



TSX Stars: 2 Banking Giants to Buy

Description

When it comes to long-term investing, many investors favour reliable blue-chip stocks. These TSX stars tend to offer steady growth both in their share price as well as dividends.

Over time, the total return potential for a blue-chip TSX stock is attractive. This is especially true within a TFSA, where investors can enjoy tax-free compounding over time.

It's important to note that these stocks will likely never blow the roof off when it comes to share price appreciation. Instead, these are stocks that are able to offer dependable returns over time.

Typically, these returns outpace riskier stocks with a long enough time horizon. That's why picking the best TSX stars to buy is a high priority for Canadian investors.

Today, we'll look at two Canadian banking giants that can offer attractive returns over time.

Scotiabank

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) is a massive Canadian bank stock with a substantial and growing international presence as well. As of this writing, it has a market cap of \$94.66 billion.

When it comes to TSX stars, it's hard to ignore BNS. This banking star has paid a [dividend](#) every year since 1832 and grown its dividend for most of that period as well.

It also consistently offers moderate share price growth to investors and has avenues in place to continue to do so going forward. International expansion is a key driver for Scotiabank's growth going forward combined with its steady Canadian presence.

Investors in it for the long haul might be attracted to BNS. That's because as of this writing, this TSX star is trading at \$78.16 and yielding 4.61%.

Over time, that dividend could help drive massive returns for investors. This is done either through

straight up passive income, or by re-investing those dividends into purchases of more stock.

The bottom line for BNS is that it has a practically impeccable track record for dividend and share price growth, and is on track to maintain that going forward. Investors looking at a long horizon for investment stand to benefit from that.

BMO

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) is another massive Canadian bank stock. Beyond Canada its focus is mainly on building its U.S. division.

When it comes to TSX stars with [stable dividends](#), you simply can't pass over BMO. This stock has paid a dividend ever single year since 1829, while offering dividend growth for the majority of that time as well.

What's more, its expansion methods and steady moat of revenue streams give this stock the stability and growth prospects investors are looking for. Over time, this TSX star has great total return potential for patient investors.

As of this writing, BMO is trading at \$113.66 and yielding 3.73%. While that's not the most eye-popping yield out there, it's roughly par for the course in terms of BMO's recent yield figures.

That means investors are getting a relatively fair price in terms of the dividend when it comes to this TSX star. Investors looking for a reliable banking giant should not overlook BMO.

Picking TSX stars

Both BMO and BNS deserve strong consideration as reliable blue-chip stocks in a portfolio. If you're looking to add some strong backbone to your investments, be sure to give these names a look.

CATEGORY

1. Bank Stocks
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2. NYSE:BNS (The Bank of Nova Scotia)
3. TSX:BMO (Bank Of Montreal)
4. TSX:BNS (Bank Of Nova Scotia)

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Date

2025/08/17

Date Created

2021/04/07

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