



## 2 TSX Stocks You'll Want to Buy in June

### Description

The market has seen a huge rally recently and many **TSX** stocks are seeing significant gains. But with all the uncertainty that remains and economies in recession, the reason for the rally can seem somewhat peculiar.

The market is forward-looking and shouldn't necessarily represent where the economy is today. However, with so much uncertainty, it's questionable how a forward-looking market is so optimistic.

Originally the market rallying made sense. However, the rally was mostly focused on defensive stocks as investors looked to shore up their portfolios.

Then as the most defensive equities became fully valued, investors shifted more to highly resilient blue chips.

Now, however, the rally has shifted to cyclical value stocks that would give the impression that we are in the clear and out of a recession when there is no real evidence to suggest it.

Yes, the peak of coronavirus in North America is behind us, assuming there is only one wave of coronavirus. Yet several industries still remain impacted, and millions of people remain unemployed.

So although there has been positive news as of late, I'd be cautious, as the market is becoming highly vulnerable to another pullback.

There are still stocks you can buy in June, since you don't want to miss out on the market rally. But due to the state of the economy and the highly uncertain future, I would definitely be choosing high-quality and resilient businesses first.

Here are two TSX stocks that are excellent long-term investments and the perfect stocks to buy in June.

## TSX telecom stock

**BCE Inc** ([TSX:BCE](#))([NYSE:BCE](#)), the largest and most defensive telecom stock on the TSX, is my first recommendation for long-term investors looking to buy in June.

The telecom industry is naturally defensive, but the current coronavirus pandemic has proven just how defensive it is. And of all the major telecoms in Canada, BCE takes the top spot.

Although management had to withdraw its 2020 guidance, the dividend will remain intact — a result of management continuously keeping the payout ratio in a stable range of roughly 70%.

What's notable about BCE is that the company is taking a different approach than most other stocks. The majority of businesses have suspended CAPEX until after the pandemic. This way, they can try to offset the impact of COVID-19 on their revenue to keep free cash flow intact.

[BCE](#), however, has the size and strength to carry out its originally planned CAPEX. This will no doubt impact its free cash flow this year. However, it will be one of the few stocks that will see its growth plans impacted, which is very attractive for long-term investors.

As of Tuesday's close, the TSX stock was roughly 10% off its 52-week high. While only a small discount, given that the highly reliable TSX stock still offers an attractive dividend yield of 5.6%, BCE is a top buy today.

## Financial TSX stock

**Brookfield Asset Management Inc** (TSX:BAM.A)([NYSE:BAM](#)) is another high-quality option trading undervalue. The massive investment manager is the perfect TSX stock to buy at these low prices.

The company's bread and butter is finding struggling businesses it can buy undervalued. Then, once it's made the acquisition, it uses its massive global reach and strong execution skills to vastly improve the profitability of the investment.

This increases the value of the investment, one of the main drives of shareholder value. Once the value has been realized, the company can either sell the investment and recycle the capital in new opportunities or continue to hold the investment and collect the massive cash flow.

So for Brookfield, market sell-offs and economic slowdowns can be a great [opportunity to grow](#).

Financial crises such as the current coronavirus makes the stock attractive to investors. However, what's even more important is it also makes potential acquisitions for Brookfield much cheaper.

As of Tuesday's close, the massive TSX stock was down nearly 20% from its 52-week high, a significant discount for one of the top long-term stocks in Canada.

## Bottom line

These TSX stocks continue to be some of the highest-quality businesses in Canada. So if you're looking to buy stocks in June, these are the first two I would start with.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:BN (Brookfield Corporation)
3. TSX:BCE (BCE Inc.)
4. TSX:BN (Brookfield)

### PARTNER-FEEDS

1. Business Insider
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