



Red Arrow above denotes date of Barron's

BARRON'S

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by Erin E. Arvedlund

Trading On Complacency

With the VIX at its current level, hedging with puts, for example, is cheap in some cases. "It seems you can't give index puts away. Just buy outright and make some money," says Greg Simmons of Linear Capital in Newport Beach, California. "Everythin's so cheap. The VIX is at such an insanely low level we're lining up for a severe move, and it will happen overnight." Standard & Poor's Index Options, in particular, are cheaper than they have been in a long time. "The October 1400 puts are \$0, and they should be \$15 per contract," Simmons maintains.

833.74
800.00