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Volatility Index (VIX): Negative 0.80 Correlation vs. S&P 500

Need to purchase a stock that has a negative correlation compared to the S&P 500?

Although we didn't find a stock with a negative correlation, we did find an index gauge called VIX. VIX has been in the market since 1993, introduced by the Chicago Board of Exchange (CBOE).

VIX is a weighted average of options within the S&P 500 with 30 days to maturity. It measures the perceived volatility of the market.

The higher the VIX, the higher the perceived market volatility, which is usually characterized by a down market. Therefore, if the portfolio of stocks are down, the VIX will be up, which helps to offset some of the loss.

Include VIX in your portfolio to offset the losses on a down market, essentially hedging your losses.

To find out more detailed information regarding VIX, visit: http://www.cboe.com/micro/vix/faq.aspx.