



A Top Stock to Buy in June

Description

Andrew Button: Toronto-Dominion Bank

Can there be any doubt at this point that **Toronto-Dominion** ([TSX:TD](#))([NYSE:TD](#)) is Canada's best bank? After a disappointing start to the year, TD bounced back in Q2, with earnings up 9% and revenue up 8.5% year-over-year. TD's growth in the quarter was well ahead of **Royal Bank of Canada**, which grew earnings at just 7% year-over-year, showing that while TD may not be the largest bank in Canada, it definitely has the most upside.

As usual, TD's growth in its most recent quarter was driven by U.S. Retail. That business unit grew 29% year-over-year, mainly on the strength of TD Ameritrade, which grew by a phenomenal 93%. U.S. Retail now contributes \$1.3 billion in quarterly profit for TD, which means that it could soon eclipse Canadian Retail as TD's single largest business unit.

More moderately good news came from Wholesale Banking, which posted \$221 million in net income, up from a net loss in Q1. Although the unit was down from Q2 2018, the fact that it has more than recouped its Q1 losses is a strongly positive sign. Additionally, Wholesale is a comparatively small business unit for TD, so even if it remains weak, it shouldn't hurt overall results too much.

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Author

motley-fool-staff

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