

DRIP

Direxion Daily S&P Oil & Gas Exp. & Prod. Bear 2X Shares

Fund Description

DRIP provides 2x inverse daily exposure to an equal-weighted index of the largest oil and gas exploration and production companies in the US.

FactSet Analyst Report

DRIP seeks to deliver -200% of the daily performance of the S&P Oil & Gas Exploration & Production Select Industry Index. Unlike State Streets XOPan unlevered fund tracking the same index DRIP uses over-the-counter derivatives to achieve its objective. As with all levered and inverse funds, DRIP should not be expected to deliver 2 times the performance of its index for periods longer than one day. Compounding and path-dependency can cause significant deviations over longer time frames, so it's best used for single-day tactical plays. It's worth noting that DRIP's index is equal weighted, market-cap weighting would require extreme concentration in a handful of major firms. As a result, DRIP exhibits a serious small-cap tilt and the elevated market risk that comes with it. DRIP's leverage factor only amplifies the potential for volatility. Trading costs should be taken into consideration. Prior to March 31, 2020, the fund provided -300% exposure to the same index.