



Positioning for a Potential Market Correction

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Market strategists at several institutions have started to strike a more cautious note on the [outlook](#) for US equities in recent days. Morgan Stanley lowered its view on US equities to underweight the day after Labor Day. Credit Suisse has also taken a cautious stance on US equities, with a small underweight attributed to lofty valuations and regulatory concerns. Investors seem to agree that some caution is warranted. In a monthly survey of global investors conducted earlier in September, Deutsche Bank [found](#) that 58% of respondents expected a market decline of 5-10% by year-end 2021. Notably, Citigroup has flagged the potential for even a modest market correction to be exacerbated by forced selling.

Since its last record high close on September 2, the S&P 500 has fallen 2.3% through September 17 as the spread of the Delta variant clouds expectations for economic growth. September tends to be a weaker month for stocks, but is the recent downward pressure symptomatic of typical trading patterns, or is it the start of a more significant correction?

Investors with a cautious outlook or lacking conviction in a continued bull run for US equities should consider the [S-Network BlackSwan Core Index](#) (SWANXT). The index minimizes volatility through a 90% allocation to U.S. Treasuries, while a 10% allocation to in-the-money call options on the SPDR S&P 500 ETF Trust (SPY) offers participation in equity appreciation. The index is well positioned for a possible downturn while providing some upside potential should markets rebound. Whether investors are expecting a significant market correction or simply wanting to take some chips off the table due to stretched valuations, the SWANXT Index may be a compelling solution.

[Learn More About the S-Network BlackSwan Indexes Here](#)

SWANXT is the underlying index for the Amplify BlackSwan Growth and Treasury Core ETF (SWAN).

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