

Heightened Uncertainty May Not Dissipate until the Fed Rate Decision 16-17 September – Stay Hedged

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- Sentiment in risk assets most exposed to China remain sour. At risk are export-biased equity markets, most notably in Europe.
- This is evident in spiking with implied volatility on VSTOXX which, at 35%, is at levels not seen since 2011 when the Spanish banking crisis amplified Greece's sovereign default.
- Heightened volatility in risk assets may persist for much longer which presents an opportunity to stay hedged.
- Short ETPs may offer investors an efficient way to protect long positions in equities. The chart below shows how our short ETPs (full product list can be found [here](#)) have performed in the current macro backdrop. For example, as the EUROSTOXX 50 fell 9% over the past two weeks, our [3x short ETP](#) tracking this index rose 27%.

Important Risks Related to this Article

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