How to Protect Your Portfolio from Excessive Volatility

Markets are getting rocked.

Traders are running to the exits. Inflation is only getting worse. Fears of recession are mounting. Your average American consumer is struggling. The situation with Russia isn't exactly helping. And no one knows what comes next.

And if you believe the bottom is in, I have a bridge to sell you.

It's why – in early May 2022 – we highlighted opportunity in volatility ETFs and ETNs including:

Pro Shares Ultra VIX Short-Term Futures ETF (UVXY)

As the VIX pops, so does the UVXY ETF.

For those of you that are new to the UVXY, the ETF was designed to match two times (2x) the daily performance of the S&P 500 VIX Short-Term Futures Index. As the VIX moves higher, the UVXY typically follows. Over the last few days, the UVXY jumped from about $13 to $17.17, and could race to higher highs, if the market sell-off intensifies.

iPath S&P 500 VIX Short-Term Futures (VXX)

The VXX provides exposure to the S&P 500 VIX Short-Term Futures Index. Over the last few days, it ran from about $22 to $25.50. It could see $28, near-term, if volatility gets worse.

ProShares VIX Short-Term Futures ETF (VIXY)

ProShares VIX Short-Term Futures ETF provides long exposure to the S&P 500 VIX Short-Term Futures Index, which measures the returns of a portfolio of monthly VIX futures contracts with a weighted average of one month to expiration. Since early June 2022, the VIXY ran from about $16.50 to $20.32, and could also race higher with the volatility index.

All are still solid opportunities as markets head lower.