

## Alert: Toronto-Dominion Bank (TSX:TD) Just Hit This Powerful Buy Signal

### Description

One of the simplest (and most powerful) investing lessons has to do with buying stocks.

Many investors are paralyzed once they identify a stock they'd like to own, obsessed with getting the best price possible. They fear buying a stock and having it head lower, so they try and do the impossible and time the market to get the best deal.

This strategy has a inevitable outcome. A beaten-up value stock zooms higher without our hypothetical investor onboard, causing them much grief. They regale you with stories about the one that got away for years after.

Don't be that investor. Here's a powerfully simple way to make sure you're getting a good buy on a stock, starring **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)).

### The best buy signal

It's little wonder why TD Bank has been one of Canada's top stocks over the last 30 years.

The company has transformed itself from a sleepy Ontario bank to one of North America's largest financial institutions. First, it expanded across Canada. Then it started acquiring assets in the United States. It also expanded its wealth management business, became a monster at credit cards, and even diversified into insurance.

Oh, and through all of that it not only paid a dividend, but management also steadily increased the payout. These days, annual dividend growth is in the 7-10% range and the dividend yield is 3.7%.

The question isn't whether you should own TD Bank stock. Of course you should. It's been a steady wealth creator for generations, and it looks well positioned to continue this greatness. The question you should be asking yourself is how much you should pay for TD Bank.

The answer is simple. Wait until the stock hits a fresh 52-week low and buy then.

That has been happening lately. Shares are down more than 10% from highs set back in September and are currently flirting with 52-week lows that were set back in April. This makes today a great buying opportunity.

### Previous success

Over the last five years, an investor who'd patiently waited for new 52-week lows before buying TD shares performed pretty well.

In both January 2015 and 2016, shares fell and hit fresh 52-week lows at just under \$50 each. These days those shares are worth \$70 each, plus an investor would have collected at least \$5 per share in dividends.

Shares moved up smartly in 2016 and 2017, and no new 52-week lows were hit.

So far in 2018, shares dipped in the spring and then rallied higher before dipping again recently. This represents the first chance investors will get to buy shares at a 52-week low for nearly three years.

Will it work out as well as the last two times? I can't say for sure. But with shares trading at just over 10 times forward earnings, it sure looks to me like a great time to buy.

## The bottom line

I believe investors should proactively identify stocks they want to own and then patiently wait for them to hit a buy point. You can accomplish that by setting a buy target price or by simply pulling the trigger when a stock hits a new 52-week low. TD Bank is very close to that position today. Don't let this opportunity pass you by.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:TD (The Toronto-Dominion Bank)

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