

Title: Can someone explain what's up with this ETF?

Author: 3zprK

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I'm retarded and my only ambition is to gain some wrinkles.

So this is ETF as per their website explanation:

\*This short ProShares ETF seeks a return that is -3x the return of its underlying benchmark (target) for a single day, as measured from one NAV calculation to the next.\*

[They say underlying benchmark \(\text{target}\) is Nasdaq-100 Index](<https://preview.redd.it/915mynje88d81.png?width=1657&format=png&auto=webp&s=37a6b3468dc69045dbfce89307c57d77fe743be6>)

At first glance there's nothing unusual that Nasdaq-100 Index is eating dust and this inverse ETF is up. Quite expected, however, what got my attention is why this ETF inception (2/9/2010) price was \$520?... \*wait for it\*... \*\*\$520,000 (\$500K-ish). WTF???

[Is this a common practice for negative beta ETFs? I don't think so...](<https://preview.redd.it/okcimtg98d81.png?width=1246&format=png&auto=webp&s=afd040ba7d6d0d724769fd7bc7cdf0f4e7c524b6>)

The volume is only 83 and maybe further stock splits happened to achieve current volume ~92M yesterday.

[<https://finance.yahoo.com/quote/SQQQ?p=SQQQ&.tsrc=fin-srch>](<https://preview.redd.it/aufgoy2t98d81.png?width=1382&format=png&auto=webp&s=0737a29c81d8d246ba0d9c78b0e2cefb2e371226>)

Next up is ETF description:

\*The Nasdaq-100 Index includes 100 of the largest domestic and international non-financial companies listed on The Nasdaq Stock Market based on market capitalization. yada yada..\*

[<https://www.proshares.com/globalassets/fact-sheets/prosharesfactsheetsqqq.pdf>](<https://preview.redd.it/axw5j4xda8d81.png?width=1328&format=png&auto=webp&s=ce4353d4305371bf47e5d8c32acda18c8f4c8233>)

And top 10 are the typical big cap tech companies.

Bear with me, you will get my reason why I'm mentioning all this. Some of you might have noticed the common use of this ETF on the first image, but if you haven't then:

Common uses for inverse exposure

- \* Seek to profit from a market decline
- \* Help to hedge against an expected decline
- \* Underweight exposure to a market segment

And when we look into holdings of this ETF shit gets weird (at least for me):

<https://preview.redd.it/gfmqm7k8i8d81.jpg?width=1736&format;=pjpg&auto;=webp&s;=182a8faadf8fda88b97124021ae93fb052a93815>

This is where I need some explanation on what's going on. This ETF holdings has \$3.58T market value with SWAPs exposure value of \$6.8T.

So the questions are \*\*1) why the inception price was \$500K\*\* and \*\*2) why is it filled with futures only?\*\*

The reason why I started digging is that this ETF has negative beta and basically does what it should, on the other hand GME also has negative beta, but it dipped with the market. Shouldn't it go up as well?