

Trading Best Practices

V.O.

At Fidelity, we know there's a lot of ETF noise out there.

So as a company focused on sharing our financial expertise with Canadians to help them live the life they want, who better to cut through that noise and give you the facts about ETF trading than us?

So here are a few trading best practices to keep in mind.

Number one. Take your time.

Because ETFs have what's called intraday liquidity, it means that you know the value of your investment in real time, as opposed to the end of the day, like mutual funds. Use caution when making trades during the first and last 30 minutes of the trading day when volatility can be at its highest. It can get crazy out there.

Two. Know your markets from your limits.

When you place an order you have two options: either a market order, which is all about buying or selling a security at the current price, so that execution is the priority. Or there's a limit order, which may allow you to buy a security at no more (or sell at no less) than a specific price you choose. So consider limit orders, because then you are in control...and what's wrong with that? Just remember to keep an eye on your limit order, because limit orders are not guaranteed.

And finally, three. Time zones are money.

Imagine; over \$77 trillion in transactions happen around the world every year.* You want to know that your trade will find its way to the right place at the right time for the right price.

(* World Bank – 2017 cite on screen)

Try and trade international ETFs while those underlying markets are still open. Time zones can certainly come into play. For example, if you're trading in Eastern Standard Time for European ETFs, consider placing your order while the market is open in local time, as the price is often more favourable before the European markets close.

And let's not forget, if you're trading large amounts, contact your broker or dealer to get the help and information you need to execute a block order.

If you're looking for a powerful, targeted investment approach, talk to your financial advisor about the Fidelity Factor: smart people creating smart factor-based investment solutions.

SUPER: The Fidelity Factor™

Fidelity logo

Talk to your financial advisor

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