Top Analyst Advice: Buy These 2 ETFs Now!

Description

If there's one thing that all analysts can agree on, it's that what investors should want most of all is *time* . Given enough time, almost any stock out there will come around. While there's panic out there during today's market crash, the top analysts know patience is key.

Today's low prices really just give investors the chance to buy in on top-tier stocks and exchange-traded funds (ETFs) to hold onto for decades.

The question is, what kind of stocks should you buy? Again, it's all about time. If you have time, you should be buying up solid, steady stocks that won't make huge fluctuations in either direction. So while you might not see leaps upwards, you also won't see crashes either.

In this case, analysts across the board have recommended these two stocks repeatedly. Both of these stocks use the **S&P/TSX Composite** as a guiding point. However, each uses a different method to decide which stocks to invest in. So let's dig into these two TSX ETFs.

iShares ETFs

The purpose of the **iShares S&P/TSX Composite Index ETF** (TSX:XIU) is to replicate the performance of the **TSX**. The index takes 60 of the TSX's largest and most liquid securities based on market capitalization. While the TSX might be down, by choosing the top 60 stocks, you're giving yourself the best chance of seeing your stock rebound.

Unlike other ETFs focused on a specific industry, this ETF gives you a diverse portfolio with businesses set to rebound as soon as possible.

While the stock definitely took a dip with the market crash, it's already headed back up. Since 2009, the ETF has grown 83% to date, and 125% when considering pre-crash highs. The stock fell 37% before coming back up about 35% as of writing.

It also offers a 3.62% dividend yield for investors, perfect for those looking to reinvest their gains. If the stock merely hits pre-crash highs, investors are looking at a potential upside of almost 20% right now.

BMO TSX ETF

That's a lot of acronyms that basically mean one thing: sturdy. The **Bank of Montreal** is well known for its slew of strong ETFs, but the **BMO S&P/TSX Capped Composite Index ETF** (TSX:ZCN) takes the cake. Like the iShares ETF, BMO's ETF also seeks to replicate the performance of the TSX, albeit in a different manner.

Rather than looking at the top 60 largest companies, it invests in and holds constituent securities from the **S&P/TSX Capped Composite Index**.

Instead of zeroing in on 60 stocks, this ETF holds over 200 equities, providing far more exposure representative of the Canadian market as a whole. After falling about 37%, just like the iShares ETF, the stock rose again. Since 2009, the ETF rose 25% — and 60% if you include pre-crash highs. The stock offers a 4.16% dividend yield currently with a potential upside of 20% to reach pre-crash levels.

Foolish takeaway

The reason analysts recommend these ETFs is twofold. First, each has a diverse selection of Canadian securities. When the Canadian market does well, these stocks will continue therefore continue to do well. Even when the markets slump, you won't see a huge swing given that these ETFs focus on the best-performing securities. The second reason is that given enough time, you can make a ton by investing in safe stocks like these.

For example, if you were to have put $5,000 into either of these stocks a decade ago, here's what you would get. From iShares, you would have $9,591 today — and potentially $11,259 at pre-crash levels.

From BMO, you would have $6,660 today and $7,992, respectively. While you won't have gotten rich in that time, you sure would have made a fair amount.

If you have a few decades to hold onto these stocks, you could certainly walk away with a killing, and dividends to boot.

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1. TSX:XIU (iShares S&P/TSX 60 Index ETF)
2. TSX:ZCN (BMO S&P/TSX Capped Composite Index ETF)

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alegatewolfe