



Ride Out the Volatility With These 3 ETFs

Description

As financial market volatility continues, investors hope for a market bottom and lower volatility levels. Many are discussing how to invest cash that has been sitting on the sidelines. Here are three exchange-traded funds (ETFs) that I believe could be good bets for long-term investors looking to sleep at night.

Best long-term option

In my view, investors with a sufficiently long investing time horizon should gain exposure to sectors with solid growth trends. These are sectors like clean energy, which has profound multi-decade or even multi-century long growth prospects. Companies in sectors like these have become quite expensive in recent years. This is because many investors have begun to realize their true long-term opportunity.

However, the recent market turmoil may provide an entry point for investors who fear they've missed the party. I like the **iShares Global Clean Energy ETF** due to its global focus and the quality of its holdings. It is an ETF I would consider buying for my grandkids – a truly long-term bet.

Best medium-term option

Investors who are bordering on retirement or with a 5- or 10-year window before looking to cash out of their investments need a medium-term option. The [utilities space is a great sector](#) to focus on for a few key reasons. First, most utilities are regulated in terms of what they can charge and how much profit they can make. This isn't great for investors seeking unlimited growth or upside in bull markets. But it is quite positive in environments like these when consistent cash flow and revenue generation are harder to come by.

Utilities tend to do well in deflationary or recessionary environments. After all, these are the last businesses to stop being paid. Everyone needs to turn on the lights and charge their smartphones. In this sector, I like the **iShares Caps Utilities ETF**. I would recommend this ETF over the hedged or

covered call versions. Investors should want maximum exposure right now.

Best short-term option

This pick is for those who want to board up the windows and stock the pantry, so to speak, to wait out this financial storm. Government bonds are the safest place one can go. It is worth a lot to have a guarantee that your money will be paid back when financial markets are not functioning as usual. Long-dated bonds are an even safer option for those who believe that this storm could really be the Great Depression of our generation.

The **iShares 20+ Year Treasury ETF**, which focuses on U.S. bonds, is one option for investors looking for long-dated government bond exposure. Please note these bond ETFs can be quite volatile, like equity markets, so please tread carefully.

Stay Foolish my friends.

CATEGORY

1. Investing

POST TAG

1. bear market
2. ETF
3. recession

TICKERS GLOBAL

1. NASDAQ:ICLN (iShares Trust - iShares Global Clean Energy ETF)

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chrismacdonald

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