# Buy the Crash: Toronto-Dominion Bank (TSX:TD) Is the King of Rebounding From Market Crashes

## Description

Happy New Year!

Now, here's a market crash courtesy of Mr. Market, who isn't feeling at all sanguine about stocks despite the turning of a fresh page on a year that's humbled us all. For investors who buy into seasonal anomalies, it's probably time to forget thinking about the "January effect" because like the Santa Claus rally, it probably isn't coming to town this year.

Not to scare you or anything but, it's entirely possible that we could be in the first innings of a horrific stock market crash that could be just as bad, if not worse than that the one experienced in 2008.

So-called pundits, economists, professional traders, hedge fund managers, and financial writers have been ridiculously gloomy of late due to worries that'd be sure to keep your average investor up all night long.



Trump's trade war, the close-to-inverting yield curve, the Fed's tightening schedule, weakening economic indicators, the time elapsed since the last crash, and peak earnings fears, among many other macro fears, have caused investors to toss their stocks aside. And while it seems like it's a wrap now that the **S&P 500** has fallen within basis points of a bear market, Foolish investors like you or I shouldn't feel languished as does everybody else of the Street.

I'm not going to tell you that everything will be fine over the near-term because honestly, I don't know that, nor does any other expert who may claim to. A crash most certainly could be coming, and there could be plenty of pain ahead as many on the Street expect at this juncture. What I do know, however, is that there will be a minority of investors that will come out on top when this bout of volatility is over with. So, as someone wise once said with regards to an unpleasant situation: "This too shall pass."

Who are the folks that'll end up profiting from the recent blast of volatility? Certainly not the majority of those who attempt to time their entries and exits, although there will be a lucky few who will get the timing right by chance. It will be the unshakeable investors who execute on their "market crash game plan."

Warren Buffett is one of the unshakeable investors who doesn't mind market crashes. He's lived through many, and he's made it through ahead of the pack.

How?

No, he doesn't time the market. Instead, he buys into the dip knowing that there could be more pain on the horizon. He keeps his powder dry so that he's ready to pull the trigger should Mr. Market end up serving even better prices in a few weeks out.

Eventually, this nibbling away at stocks will pay off, as the economy resets and stocks become great again. Who knows? Trump may make stocks great again in 2019 should his trade war with China come to a peaceful resolution. We really don't know what's up ahead, so it's not worth trying to predict the outcome of such contingent events.

Buy stocks now, and be ready to buy more later because if you're going to make it out on top, you're going to keep buying until the market inevitably hits rock bottom (and hopefully not when your cash reserves run dry).

At this juncture, **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) stands out to me as the number one stock that should be on your "market crash shopping list." Not only is it the best run or best-valued stock at this juncture, but it's also the best-equipped to become one of the first firms to come roaring out of the gate come the start of the next economic cycle.

Back in 2008, TD Bank stock plunged just like most everything else in the market. The only difference between TD Bank stock and many other stocks is that it skyrocketed very quickly from the depths. This is no coincidence, as TD Bank has historically been known as a more conservative bank with a lower-volatility earnings stream and more prudent policies that have been embedded in the company's corporate governance as I've emphasized many times in previous articles.

A more conservative book of loans, an intelligent management team, and robust operating procedures are significant reasons why TD Bank stock rebounded quickly and why it'll likely be the first out of the gate in the next downturn.



## Foolish takeaway on TD Bank and buying crashes

Everything is a falling knife right now, including crème-le-la-crème plays like TD Bank.

Although it seems reckless to be a buyer of anything right now, keep an image of the TD Bank's chart during the 2008 plunge and the sharp rebound. You're getting a company that'll be knocked down, not out, which is precisely the kind of business you want to be buying as the tides go out.

Stay hungry. Stay Foolish.

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