



Blue-Chip Stocks: 2 Top TSX Banks

Description

When it comes to reliable long-term returns, it's often hard to top the performance of **TSX** blue-chip stocks. Typically, these are steady stocks that pay attractive and growing dividends, which pay investors handsomely over time.

Canada's banking sector is home to many of the top TSX blue-chip stocks. Generally, banking tends to be one of the leading sectors for our economy.

While the major Canadian banks usually all offer investors a solid investment proposition, they do differ in how they do so. Each bank might therefore appeal to a different type of investor.

Today, we'll look at two top Canadian bank stocks that can deliver great results for investors over the long run.

BMO

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) is a massive Canadian [bank](#) with a growing stake in the U.S. market as well. It's long been a favourite amongst investors looking for blue-chip stocks.

In fact, when it comes to just looking at dividends, it's hard to argue against BMO. This banking giant has made a dividend payment every single year since 1829 – the longest streak for TSX stocks.

Not to mention, for most of that time BMO has been focused on growing its dividend to continue delivering value to investors. As of this writing, BMO is trading at \$109.99 and yielding 3.85%.

BMO's dividend stability and growth stems from its wide moat of revenue sources. BMO also has a healthy balance sheet with plenty of cushion.

Plus, with its U.S. presence it has more geographical diversification than some of its banking peers. All in all, BMO seems to be in a solid position to continue delivering attractive returns for its investors.

With a yield of nearly 4%, investors can enjoy dividend income from BMO, or re-invest the dividends to fully capture the power of compounding. Either way, it's certainly a blue-chip stock to keep an eye on.

TD Bank

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) is another top Canadian bank ideal for long-term investors. As of this writing, it has a market cap over two times that of BMO.

If U.S. exposure is your thing, TD could arguably be an even better pick than BMO. Along with being a top five bank in Canada, it's also already a top 10 bank in the U.S. as well.

Like with BMO, investors of [TD](#) can enjoy geographical diversification. This helps mitigate some of the risks banks face in terms of Canadian exposure.

TD typically exhibits industry-leading growth and consistently ranks as a top bank in Canada. Investors also enjoy a dividend that clocks in at 3.87% as of this writing.

TD's track record for growth and expansion, and future plans to continue doing so, make it an attractive blue-chip stock for the long haul. Whenever investors can scoop up a near-4% yield with a name like TD, it's typically a solid proposition.

Blue-chip stock strategy

Both BMO and TD offer investors great long-term return potential, especially compared to most other TSX stocks. These banking giants have the financial ability to not only sustain but grow their current holdings and dividends.

If you're looking for some top quality TSX stocks, make sure to not ignore these names.

CATEGORY

1. Bank Stocks
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1. NYSE:BMO (Bank of Montreal)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:BMO (Bank Of Montreal)
4. TSX:TD (The Toronto-Dominion Bank)

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Date

2025/08/18

Date Created

2021/03/12

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