



## A Top Stock to Buy in June

### Description

## Mat Litalien: Toronto-Dominion Bank

The markets usually experience low volume and negative returns during summer months. It is how the “Sell in May and Go Away” strategy was popularized. However, some stocks will buck the trend and provide healthy gains. One potential outperformer is **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)).

Recently, Canada’s Big Five banks have been the target of short sellers. These views are shortsighted and may have merit if Canada’s banks were not as diversified as they are. TD Bank is best positioned to weather a Canadian economic downturn.

It has considerable operations in the U.S., which has been at the heart of its peer-leading growth rate. To top things off, TD Bank is trading at cheap valuations. The company is currently trading below its historical P/E ratio of 12.6, the lowest it has been since the broader market selloff this past November.

Why is this important? It is the longest such streak since 2011-12. Historically, any period when TD Bank has traded below its historical P/E average has been a buying opportunity. Over the past 20 years, TD Bank has only been this cheap twice. It will not stay this cheap for long and you would be wise not to pass up the opportunity.

*Fool contributor Mat Litalien is long Toronto-Dominion Bank.*

### CATEGORY

1. Bank Stocks
2. Investing
3. Top TSX Stocks

### TICKERS GLOBAL

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

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