



### What I am Watching Closely Today – VIX Curve Inversion.

Intraday yesterday, the VIX curve inverted (One Month VIX > Three Month VIX). Interestingly, when this happened, the market seems to find a near-term bottom and lifted off the lows. When the VIX inversion occurs on a closing basis, the stage is set for a short-term rally. In fact, over the past five years, the VIX curve has closed inverted 64 times. Over the ensuing 20 days (after a closing inversion), the S&P 500 is higher 82% of the time with an average return of 3.7% during that time period (when looked at as discreet events). The VIX curve was not inverted at yesterday's close (closed at 0.85), but it is close enough to keep a look out.

