1 Bank Stock Is All You'll Ever Need to Get Wealthy

Description

Canadian and American investors are familiar with the acronym TD. It connotes trustworthy and dependable or tried and dominating. If I'm looking at the long-term, I would say that **Toronto Dominion Bank** (TSX:TD)(NYSE:TD) is all you'll ever need if you want to get wealthy.

Long-term investing requires capital and lots of patience. The rewards will come after the lengthy wait. Had you invested $10,000 in TD some 20 years ago, your money would be worth $84,711.61 in the present.

With stock's 3.83% dividend today, a 20-year-old investor would realize higher gains within the same investment horizon. But it's more than the yield given that TD isn't the highest-paying dividend stock. The bank has a built-in economic moat. It would be a great idea to own a stock that can sustain you financially for good.

Safest investment

TD is undeniably a safe, if not one the safest investment you can find. Besides its absurd 162 years dividend streak, the bank is well-entrenched in the Canadian and U.S. markets. Sometimes TD is more American than Canadian as more investors across the border choose the bank over its U.S. counterparts.

You'll run out of adjectives to describe TD, as it owns the resiliency trademark. The bank was the sole institution that reported profits during the 2008 financial crisis. Its once-a-year dividend increase policy is endearing to long-time and would-be investors.

More financial muscle

If you think that TD's $140 billion market cap is formidable enough, wait for 2020 as the bank adds more financial muscle. The decision to sell its U.S. brokerage subsidiary **TD Ameritrade** is an astute move. San Francisco-based **Charles Schwab Corporation** is the buyer.

The deal is worth $34.6 billion, which substantially strengthens TD's coffers. The sale of TD Ameritrade will not have a significant impact on TD's business.

With the increasing competition in the U.S. brokerage industry as well as the implementation of the zero-fee trading, TD's decision to sell Ameritrade makes sense.

Unintentionally, the sale will unlock TD's value. The bank is the winner as it avoids the losses in the brokerage firm. It will also have more cash stockpile to pursue meaningful acquisitions or pursue expansion.

Without TD Ameritrade, it's business as usual at TD. Its retail banking and wealth management business segments will continue to grow and remain the major contributors to revenue and profit.

Based on the current run-rate, TD should be ending the year with $40.5 billion in revenue and $11.7 in net income. The annual growth estimate in the next five years is a respectable 5.41%.

Better times ahead

With the Phase 1 trade deal between the U.S. and China in the works, the fear of recession is gradually dying. As the Canadian economy improves alongside the U.S. economy, TD will have plenty of opportunities for growth.

TD is the must-have stock of veteran and newbie investors, retirees, retirement planners, income seekers, dividend investors, TFSA and RRSP users. If TD is suitable to all types of investors, I'm not exaggerating in suggesting the stock is all you'll need to get wealthy.

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cliew