swings lower until there is resolution.

That being the case, the best way to make money and protect your portfolios is by hedging.

In fact, last week, we highlighted four of those opportunities.

- iPath S&P 500 VIX Short-Term Futures (VXX)
- ProShares Ultra VIX Short-Term Futures (UVXY)
- VelocityShares Daily 2x VIX Short-Term ETN (TVIX)

So far, the VXX has run from $30 to $32. The UVXY ran from $40 to $44. The TVIX jumped from $26 to $29. Today, we are reiterating a buy on all of these opportunities.

We strongly believe we will see further downside, as long as there's no resolution.