Twitter Thread by Wint Wealth

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Is investing in water possible?

The film, The Big Short that stars top Hollywood actors like Brad Pitt, Christian Bale, Ryan Gosling and Steve Carell.

If you have watched it closely, the film ends(before credits) with this quote about Bale's character, Michael Burry:

"The small investing he still does is all focused on one commodity: water."

To give you a recap, Michael Burry is the person who predicted the 2008 crisis and also made a lot of money by shorting the market.

And, now he is focusing on investing in water.

But why water?

Water is a scarce commodity, where only 1% of the Earth's surface water is freshwater.

Burry has been buying water and farmland assets before it gets expensive. Even Wall Street has started treating water as a serious investment.

How can you trade or invest in water?

There are index funds, ETFs, companies that focus only on water. Invesco S&P Global Water Index is one of them. This ETF invests in water utilities, infrastructure, equipment, etc.

The dollar returns are 15% in the past five years, 12% in the past ten years. The rupee returns would be even higher.

Apart from this, there is also the First Trust Water ETF (FIW). It invests in companies that get most of their revenues from the potable and wastewater industry.

Water is a daily essential but never considered part of a portfolio. If you feel the scarcity of water will increase due to climate change, consider investing in water.