



## Buy This Top Bank Stock on Weakness as Uncertainty Mounts

### Description

The next couple of days are going to be a real humdinger in terms of market uncertainty, with a U.K. general election Thursday that will signal which way the Brexit cookie might crumble, closely followed by the December 15 U.S.-China trade war agreement deadline.

Retail and cannabis investors will be rooting for hungry consumers as we head into what is likely to be a fraught holiday period for investors, while on the flip-side of the risk scale, mining shareholders are eyeing the potential for market disruption and rubbing their hands. Meanwhile, investors in low-volatility sectors are playing it by ear and hoping for the best.

Amid increased trade war jitters, there also comes the news that China is feeling the pain from the 17-month dispute, with exports to the U.S. contracting sharply last month. Year on year, China's exports are down by just over a percentage point, and represents the fourth consecutive such decline. Shipments to the U.S. fell by 23% in November, the most in 10 months and the 12th month in a row to see a dip.

## It's time to keep calm and carry on holding

**Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) also dipped last week, giving defensive investors the jitters. The bank's worrying last quarter opened up an opportunity to buy quality stocks on weakness, though the broader implication is underlines that uncertainty is back with a vengeance. TD Bank is still down by 4% on average over the last five days of trading at the time of writing.

Those Brexit and trade war worries likely aren't helping. Indeed, while some pro-Brexit campaigners have dismissed recessionary concerns as politically motivated, the potential for disruption as a result of a no-deal exit remains a possibility and could weigh on the markets. Indeed, the spectre of recession has already been stalking Europe and an unruly Brexit is unlikely to improve the situation.

It's not all doom and gloom, though. The new "Sahm Rule" refers to unemployment rates and is meant to signal a recession quicker than the usual business cycle guidelines. In short, when the three-month unemployment rate rises 0.5% above the preceding year-long low, recession is either underway or on

the way. At the moment, U.S. unemployment is at a 50-year low.

A 4% yield makes TD Bank a dividend cash cow that you can [buy and forget about](#). The recent merger between its online brokerage arm, TD Ameritrade, and financial giant Charles Schwab also gives banking investors access to the mergers and acquisitions event of the year. While TD Ameritrade's zero-fee move this year irked some investors, the eventual merger creates a financial behemoth.

## The bottom line

A messy Brexit paired with an escalating trade war could tip the global economy into recession. The next few days will be critical, therefore. Investors should sit tight, though, and avoid panic selling. For investors seeking quality dividend stocks, TD Bank is a [strong play on weakness](#). While stocks such as the Big Five banks may dip now and then, in the long term they're as good as money in the bank.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

### TICKERS GLOBAL

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

### PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

### Category

1. Bank Stocks
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

### Date

2025/09/22

### Date Created

2019/12/10

### Author

vhetherington

default watermark