



Canadian Investors: Stocks With U.S. Exposure Are the Best To Buy Now!

Description

The nature of the pandemic has made finding high-quality Canadian stocks to buy now extremely difficult. This is especially apparent now, as most stocks have recovered, but the Canadian economy continues to be impacted by the pandemic.

It's no secret that the U.S didn't handle the pandemic well to start. Now, however, with one of the best vaccination policies in the world, the country is well on its way to recovering.

It's particularly noticeable, especially for Canadians, as we struggle with a third wave and more contagious and deadly variant. This is causing more lockdowns and a longer delay than everyone was hoping for before we can return to normal.

Not only is this not ideal from a personal standpoint for everyone, however, it will also undoubtedly have another major impact on our economy.

With the U.S already well on its way to opening up and getting back to normal, investors may want to consider where your businesses operate and look at picking up some stocks with a significant portion of operations in the U.S. In my view, these will be some of the best Canadian stocks to buy now.

A Canadian stock that's on fire today

For example, one of the hottest stocks over the last six months has been **Aritzia Inc** ([TSX:ATZ](#)).

Aritzia is great an incredible Canadian [growth stock](#) in the retail space. The Canadian growth stock has carved out its own niche market in women's fashion, and its products continue to be in high demand.

Before the coronavirus pandemic, it was one of the best growth stocks in the consumer discretionary sector, let alone Canada. Now, with growth picking back up, it's once again one of the top Canadian stocks to buy now.

Part of why the stock was so hot was that, after incredible growth in Canada for years, the company

was starting to focus its growth more on the U.S.

The pandemic put a lot of this growth on hold. However, another major factor to Aritzia's success was its strong e-commerce platform.

That's something that the company also was building up before the pandemic with the goal of eventually have 25% of its total sales coming from its e-commerce website.

Today, with shopping closed in many places across Canada, the [consumer discretionary](#) industry will once again be affected.

However, Aritzia which has a significant portion of its sales in the States is seeing strong growth at the moment as pent-up demand and the reopening of the economy before summer all contribute to more sales. That's why Aritzia and Canadian stocks like it are some of the best to buy now.

Aritzia is up roughly 50% over the last six months as investors see its growth potential now back on track.

A top investment for Canadian investors

Another way for Canadian investors to gain exposure to the U.S economy is through an [index fund](#) like the **iShares S&P 500 Index Fund (CAD-Hedged) (TSX:XSP)**.

The XSP offers Canadian investors exposure to the S&P 500, some of the largest and most prominent stocks in America. This exposure to the U.S economy is key, especially as Canada struggles. That's why the XSP is one of the best Canadian stocks to buy now.

The fund is a great way to gain exposure to the American economy through a diversified investment. Not only is this a great way to diversify your investments away from just Canada. It's also a great investment in general.

Over the past year, the XSP is up 45% compared to the **TSX**, which gained less than 35%. This shows why it's important to be well-diversified all the time.

So even after the Canadian economy has recovered from the pandemic, it's still worth it to have exposure to the **S&P 500**. Plus, the fund even pays a 1.4% dividend.

Nobody wants to see the Canadian economy struggle for this long because of the pandemic. However, investors have the ability to diversify their portfolio and gain exposure to the U.S. as it recovers rapidly from the pandemic.

So while Canada struggles in the short term, these will likely be some of the best Canadian stocks to buy now.

CATEGORY

1. Coronavirus
2. Investing

TICKERS GLOBAL

1. TSX:ATZ (Aritzia Inc.)
2. TSX:XSP (iShares Core S&P 500 Index ETF (CAD-Hedged))

PARTNER-FEEDS

1. Business Insider
2. Koyfin
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