

# Money

## 3 Ways You Can Profit From Brexit

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### **Homeowners, investors, and travelers all stand to benefit**

Global markets have calmed for the time being. The question is: will equanimity remain for long?

After dropping almost 900 points in the two days following Britain's vote to leave the European Union, the Dow Jones Industrial Average is up 1.2% in early trading today. European Union leaders gather in Brussels to figure out a way forward, while politicians stateside determine what the Brexit means for U.S. policies.

The decision to leave threw world financial markets into chaos, resulting in lucrative opportunities for homeowners, investors and travelers, alike.

### **Refinancing Your Mortgage**

The yield on the benchmark 10-year Treasury dropped from 1.84% a month ago to as low as 1.44%, the lowest point in four years, as investors wanted safe assets, like government bonds, following the vote. Lower borrowing costs, though, means today might be a good time to refinance your mortgage.

If you took a \$300,000 30-year mortgage in 2010 with a 4.07% interest rate, refinancing now could save you about \$600 a month, according to Zillow. Only refinance, though, if you can lower your rate by 0.75-percentage point and plan to stay in your home for the near term, says Cato Institute's Mark Calabria. Otherwise fees will eat up any savings.

“Readers should keep in mind, even with a no-cash re-finance, there are costs – for instance mortgage is re-set to 30 years,” says Calabria. So that's the first question to ask: are current rates sufficiently below your existing rate? The second question, how much longer do you expect to be in the home? If not for at least five years, it may not be worth the costs.”

Rejigger Your Stock Portfolio

Long-term investors can also profit off the pervasive Brexit-induced fear. With stocks down more than 5% in the two-days following the vote, you can create a wish list of suddenly cheap stocks that became caught up in the uproar.

**Calculator:** Mortgage calculator

Financial institutions bore the brunt of the sell-off, including Wells Fargo and JPMorgan Chase, which dropped 6% and 10% over that time, respectively. Both are well-diversified banks with solid fundamentals and widely considered to be the crème de la crème of their areas of expertise: for WFC that's taking deposits and lending money, and investment banking for JPM.

**Save on Summer Travel to Europe**

Summer travelers can also stand to benefit from the European crackup. A direct result of the Brexit vote was an utter collapse of the British pound against the U.S. dollar. On Monday one pound bought \$1.31, the weakest exchange for sterling in three decades. And the pound isn't likely to rebound quickly. In fact, one report suggests that the pound could hit parity with the greenback sometime next year. Meanwhile, the euro has dropped to three-month lows on Monday, and is now trading at \$1.11.

Now is the time to book a last-minute trip to Europe, David Scowsill, president and chief executive of the World Travel and Tourism Council, told MONEY.

As the saying goes: never let a serious crisis go to waste.