



## Here's the Only Reason You Need to Buy TD Bank (TSX:TD) Stock

### Description

It's no secret. **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is big in the U.S. But how an investor feels about our southerly neighbour's economy tends to affect their opinion about **TD Bank**. The [systemically important](#) Big Five bank is either overly exposed to — or potentially strengthened by — the American economy, dependent on bullishness.

A North American recession has been in the air for some time however, even before the pandemic hit. And those recessionary birds are now coming home to roost.

So is TD Bank a potential risk factor in a [TSX stock portfolio](#)? Or is it a source of long-term stability and reliable passive income? The debate has been bubbling under the surface among pundits and analysts alike for some time now.

However, there is one reason why a TD Bank shareholder shouldn't lose too much sleep on this one. The bottom line is that TD Bank is integral to the Canadian economy — and its failure simply isn't an option.

### The ultimate “too big to fail” bank stock

History has much to teach investors about the future. While analysts are split as to just how closely the current situation resembles the Great Depression, the fact remains that there is an undeniable similarity. But it may surprise investors that TD Bank was around before that dark period of economic history, if not exactly in its current form.

TD Bank has officially only been around since 1955, when the Bank of Toronto and The Toronto-Dominion Bank joined forces. However, these two historical financial institutions came into being in 1855 and 1869, respectively, and have effectively never closed their doors.

In short, they survived the Great Depression. Investors looking to TD Bank for long-term stability should take heart.

Of course, the risk of a dividend cut isn't beyond the realm of possibility — nor is a total suspension of payments. Neither of these risks are being floated just yet. But there is the very real possibility that the current market, currently buoyed by wishful thinking, could crash again.

The would-be TD Bank investor may want to bear this in mind and keep cash on hand to build a position incrementally if and when the market deteriorates.

TD Bank is the ultimate “too big too fail” investment. If potential shareholders are thinking of shorting the market, this name could become dirt cheap. Indeed, another economic crash could reduce all but the most resistant names to the level of penny stocks.

Think March 2020, but without the market rally that followed. One of the top 10 banks in the U.S. could prove to be one of the safest stocks on the **TSX**. It could also be one of its best valued.

## The bottom line

All eyes are on the coronavirus curve as international economies tentatively reopen. The motto now is “keep cash and carry on holding.” While TD Bank may have a tough time if the economy crash either side of the border, its survival is paramount and all but guaranteed.

Investors should decide upon the size of their eventual position and build it up, buying the dips – and perhaps the crash – over the coming months.

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1. market crash
2. recession
3. TD Bank Stock

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vhetherington

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