2 ETFs to Save You From Market Volatility

Description

If you're looking to up your TFSA game, you should be looking for stocks that will give you a steady return over the long term.

And while banks and other blue chip stocks are nice, ETFs are a great way to take advantage of the market and let the experts do the work when it comes to picking and choosing the best companies to invest in.

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There's one downside though. These stocks often come with a hefty price tag. Luckily, there are a few undervalued ETFs out there that investors just haven't picked up on yet that could give you a hefty return.

Horizons

Horizons S&P/TSX 60 Index ETF (TSX:HXT) honestly isn't talked about as much as it should be. This stock is the future of finance. It's Canada's first ever Artificial-Intelligence (AI) powered exchange-traded fund, powered by a program called MIND.

Rather than have a person pick stocks, based on data a computer generates 60 picks within the S&P/TSX top 500 stocks. No guessing. No "gut feeling." Just straight, unadulterated data. And the best part? You don't have to pay the $16,000 price tag per share that comes with this stock. Instead, it's trading at the time of writing this article at $34.84.

Some other things going for this stock? While it doesn't have a dividend, if any of the stocks it has invested in offer one, that money is reinvested for shareholders. Also, since the ETF is run by MIND, its management fee is almost zero at 0.03%, and should remain so until at least September of 2019.

The stock also recently received an A+ rating from Fundata FundGrade, which "uses risk-adjusted performance figures to rank and grade Canadian investment funds."

The one downside to Horizons, especially in this market, is its volatility. For example, it plunged back in late December, and has continued a trend upwards since then. But should a recession it, it could be a while before this stock gets back up to its 52-week highs.

BMO

If you're not in the mood for a volatile ETF, then the **BMO Low Volatility Canadian Equity ETF** (TSX:ZLB) could be a better choice for you.

This stock trades at around the same price as Horizons, trading at about $32 per share at the time of writing this article, but with less risk. While the last six months haven't been easy for any stock, if you look at BMO's history, it's been on a steady increase since its IPO.

What makes BMO different is that rather than look for the next big thing that could create a big return, analysts are looking for predictability. As Fool contributor Joey Frenette wrote, the company wants, "strong cash flows, lower correlation to the broader markets, wide moats, and highly predictable business models."

Of course with a recession on the potential horizon, again, no ETF is completely immune. But this stock would definitely give investors the best chance of getting out relatively unscathed, with their shares increasing again sooner as opposed to later.

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Bottom line

Both of these stocks are perfect options when looking at where to invest in your TFSA. The best news is that they're so cheap. The better news is that both should have incredibly high performance if you invest for the long term.

CATEGORY

1. Bank Stocks
2. Investing

TICKERS GLOBAL

1. TSX:HXT (Horizons S&p/tsx 60 Index ETF)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

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