



Tech Stock Market Crash: 2 ETFs to Buy Now for Huge Gains

Description

What do you get when you mix 7% inflation, a hawkish Federal Reserve and Bank of Canada, and a threat of multiple interest rate increases? An absolute rout from [large-cap tech stocks](#) amid a rotation into value stocks, especially those in the resurgent energy and financial sectors.

However, I think it's great to be mindful of the old adage "be greedy when others are fearful, and fearful when others are greedy." Many of these tech stocks still have excellent fundamentals. While they may have been overvalued in 2021, the recent correction may have brought them down to a more reasonable price.

However, picking and choosing exactly which ones are a good buying opportunity can be risky. I think a better way is to buy an [exchange-traded fund \(ETF\)](#) that tracks the tech sector, and today I've got just the two for you.

Canadian tech stocks

My pick for the Canadian tech sector would be **iShares S&P/TSX Capped Information Technology Index ETF (TSX:XIT)**. Currently, XIT holds a total of 24 stocks from Canada's technology sector and trades at a price of \$42 a share, with a management expense ratio (MER) of 0.61%.

The two largest holdings are **Shopify** at 27.21%, and **Constellation Software** at 23.90%. Other companies, like **Open Text**, **CGI**, **Nuvei**, **Lightspeed Commerce**, **Descartes Systems Group**, and **BlackBerry**, are also held in smaller portions.

XIT is currently down -15.37% YTD, falling from its 52-week high of \$59 and close to its 52-week low of \$41.85. If you believe in the underlying companies and are bullish on Canadian tech, XIT could be a great buy right now.

U.S. tech stocks

For U.S. tech stocks, like **Alphabet**, **Microsoft**, **Apple**, **Amazon**, **Meta**, **Netflix**, and **Tesla**, you'll want **iShares NASDAQ 100 Index ETF** ([TSX:XQQ](#)). XQQ currently trades at \$110 a share with a MER of 0.39%.

XQQ holds 101 stocks listed on the NASDAQ exchange and is heavily concentrated in the U.S. tech sector, which makes up 50% of the weighting of this fund, with the FANGMA cohort at nearly 25%.

XQQ is currently down -13.06% YTD, falling from its 52-week high of \$131 but still decently above its 52-week low of \$95.50. If you believe in the underlying companies and are bullish on U.S. tech, XQQ could be a great buy right now.

The Foolish takeaway

Nobody knows how the tech market will perform throughout 2022. It could be that the upcoming rate hikes and persistently high inflation put a damper on high valuations. It could also be that the market has priced in rate hikes and inflation could turn out to be transitory, causing tech to roar back.

Regardless, big tech is to stay. Its recent performance might be underwhelming given the cyclical nature of the stock market, but this correction could be a great buying opportunity. Consider using ETFs to avoid the risk of poor stock picks and to place a bet on the sector as a whole.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:XIT (iShares S&P/TSX Capped Information Technology Index ETF)
2. TSX:XQQ (iShares NASDAQ 100 Index ETF (CAD-Hedged))

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