



Today's Top TSX Pick: TD Bank Stock

Description

TD Bank ([TSX:TD](#))([NYSE:TD](#)) wins the title of my top **TSX** pick of the day. The Canadian bank is coming off its climb out of those ominous March 2020 lows — a time when some bears thought that the glory of days of the Canadian banks were over.

When one analyst turned, in particular, turned their back against TD Bank stock back in October 2020, I pounded the table despite the headwinds. Despite the lack of catalysts, despite the low rate environment which had the Fed not even thinking about thinking about raising interest rates, despite the distaste for Canadian banks in the sell-side analyst community, despite rising provisions and despite the fact that there was no breakthrough vaccine just yet.

Sometimes you just have to be a contrarian and stick with history.

TD Bank and its peers have been through more than their fair share of crises, crashes, disasters, bear markets, downturns, and meltdowns. Yet, they've risen out of each one with their heads (and dividends) still intact. Sure, the pandemic and the coronavirus recession had no historical comparables. But that didn't change the fact that Canadian banks were resilient — perhaps far more resilient than most pundits gave them credit for back when credit was tightening.

I bought TD Bank stock, as others sold and was rewarded with a swollen dividend yield alongside abrupt capital gains. In spite of the pressures, I never viewed TD Bank's dividend as being at risk. The brilliant managers led by CEO Bharat Masrani are among the best risk managers on the planet. They'll gladly pass on a chance to pull ahead of Royal Bank of Canada by extending too many sub-par loans when credit is easy if it means being in a great spot to weather the next storm.

While TD Bank stock won't make you rich overnight as Bitcoin can, it will help you get ahead and stay ahead.

TD Bank weathered the coronavirus crisis and its stock, which is now at all-time highs, reflects such. Although the momentum behind TD stock has since slowed, I still think there's a tonne of value to be had for long-term investors who want to improve their portfolio's risk/reward profile.

No, TD Bank isn't going to make you rich, like [Bitcoin, NFTs, or any other speculative assets](#) that's popular these days will. But TD stock as a core holding in your portfolio will help you build and maintain wealth over extended periods of time.

I have no idea if Bitcoin will be around in the next decade. TD Bank will and it'll have hiked its dividend many times over by then, even with the odd market crash thrown into the equation. With rates likely on the rise in the "Roaring Twenties," I think banking exposure is a must, even though I'm sure innovative minds like [Cathie Wood](#) think that old-school banks are on the wrong side of a secular trend.

Foolish takeaway

Call them too big to fail, if you like, but Canada's banks are must-owns for any portfolio aiming to beat the markets consistently over the long term. There's a reason why Warren Buffett owns the big banks. And TD Bank, I believe, is best-in-breed. Not only for its top-notch risk management but for its ability to grow its high-quality of earnings.

TD stock may no longer be a steal, but it's still a relative bargain in this expensive market environment over the long term.

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