If You Still Haven't Bought Toronto-Dominion (TSX:TD), Now's the Time

Description

With a potential recession coming to Canada, investors are looking for ways to protect their portfolios against an economic downturn.

There's pretty much no better way to do this than with Canada's Big Six bank stocks. Canadian banks came out of the last recession faring as some of the best in the world, so if you're looking for stocks to protect you, look no further.

But when it comes to *which* bank, it can be a bit more tricky. All offer dividends; all are pretty strong. But if you're looking for a good price, good dividends, and history of good growth, I would put my money on **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD).

Recent moves

Banks may seem boring, but there's been a lot of excitement at TD recently. The company has made its name as the option for investors looking to be a part of the process, rather than paying someone to do everything for them. This has brought the price down for its clients and has brought the bottom line up for the bank since it started taking in a lot more clientele.

But the bank needed to think bigger if it wanted to grow even further. It's already Canada's second-largest bank, but why focus on Canada when you can get some United States action? The bank now owns 1,200 branches down the Atlantic coast under **TD Ameritrade**.

Of course, if (and when) the United States faces a recession as well, investors will likely see their shares drop due to this exposure, but in the long run this exposure is great for your portfolio. This way you have one stock taking advantage of the wealth of two countries.

The books

These recent moves have made TD a strong company, evidenced recently with its earnings results and its historical performance. The company announced earnings per share of $1.27 and total revenue of almost $10 billion.

Yet even still, the company's share price is undervalued. At the time of writing, it trades at $75.71 per share with a fair value closer to $81 per share. In the next 12 months, that share price could reach $90 per share and is unlikely to go down by much from its current price, even with a recession.

Long-term profits

Its recent move into the United States bodes well for future investors of TD. The diversification of both Canada and the U.S. provide a stable foundation that should deliver strong returns for Toronto-Dominion over the long term.

It also has a history of being a more conservative lender of less-volatile businesses, which should bode well for anyone seeking to invest for more than a couple of years.

For investors, this is definitely a buy and hold stock. If you're a millennial, I would put this away and forget about it until retirement, because it alone could make you quite rich.

If we look at its historical performance and see what could happen if you put just $10,000 away for the next 20 years, things look pretty great. That $10,000 could turn into the easiest $32,580 you ever made.

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Date
2025/08/26
Date Created
2019/04/21
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