

### Three Top Ways to Trade the Return of Wild Volatility

It's been an absolute blood bath – again.

After a brief recovery, markets are slipping again over tensions with China.

President Trump said he could block a government retirement fund from investing in Chinese stocks, and could tack on new tariffs.

“The negative sentiment was set by comments from Trump on Thursday that he was concerned about China’s role in the origin and spread of the novel coronavirus and that his trade deal with China was now of secondary importance to the pandemic. He threatened new tariffs on Beijing, as his administration crafted retaliatory measures over the outbreak,” reports Reuters.

Oil prices are pulling back on that tension, too along with concerns of a persistent oil glut. “As oil inventories are likely still increasing over the coming weeks, oil prices remain vulnerable to renewed setbacks,” said UBS analyst Giovanni Staunovo, as quoted by Reuters.

Airline stocks are weighing on markets as well, after billionaire Warren Buffett dumped his holdings, including Delta Air Lines, American Airlines, United Airlines, and Southwest Airlines. “We made that decision in terms of the airline business. We took money out of the business basically even at a substantial loss,” he said. “We will not fund a company that... where we think that it is going to chew up money in the future.”

If markets are heading lower again, it's time to accumulate volatility ETFs and ETNs again, which have worked out very well for us in the past. These include:

#### 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. The last time we played the UVXY, it would run from \$23.25 to \$91.



#### VelocityShares Daily 2x VIX Short-Term ETN (TVIX)

This ETF tracks an index of futures contracts on the S&P 500 VIX Short-Term Futures Index. The last time we played the TVIX, we watched it run from an entry price of \$108.54 to \$608.



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

The VXX ETN, which provides exposure to the S&P 500 VIX Short-Term Futures Index. The last time we played the VXX, it would run from \$23 to \$60.55.



With fear returning to the markets yet again, it's time to take new positions in each. With elections nearing, the virus still spreading, falling oil, and new tensions with China, volatility could be about to return in a big, big way.