



BUY ALERT: 3 Oversold ETFs to Snag Right Now

Description

North American and global markets have been hit hard by a sharp correction in the first half of the spring. Investors should expect [more volatility](#), as markets digest the threat of recession and an aggressive rate-tightening path from central banks. Earlier this month, I'd looked at funds that were [worth targeting](#) as a defensive play. Today, I want to look at three [exchange-traded funds \(ETFs\)](#) that are worth snatching up on the dip in this pullback. Let's jump in.

Want to take advantage of a reeling Canadian market? Target this ETF!

The **S&P/TSX Composite Index** plunged 389 points on Wednesday, May 18. That broke a short winning streak that the TSX had built up after it was hit hard early in the previous week. Investors should remember what transpired during the 2020 market pullback. This is a great opportunity to stack Canadian market assets at a discount.

Investors hungry for broad Canadian market exposure should consider **Vanguard FTSE Canada All Cap ETF (TSX:VCN)**. This fund seeks to track the performance of a Canadian equity index that includes large-, mid-, and small-cap equities. Its shares have dropped 4.8% in 2022 as of close on May 18. The ETF is still up 3.8% from the prior year.

The top holdings in this fund track with the largest equities by market cap on the TSX Index. This includes **Royal Bank**, the largest bank in Canada, **Enbridge**, and **Canadian National Railway**. Like the TSX, it is heavily weighted in the financials and energy sectors.

A sharp downturn in S&P 500 makes this ETF a nice buy-the-dip option

The **S&P 500** was up marginally in early afternoon trading on May 19 after suffering a sharp 4% loss in the previous day at the time of this writing. U.S. indexes have been hit harder than their Canadian

counterparts. The large weighting of energy stocks on the TSX has helped Canadian stocks better navigate this correction due to the oil and gas bull market.

You can gain exposure to the S&P 500 by scooping up **BMO S&P 500 ETF** ([TSX:ZSP](#)). This ETF has dropped 17% so far in 2022. Its shares are still up marginally in the year-over-year period. It possesses a very low MER of 0.09%. Some of the top holdings in this fund include **Apple**, **Microsoft**, and **Amazon.com**.

One more global-oriented fund to snatch up right now

The turmoil in North American markets may inspire some investors to snatch up overseas equities. Those who are hungry for global exposure may want to snatch up **iShares Core MSCI World ex Canada ETF** ([TSX:XAW](#)). This fund seeks global portfolio diversification that is designed to be a long-term core holding. The ETF is down 16% in the year-to-date period.

This ETF offers a slightly higher MER of 0.22%. Its top holdings include exposure to some of **BlackRock's** biggest individual funds. The fund is medium to low risk, according to its fund facts.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:VCN (Vanguard FTSE Canada All Cap Index ETF)
2. TSX:XAW (iShares Core MSCI All Country World ex Canada Index ETF)
3. TSX:ZSP (BMO S&P 500 Index ETF)

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