

## Is Toronto-Dominion Bank (TSX:TD) the Best Stock to Buy on the TSX?

### Description

While the TSX is recovering from a disastrous finish to 2018, there are still many good deals available on the exchange. One of best might just be **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)). The bank stock has been falling and it's down by more than 12% since September- a pretty big sell-off!

However, TD might be one of the safest stocks you can own on the TSX. The stock has risen 200% in the past decade as it has a very strong trajectory over the long term. While it may be down over the past several months, long term it's only going to be headed in one direction: up.

There's no doubt it will recover, and there are several reasons why the stock presents good value and why it could be a terrific buy today.

### The stock is near its 52-week low and has a lot of upside

Entering the week, TD's share price was under \$69 and about \$3 away from its low for the year. You have to go back to September of 2017 for the last time the stock was consistently trading lower than where it is today. A lot has changed in that time, including an increase in profitability. As profits rise, so too do share prices, assuming that price-to-earnings multiples remain intact.

Even if the stock only reaches its previous highs of [\\$80](#), that's an upside of more than 15%. Although that wouldn't account for higher earnings and it's likely that the stock could be worth as much as \$85, or even \$90 a share. Given the level of riskiness on the markets today, investors may be willing to pay higher multiples for bank stocks. While we aren't seeing that happen just yet, it's certainly something to watch out for.

Either way, TD's stock is definitely undervalued and at a price-to-earnings ratio of only 11.5, it could produce significant returns this year.

### The dividend is at 3.9%

Typically, TD's dividend has not been this high. Normally, buying and holding for a long period of time is how you end up with a good yield from TD, as dividend growth helps you get to a high return. However, with the dropping share price, the dividend yield has risen and investors that buy today could get a 3.9% payout on their investment. That's a much better starting point than what you would have been able to lock in at several months ago.

The dividend is one of the best reasons to hold TD's stock, and investors shouldn't ignore this great opportunity.

### Strong diversification will offer more growth opportunities

Unlike some more regional banks, TD has a strong presence [south of the border](#). And with a much bigger population, there could be significantly more opportunities for TD to grow in the U.S. than in Canada in the years to come. Over the long term, this is an important factor to consider, as it also

helps to ensure that the bank isn't overexposed to a single market.

## CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

## TICKERS GLOBAL

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

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