



Why Investors Should Be Watching TD Bank Stock Right Now

Description

The final big earnings season of the year coincides in 2020 with two world-shaking events: a pandemic and a U.S. election. That could make the coming raft of potential earnings beats especially disruptive.

Though we are now facing a second wave of the coronavirus, the quarter being reported on was buoyed by partial reopenings. So, with a pinch of optimism and no small amount of trepidation, let's peer into the crystal ball.

A frothy fall stock market

Everything from a relief rally to a market crash seems possible at the moment. A number of big, bold themes are set to dominate equities in November. Last year, all eyes were on oil prices, the Sino-American trade war, and concerns about the end of the bull market. And it's against that backdrop that one of the most potentially dramatic alignments of events is about to take place.

Two approaches seem prudent right now: so-called "3D investing" and the "build and trim" method. These are both typically low-risk ways to optimize a stock portfolio for a period of increased market volatility. The three "Ds" are defensive, diversified dividends. Building and trimming, then, refers to the method of buying and selling smaller numbers of shares in stages rather than in bulk.

Key stocks to watch in November

Bank stocks, strongly correlated as they are with the economy, are right at the epicentre of these converging themes. A pro-corporate White House proved beneficial to bank stocks four years ago, and could do again. Investors might want to keep an eye on **TD Bank** ([TSX:TD](#))([NYSE:TD](#)) over the next few days for this reason.

Earnings season could mitigate some of the uncertainty in the markets as we head into November. Since the economy was beginning to improve during the quarter now being reported, some earnings beats could be forthcoming. In theory, this should help to cushion the blow of any shocks and surprises

from the combined U.S. election/pandemic market.

Another phenomena to bear in mind with regards to the election also relates to uncertainty. There's been a lot of fear sloshing around in the markets, largely unleashed by the unsettling political climate south of the border. In the [ramp-up to the U.S. election](#), investors want to know which of their asset types will be favoured by the new administration.

But that uncertainty vanishes the moment that the markets have the answer. Whether its a "blue tsunami" or a "red November," investors will no longer be in the dark. And whether the markets love or loathe the outcome, at least that uncertainty will be gone. If 2016 was any indicator, some asset types could even improve, notably banks.

So, let's return to TD Bank for a moment. This key name with a 5.3% dividend yield is undoubtedly a must-have stock for the lower risk breed of investor [going long on wealth creation](#). But investors will soon have an opportunity to build their TD Bank position if the financials market deteriorates. And this could happen for a number of reasons, from an anti-corporate election outcome to a worsening economic outlook.

CATEGORY

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Investing

TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Investing

Date

2025/07/01

Date Created

2020/10/27
Author
vhetherington

default watermark

default watermark