



VIX, explained

It is not the fear index

Expected movement, not direction

The VIX is calculated from S&P 500 options prices. It reflects how much movement traders expect over the next 30 days. Up or down, it does not care. It only prices how big the move might be.

Uncertainty, not fear

Everyone calls it the fear index. But the VIX spikes on violent up moves too. It measures uncertainty in both directions. Fear is just the flavor you notice most, because selloffs are faster than rallies.



The levels that matter

Below 15: complacency. The market is underpricing risk. 15 to 25: normal background noise. Above 30: real stress, hedges getting expensive. Above 40: panic pricing. These are zones, not signals.



You cannot buy the VIX

The VIX itself is not tradable. VIX ETFs bleed value through futures roll decay. And a low VIX does not mean safe. Some of the worst selloffs in history started with the VIX under 15.





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