



1 Top Canadian Stock Long-Term Investors Should Buy Today

Description

Long-term investors looking for reopening plays have flocked en masse into banking stocks over the past year. Indeed, such investors have been rewarded handsomely.

For those who'd bought the dip last March and locked in high single-digit dividend yields and massive capital appreciation, kudos to you. For those who feel like they may have missed the boat, all hope is not lost yet.

Indeed, there are a few catalysts on the horizon that could be the rising tide that lifts all boats. Rising bond yields have certainly helped these banks. Expectations of economic activity resuming, employment numbers improving, and consumption increasing are also bullish.

For income investors who are looking to play this space safely, there are few options as good as **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)). Here's why this stock has been one of my [top picks](#) for quite some time.

Excellent business model & yield

TD's business model is one that separates it from the pack.

Indeed, most investors are aware of the company's strong retail presence in Canada and the United States. However, the company's focus on operational efficiencies and margin-improving technological advancements are less known.

This is a stock that has increased more than 45% over the past year for a reason. TD has managed through the pandemic prudently and has trimmed down its retail operations in markets it thinks it can replace its footprint with technology.

Indeed, TD appears to be a leader on the business model and operations side. This makes the company's 3.8% dividend yield seem high, particularly given where bond yields are today.

For those seeking income and growth, TD is a great marriage of the two.

Interesting acquisition unfolding

Remember all that talk about TD being a leader in focusing on innovative technologies?

Well, TD has just announced that it will be taking over U.S.-based **Headlands Tech Global Markets LLC**.

What does this target company do?

Headlands is an electronic bond-trading company. TD is hoping to expand its existing operations in both the municipal and corporate bonds divisions. Furthermore, it will also position TD well in its bid to improve its bond-trading platform.

Indeed, TD's management team is banking on the hope that this deal will streamline bond-trading operations and better facilitate the execution process. Following the completion of this acquisition, all 15 employees of Headlands will join this bank.

The CEO of Headlands believes that their advanced fully-automated bond trading platform is perfectly in line with Toronto-Dominion's existing operations. It appears that the bank will not be revealing the cost of acquisition, as it believes that this deal will not have a significant impact on its capital. This is Toronto-Dominion's second acquisition in 2021; earlier this year, it had announced that it would be taking over the Canadian equipment business of **Wells Fargo**. Indeed, a lot of upside is impeding for this company following the announcements of these two acquisition deals.

Bottom line

Toronto-Dominion has always been one of my top picks when it comes to playing the banking space. Its sustainable business model and decent dividend yield certainly make this a great option for investors.

However, with this new acquisition, I believe that there's ample scope for long-term growth for this company. Hence, investors must add this stock to their portfolio to maximize their returns.

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TICKERS GLOBAL

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

2025/08/16

Date Created

2021/03/31

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