



## Why You Should Invest in the USA With Toronto-Dominion Bank and Sun Life Financial Inc.

### Description

For years, investing in the United States was a fruitless exercise. Even if you picked the right stocks, a weakening U.S. dollar wiped out much of those profits, if not all of them. Meanwhile, Canadian banks, energy companies, and mining firms were constantly hitting home runs.

But over the past four years, the story has been very different. Mining companies have gotten crushed. Energy companies have fallen on very hard times. And while the banks have performed a lot better, but they're having to deal with a shaky economy right now.

Things could get a lot worse in Canada. Energy companies are cutting back on spending and laying off staff. The Calgary real estate market is getting crushed. Provincial governments are having trouble balancing their books. These trends could have some nasty side effects for the rest of the country, which have only begun to play out.

In fact, Macquarie Capital recently predicted that the Canadian dollar would fall to US\$0.69. The last time we saw this exchange rate was back in 2003. So what is an investor to do?

Well, one option is to look south of the border. Not only is the U.S. economy doing much better, but if Macquarie Capital is right, any U.S.-based investments will benefit from currency movements. Below we take a look at two companies that will help you accomplish this.

### 1. Toronto-Dominion Bank

As mentioned, Canadian banks are facing a very uncertain time. But if you're looking for a bank to own, then **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) looks like your best option.

TD has a very big presence in the United States — it actually has more branches in the U.S. than it does in Canada. And while the American branches don't make as much money as their Canadian counterparts, their outlook is steadily improving. Not only are they set to benefit from U.S. economic growth, but could see expanding margins if the Federal Reserve raises interest rates. And if the U.S. dollar continues to strengthen, TD's bottom line will get that extra windfall.

As a bonus, TD is less exposed to the energy sector than its counterparts. The bank has made very few loans to these companies, is focused more on retail banking, and is heavily concentrated in Ontario. So even if energy the energy sector continues to struggle, TD could thrive.

## 2. Sun Life Financial

Life insurer **Sun Life Financial Inc.** ([TSX:SLF](#))([NYSE:SLF](#)) has even more U.S. exposure than TD, with nearly half of its net income coming south of the border. And like TD, Sun Life would benefit immensely from a rising interest rate environment.

Best of all, Sun Life is not particularly expensive, trading at less than 10 times earnings and only 1.5 times book value.

Of course there's another way to get exposure to the United States: buy American companies! After all, the **S&P 500** has a lot more options than the **S&P/TSX 60**, as their names would suggest. In the free report below, you'll find three top quality stocks to get you started.

### CATEGORY

1. Investing

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:SLF (Sun Life Financial Inc.)
3. TSX:TD (The Toronto-Dominion Bank)

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