



## Buying Opportunity: Toronto-Dominion Bank (TSX:TD)

### Description

Canada's big banks remain some of the [best long-term investment opportunities](#) on the market. Part of the reason for that comes thanks to Canada's well-regulated system, which has helped to create a stable financial sector that is largely immune from financial crises that have plagued the U.S. market over the decades.

**Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) has emerged in recent years as an intriguing investment option over its peers, offering investors incredible growth and income-earning potential.

### What makes TD a great investment over its peers?

Across Canada's six big banks, TD is often cited as one of the banks, or as *the* one bank, with the most long-term potential for investors. The primary reason I take that view comes thanks to TD's masterstroke move to enter the U.S. market over the past decade.

When the Great Recession hit a decade ago, TD moved to acquire several banks along the eastern coast of the U.S. Once acquired, the banks were rebranded under the name of TD Bank, becoming part of a network of over 1,000 branches in the U.S. market that now stretches from Maine to Florida.

To put that growth into context, TD's sprawling U.S. network of branches now outnumbers its well-established network of branches in Canada, and the bank is now considered one of the largest banks in the U.S. market.

That growing U.S. presence continues to power TD's earnings growth while providing an element of diversification over the domestic market in Canada. In the most recent quarter, earnings from the U.S. retail segment came in at \$1,287 million, representing a whopping 13% gain over the same quarter last year.

That's not to say that the Canadian sector isn't experiencing any growth. In the most recent quarterly update, the Canadian retail sector reported a net income of \$1,890 million, topping the same quarter last year by 2%.

Overall, the bank reported record earnings of \$3,248 million, or \$1.74 per diluted share, handily beating the \$3,105 million, or \$1.65 per diluted share, reported in the same quarter last year.

## TD can provide a growing income source too

In addition to offering a stable business with significant growth potential, TD offers investors a handsome quarterly dividend that is both growing and stable. The current yield on that dividend comes in at 4.04%, making it a great, but not the highest yield among the big banks.

Worth noting is that TD has been paying out dividends for well over a century and has provided investors with an annual or better bump to that dividend going back nearly a decade. The most recent uptick came earlier this year, with the quarterly payout rising by \$0.07 to \$0.74.

## Should you buy (now)?

If there's one thing that the market volatility of last month has taught us, it's that some form of a market slowdown is on the horizon, meaning that it wouldn't be a bad idea to add some [defensive holdings](#). That volatility has also created an opportunity to buy TD Bank at a price that is flat over the past month and actually over 2% lower than it was three months ago.

TD currently trades at \$74 with a P/E of just 11.76, making it an excellent addition for nearly any portfolio.

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### Date

2025/08/21

### Date Created

2019/09/11

### Author

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