

ITALY VOTES NO. HOW ARE YOU POSITIONED?

Wisdomtree EU
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Italy has spoken and now's a good time to shift the spotlight onto your portfolio and ask yourself: how am I positioned? In the below, we outline our thoughts on positioning your portfolio for both the short-term and the long-term using Exchange Traded Products (UCITS ETFs and Exchange Traded Notes). For more detail driving our initial investment view, read our pre-reform article, ['A vote for sustained growth or more economic risk? The stakes are high for the Italian referendum'](#)

Figure 1: 'No' Reform Asset Allocation Impacts

Asset Class	Short-term			Long-term		
	Market Impact	Drivers	Asset Allocation	Market Impact	Drivers	Asset Allocation
Equities	Bearish	Grillo's Euroscepticism Rising	FTSE MIB FTSE MIB Banks	Bullish	"Loosening" Fiscal Compact	FTSE MIB FTSE MIB Banks
Fixed Income	Bearish	Worsening Government Finances	Bearish BTPs	Bullish	"Dis-Inflation"	Bullish BTPs
Currency	Bearish	Political Uncertainty	Euro	Bearish	QE Expansion	Euro
Commodity	Bullish	Risk-off trade	Gold	Bullish	Risk-off trade	Gold

Source: WisdomTree

In the short term, tactical opportunities are aplenty

The message to investors is to be prepared: volatility will continue in the short term, so hedge your broad exposure in equities and think about retreating back to safe havens - like gold. We believe that a vote against Renzi's reform would see Grillo's Euroscepticism rising, resulting in equity markets selling off in the short term, while worsening government finances and political uncertainty should see bonds and the Euro sell off sharply.

Figure 2: Tactical allocations using our range of Boost Exchange Traded Products

View on Asset class	ETP	Ticker
Bearish Equities	Boost FTSE MIB 3x Short Daily ETP	3ITS
	Boost EURO STOXX Banks 3x Short Daily ETP	3BAS
Bearish Fixed Income	Boost BTP 10Y 3x Short Daily ETP	3BTS
	Boost BTP 10Y 5x Short Daily ETP	5BTS
Bearish Euro	Boost Long USD Short EUR 5x Daily ETP	5EUS
	Boost Long USD Short EUR 4x Daily ETP	4EUS
Bullish Gold	Boost Gold ETC	GLD
	Boost Gold 3x Leverage Daily ETP	3GOL

Source: WisdomTree

And in the long run... “Dis-inflation” and “loosening” fiscal compact could see Italian bonds and equities recover over the long term. Investors may consider the following strategies:

Figure 3: Strategic allocations using our range of WisdomTree UCITS Exchange Traded Funds

View on Asset class	UCITS ETF	Ticker
Bullish Exporters, Hedged	WisdomTree Europe Equity UCITS ETF – GBP Hedged	HEDP
	WisdomTree Europe Equity UCITS ETF – CHF Hedged	HEDD
	WisdomTree Europe Equity UCITS ETF – USD Hedged	HEDJ
Exporters, Unhedged	WisdomTree Europe Equity UCITS ETF – EUR Acc	HEDF/HEDG

Source: WisdomTree

view the online version of this article [here](#).

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