



## 2 Top Canadian ETFs to Buy Before the Summer

### Description

Buying stocks this time last year was unquestionably easier than it is today. With almost every stock trading at a major discount to its fair value, nearly the entire market has rallied throughout the last year. However, although there aren't as many opportunities that are clear as day this year, there are still plenty of high-quality Canadian stocks and ETFs to buy now.

There are plenty of benefits of [investing in ETFs](#). One of the first and most important is diversification. When you buy an ETF, you get exposure to several stocks. Plus, you can do it for very little commission. That's considerably more attractive than buying all the stocks individually. And because the fees are so competitive, it's also cheaper than buying mutual funds.

There are lots of reasons to use ETFs. One way to buy ETFs is when you're bullish on a sector or type of investment, such as [dividend stocks](#), but you don't want to pick individual businesses to buy. Sometimes, investors prefer to invest in a whole sector rather than just one stock.

So, with that in mind, here are two top Canadian ETFs to buy before the summer.

### An all-Canadian ETF to buy now for income and stability

One of the top investments to consider making today is **iShares Canadian Select Dividend Index ETF** ([TSX:XDV](#)).

You can never go wrong buying a high-quality portfolio of dividend stocks. That's why the XDV is one of the best Canadian ETFs to buy and hold for the long term, as it will grow your money consistently and with a tonne of stability for your portfolio.

It has a rules-based approach it uses to select the dividend stocks the fund holds. It takes into account the size of the yield, historical dividend-growth rate, and the stability of the dividend before selecting stocks.

Because the Canadian dividend stocks have to meet certain criteria before being added to the

portfolio, you can be sure you are buying the highest-quality dividend stocks in Canada. A whopping 54% of the fund is in financials, with utilities and communication services each making up roughly 12%.

It pays a monthly dividend, which currently yields roughly 3.8%, and its portfolio has a price-to-earnings ratio of just 15 times.

The fund has earned a 35% return over the last three years, or a compounded annual growth rate of 10.7%. That's not bad for a high-quality stock that offers a tonne of resiliency for investors, which is why it's one of the top Canadian ETFs to buy now in this volatile market.

## A gold ETF that's rallying rapidly

Over the last six months, one asset has been selling off while virtually every other industry rallies. For several months now, gold has been extremely cheap. However, it's once again started to rally recently.

Gold is always worth holding for the long term, even if it's just a small portion of your portfolio. And, of course, it's best to add to your position as the precious metal gets cheap, so you can buy the dip.

For most investors, the best way to gain exposure to gold is to buy [gold stocks](#). Sometimes, though, it can be hard to pick a single stock in the industry. Investing in a single stock is inherently more risky, so many investors consider **iShares S&P/TSX Global Gold Index ETF** ([TSX:XGD](#)).

Buying the XGD ETF offers investors exposure to several top Canadian gold stocks. These companies have operations all around the world, so your investment is well diversified.

This gives you great exposure to the gold mining sector and is an excellent way to buy gold for your portfolio, especially if you think gold's price is undervalued.

Gold miners are leveraged to the price of gold. For example, from April to August of last year, gold prices gained roughly 25%. Meanwhile, the GLD ETF gained 66%. This is due to the nature leverage these stocks have. That's why the ETF is such a great investment if you're bullish on gold.

With gold prices rallying recently, it's gained nearly 20% since the beginning of March. The momentum looks strong, and the ETF has a tonne of potential to continue rallying, which is why it's one of the top Canadian ETFs to buy now.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks

### TICKERS GLOBAL

1. TSX:XDV (iShares Canadian Select Dividend Index ETF)
2. TSX:XGD (iShares S&P/TSX Global Gold Index ETF)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

**Category**

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks

**Date**

2025/06/28

**Date Created**

2021/05/17

**Author**

danieldacosta

default watermark

default watermark