



InvestTalk Insider

Special Watch List Series

Short ETFs

Opportunities in the market do not always come in the form of buying investments. Sometimes the best opportunities are selling assets instead. During Bear Markets investors can sell (short) the market and make money on the decline. Be flexible is an important characteristic of an opportunistic investor.

Below is a list of inverse funds and their corresponding underlying index. They will move up when the index they track moves down. They can be used as a hedging tool against a portfolio of equities that are exposed to stock market swings. Short ETFs can be a great way for a retirement account to hedge against market down turns as they are prohibited to short individual stocks. Always be careful when using hedges and avoid holding leveraged ETFs longer than a few weeks. Although they can protect against the downside, they can also be an opportunity cost if the market continues higher.

ETF Name	Ticker	Benchmark Index
Short QQQ	PSQ	Nasdaq 100
Short Dow 30	DOG	DJIA
Short S&P 500	SH	S&P 500
Short Mid Cap 400	MYY	S&P Mid Cap 400
Short Small Cap 600	SBB	S&P Small Cap 600
Short Russell 2000	RWM	Russell 2000
Short MSCI Emerging Market	EUM	MSCI Emerging Markets Index
Short Financials	SEF	Dow Jones Financial
Short Basic Materials	SBM	Dow Jones US Basic Material
Short Oil & Gas	DDG	Dow Jones Oil and Gas
Short Biotech	LABS	S&P Bio Tech
Short Real Estate	REK	Dow Jones Real Estate

Mixing in hedges like these should be viewed in context of a diversified portfolio that fits your personal risk tolerance.