



3 Stocks to Own During Slow Summer Months

Description

Now that the spring has finally arrived, it's a good time for investors to do some spring cleaning. No, I am not talking about the "sell-in-May-and-go-away" strategy. In case you're interested, I've written about why this is [not a wise strategy](#).

There is one reality that investors should take note of: markets tend to slow down in the summer. The summer is prime vacation time, and investors also tend to take a breather. As such, it's best to invest in stocks that require little attention.

This is not the time to invest in high-growth, highly volatile stocks. If you aren't going to be around to monitor your portfolio, it's best to invest in high-quality, low-volatility stocks.

A top banking stock

History has proven that investors can't go wrong with an investment in one of Canada's Big Five banks. My favourite in the space is **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)).

Toronto-Dominion [has outperformed its peers](#) and is expected to post the highest growth rate. It is also a Canadian Dividend Aristocrat and sports the best dividend-growth rate among the big banks.

Trading below its historical price-to-earnings ratio, the bank is cheap. In fact, it is trading at valuation not seen in more than five years. It is the perfect time to add or start a new position.

A top retail stock

Canadian Tire ([TSX:CTC.A](#)) is trading at valuations not seen in a decade. The upcoming quarter just happens to be one of Canadian Tire's busiest. From gardening to power tools, there is a great deal of demand for the company's products at this time of the year.

Although the company had some logistical issues last quarter, management believes they were

contained. In fact, during its first-quarter conference call, it indicated that the second quarter is off to a strong start.

This retail behemoth has one of the widest moats in Canada. Combined with a growing dividend and a high single-digit growth rate, investors can rest easy with Canadian Tire.

A top consumer defensive stock

What is the best sector to own during the slow summer results? That would be the consumer defensive sector. Since 1990, the sector has traded higher 79% of the time, which makes it the best-performing sector in the markets.

Another fact about the summer? Alcohol consumption rises. **Andrew Peller** ([TSX:ADW.A](#)) is one of the fastest-growing players in the industry. Over the past five years, it has averaged 5% annual sales growth and has more than doubled earnings per share.

In 2019, analysts expect growth to be in line with historical averages. That means mid-single-digit sales growth and earnings growth of 30%. Andrew Peller is also a Canadian Dividend Aristocrat, with a 13-year dividend-growth streak.

Foolish takeaway

If you don't have time to monitor your portfolio over the summer, it's best to invest in stocks that require little attention. Investors can rest easy knowing that Canadian Tire and Andrew Peller are entering a period of strong seasonality. Likewise, TD Bank is simply best of the best and is one of the safest stocks to own, regardless of seasonality.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:ADW.A (Andrew Peller Limited)
3. TSX:CTC.A (Canadian Tire Corporation, Limited)
4. TSX:TD (The Toronto-Dominion Bank)

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