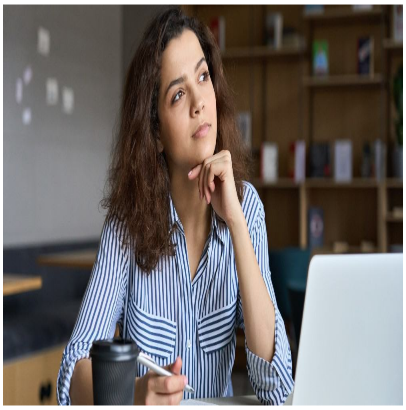

Why Right Now Is the Time to Buy Big Six Banks for Major Income

Description

This volatile market has been quite hard on Canadians. Just when we believe there is going to be some relief, the market drops once more. The beginning of 2022 has been difficult, to say the least. Shares dropped further and further as it looked like interest rates would rise, as would inflation, and then a war broke out with Russia invading Ukraine. But that's why now is a great time to pick up the Big Six banks.

The Big Six banks in Canada continue to be some of the best places to keep your cash safe. Furthermore, after two years of no dividend growth, all six have been raising them. And what's more, they're likely to do that again and again.

But there are six of these banks, and I'm not saying you should buy each one. So here are the two I would consider for your portfolio today.

Toronto Dominion Bank

First up, I would definitely consider buying **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) among the Big Six banks. TD stocks remains one of the best thanks to a large market capitalization, incredible loan growth, expansion into the U.S., and a cheap share price.

Furthermore, TD stock increased its dividend during its last earnings report, now offering a 3.63% dividend yield as of writing. Plus, with the recent acquisition of **First Horizons**, TD stock will become the sixth-largest bank in the U.S. as well.

Yet because of the recent pullback in the market, shares of TD stock are cheap among the Big Six banks. TD currently trades at 12.77 times earnings, and is down 6% from all-time highs.

CIBC stock

Another of the Big Six banks I would absolutely consider is **Canadian Imperial Bank of Commerce** (
TSX:CM

)(NYSE:CM). CIBC stock is perfect for investors seeking income, but it also has a lot of growth ahead of it. The bank recently overhauled its image, and is focusing on customer service. This, along with its expansion in emerging markets and the U.S., makes it a great buy today.

And among the Big Six banks it still has the highest dividend payment of $6.44 per share, or a yield of 4.05% as of writing. That dividend doesn't look to be slowing down in growth anytime soon, as the company continues to be supported by a strong housing market, higher interest rates, and a growing customer base.

Yet again, with this pullback CIBC stock is a steal among the Big Six banks. It currently trades at 11.32 times earnings, and is slightly lower than all-time highs by 2% as of writing. Still, analysts give it a potential upside right now of 6%, so it's still a bargain.

Foolish takeaway

Really, if the Big Six banks trade lower than all-time highs, and are supported by a solid price-to-earnings (P/E) ratio, they're always a bargain. Over the last five years, TD stock and CIBC stock have grown by 58% and 48% respectively. That's enormous growth all while going through a pandemic, economic fallout, and more. So if you want to keep you cash safe, but growing steady, with dividends to boot, then these are where you should buy today.

CATEGORY

1. Bank Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:CM (Canadian Imperial Bank of Commerce)
4. TSX:TD (The Toronto-Dominion Bank)

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