



## Which TSX Bank Stocks Belong in Your Forever Portfolio?

### Description

Shares in Canada's Big Five bankers are still on sale. But are they all much of a muchness? Or are some **TSX** bank stocks better than others? It depends on one's financial goals. This week marks a pivotal moment for Canadian investors as the market holds its breath ahead of earnings.

### The “easy chair” option

Some investments are real no-brainers. On the face of it, snapping up shares in **TD Bank** certainly looks like one of them. But just how solid is the home of the green leather armchair? That depends largely on how one views the stability of the U.S. economy.

TD Bank is the most exposed to American markets out of all the Big Five banks. However, here's why that might not matter at the end of the day.

The fact is that TD Bank is an essential part of the Canadian economy. Allowing TD Bank to fail would be disastrous. From that standpoint alone, it would seem that an investment in TD Bank is more or less bulletproof.

However, for investors of a more bullish bent, the future is somewhat rosier. TD Bank is the bank stock to buy if you happen to be a [low-risk forever investor](#) simply looking for passive income.

### The play for growth in international markets

While TD Bank has a reassuringly solid buffer against bad loans, **Scotiabank** is the stock to buy if you want growth in emerging markets. Of course, Scotiabank has its own issues, such as exposure to the frothy Canadian housing market.

But it's precisely that access to the Pacific Alliance that is so enticing to investors. Yield matters, too, and Scotiabank doesn't disappoint with a 6.8% dividend.

## The big-yielding, Big Five forever stock

**CIBC** is the stock to go for if you want the highest yield possible from a Big Five banker. It's the best valued of the Big Five, making that yield somewhat self-explanatory. It's also strongly focused on the domestic market, although it is exhibiting growth stateside.

Indeed, this North American growth is one of the main arguments for buying and holding CIBC shares in a Tax-Free Savings Account (TFSA) or RRSP for the long term.

Never mind the sell-off. A 7% dividend yield is becoming less elusive [as the market deteriorates](#). But the fact is that CIBC has been the best-yielding blue-chip Canadian bank stock for some time. That hefty yield makes for a strong play on value, especially for the ultra long-range investor. CIBC is a name to consider adding in stages as the market falls further.

## The bottom line

The market rally has been reassuringly bullish. But the market continues to show high volatility — and worse could be ahead. Investors should keep cash on hand and get ready to bag a bargain or two. The Big Five banks should definitely be on investors' rainy day wish list.

TD Bank, CIBC, and Scotiabank represent distinct plays suiting a range of investment styles. If in doubt, though, TD Bank is arguably the lowest risk name here.

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2. Dividend Stocks
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3. NYSE:TD (The Toronto-Dominion Bank)
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