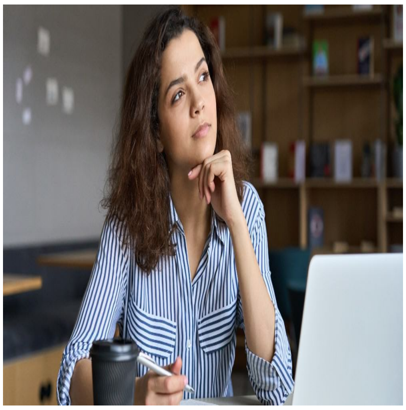

Canadians: 2 Top ETFs to Buy Right Now!

Description

Canadians have so many options in the ETF space these days. While we are in a stock picker's market right now, with all this volatility, I still think that passive investors, who can't afford to put in the amount of analysis to pick their own names should feel comfortable sticking with funds and all the sort. There's nothing wrong with opting for ETFs. Not everybody has the time to keep watch on a portfolio on 10-20 individual names, after all.

ETF selection can be complicated, though. And investors still need to put in the homework. There are plenty of options in 2022. Thematic ETFs? You've got it. Sector-based ETFs and vanilla index funds? Those are incredibly popular, as well! There are even specialty income ETFs for those who want to explore the benefits of hedging in the options market to get a better bang for their buck.

Undoubtedly, more competition in the ETF space is good for Canadian investors. That means downward pressure on MERs (management expense ratios), but, at the same time, more options could mean less trading volumes and larger spreads! For long-term investors focused on the next 10 years and beyond, though, the large spreads (especially during volatile times) are forgivable.

In this piece, we'll have a look at two ETFs that I'd be looking to buy after yet another rocky week.

Great Canadian ETFs worth buying right here

Consider an ultra-defensive fund like **BMO Canadian Covered Call Utilities ETF** (TSX:ZWU), a blend of utility stocks, which are already defensive by nature, with a sprinkle of covered-call options that enhance income. In essence, it's a more defensive way to play a defensive sector. After the rocky start to the year, I can't really blame you for wanting to play it cautiously with such an ETF. It's far better than cash, after all, if you're looking to take action to keep ahead of inflation!

For those looking to take on more risk for a shot at greater rewards, there are funds like **iShares Nasdaq 100 Index ETF (CAD-Hedged)** (TSX:XQQ). In short, the XQQ is a quick, easy, and cheap way to bet on the broader Nasdaq 100, which took a huge hit to the chin on Thursday, falling over 4%.

The Nasdaq 100 is tech based, and tech is under pressure right now. But if you believe in the profitable tech companies, I think the Nasdaq 100 is an intriguing place to be, whether or not the index is due for a 20% decline (bear market).

I think the bear could rear its ugly head, so those looking to bet on the XQQ should be ready to average down to lower their cost basis.

The bottom line

Indeed, the ZWU and XQQ are two very different flavours for passive investors. Personally, I'd look to purchase both. Why choose one side of the coin to play? It would be best if you had a backup plan with a conservative investment like the ZWU, as you look to bet on a bounce back in some of the most beaten-down areas of the market right now (the Nasdaq 100).

CATEGORY

1. Investing

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1. TSX:XQQ (iShares NASDAQ 100 Index ETF (CAD-Hedged))
2. TSX:ZWU (Bmo Covered Call Utilities ETF)

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