

2 ETFs Poised to Ride Emerging Market Waves in 2024

Amid uncertainty surrounding the domestic economy and potential market volatility, investors seeking stability and growth may consider emerging market ETFs like Emerging Markets Internet and Ecommerce ETF (EMQQ) and Vanguard FTSE Emerging Markets ETF (VWO). Read more...

In light of potential stock market volatility due to uncertainties souring the domestic economy, a prudent strategy could be to invest in emerging market ETFs for better growth and stability.

To that end, Emerging Markets Internet and Ecommerce ETF (The) (EMQQ) and Vanguard FTSE Emerging Markets ETF (VWO) could be great choices.

Before diving deeper into the stats of these ETFs, let's discuss what makes the investment case strong for emerging markets ETFs.

Fed foresees three interest rate cuts in 2024, signaling the first reversal since rates began rising post-COVID-19. However, the uncertainty surrounding the timing of these rate cuts raises concerns about businesses enduring prolonged challenges due to elevated borrowing costs.

Meanwhile, geopolitical risks remain a top concern, influencing market dynamics. Therefore, investors might strategically position their portfolios to capitalize on better stability and growth prospects of emerging markets by investing in quality emerging market ETFs.

Let's evaluate the two Emerging Markets Equities ETFs picks, starting with number two.

ETF #2: Emerging Markets Internet and Ecommerce ETF (The) (EMQQ)

EMQQ is an exchange-traded fund launched and managed by Exchange Traded Concepts, LLC. It invests in growth and value stocks of companies across diversified market capitalization. It seeks to track the performance of the EMQQ The Emerging Markets Internet & Ecommerce Index, by using a full replication technique.

With \$385.49 million in assets under management (AUM), EMQQ's top holding is Reliance Industries Limited, with an 8.91% weighting, followed by Alibaba Group Holding Limited (BABA), with an 8.37% weighting and PDD Holdings Inc. Sponsored ADR Class A (PDD), with 8.27%. It has a total of 118 holdings.

EMQQ has an expense ratio of 0.86%, higher than the category average of 0.51%. It currently has a NAV of \$302.52.

The ETF pays an annual dividend of \$0.24, which yields 0.81% on the current price. It has a four-year average dividend yield of 0.31%.

EMQQ has gained 5.3% over the past three months and 1.5% over the past six months to close the last trading session at \$30.16.

EMQQ's POWR Ratings reflect this promising outlook. The ETF's overall A rating equates to a Strong Buy in our proprietary rating system. The POWR Ratings are calculated by considering 118 different factors, each weighted to an optimal degree.

EMQQ has a B grade for Trade. Of the 101 ETFs in the A-rated Emerging Markets Equities ETFs group, it is ranked #65. [Click here](#) to access all of EMQQ's POWR Ratings.

ETF #1: Vanguard FTSE Emerging Markets ETF (VW0)

VW0 is an exchange-traded fund launched and managed by The Vanguard Group, Inc. It invests in public equity markets of

emerging global regions. The fund seeks to track the performance of the FTSE Emerging Markets All Cap China A Inclusion Index by using a representative sampling technique.

With \$101.37 billion in AUM, the fund has a total of 5000 holdings. VW0's top holding is Taiwan Semiconductor Manufacturing Co., Ltd. (TSM), with a 5.27% weighting, followed by Tencent Holdings Ltd. (TCEHY), with a 3.64% weighting, and BABA, with 2.45%. It has a total of 101 holdings.

VW0 has an expense ratio of 0.08%, lower than the category average of 0.51%. It currently has a NAV of \$40.52. Its fund inflows came in at \$802.19 million over the past six months.

The fund's annual dividend of \$1.45 yields 3.57% on the current share price. Its four-year average yield is 3.04%. Its dividend payouts have increased at a CAGR of 14.9% over the past three years and 5.7% over the past five years.

VW0 has gained 5% over the past three months and 0.6% over the past nine months to close the last trading session at \$40.49.

VW0's strong outlook is reflected in its POWR Ratings. The ETF has an overall rating of A, translating to a Strong Buy in our proprietary rating system.

It has an A grade for Buy & Hold and Trade. It is ranked #2 in the same ETF group. To access all the POWR Ratings for VW0, [click here](#).

What To Do Next?

43 year investment veteran, Steve Reitmeister, has just released his 2024 market outlook along with trading plan and top 11 picks for the year ahead.

2024 Stock Market Outlook >

VW0 shares fell \$0.22 (-0.54%) in premarket trading Monday. Year-to-date, VW0 has declined -2.02%, versus a -1.51% rise in the benchmark S&P 500 index during the same period.

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Abhishek embarked on his professional journey as a financial journalist due to his keen interest in discerning the fundamental factors that influence the future performance of financial instruments.

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