



TFSA Investors: 1 Top Buy-and-Hold Forever Stock Pick

Description

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) is the second-largest financial institution in the country and has one of the most significant retail banking operations in the U.S. right now. It could be gearing up to expanding its operations through [merger deals and acquisitions](#) in the U.S.

The bank stock has been a staple investment for all kinds of investor portfolios. Toronto-Dominion Bank is up by 14.41% on a year-to-date basis at writing, and it sports a juicy 3.84% dividend yield.

I will discuss how the bank has performed well over the last year and why it would make an excellent addition to your Tax-Free Savings Account (TFSA) portfolio as a buy-and-hold-forever stock pick.

Fantastic performance

The bank released its Q1 2021 results on February 25, 2021. Its earnings report revealed that its Canadian Retail division reported adjusted net income of \$2.03 billion, up 12% from the same quarter last year. It also reported slightly higher revenues due to the improved loan and deposit volumes amid the economic recovery.

The company also reported better transaction and fee-based revenues through its wealth management business. The lower interest rates due to the pandemic led to lower margins for the financial institution.

Its net income through U.S. retail operations dropped 13% from the same period last year. Charles Schwab and TD Ameritrade contributed \$209 million and \$201 million to this segment, respectively. The bank said that Schwab will likely contribute \$223 million to its earnings in Q2 2021.

The bank's overall adjusted net income climbed to \$3.38 billion, up from \$3.07 billion in the previous year. The company's exposure to a surging U.S. market is one of the primary reasons to become bullish about the bank stock in the coming months.

Exciting prospects for 2021 and beyond

Canada has been slow with its vaccine rollout, and several provinces have faced challenges in delivering the vaccine to their citizens. There's a great deal of hope that the situation will improve as summer approaches. The Canadian economy is still rebounding, making Canadian banks an ideal investment for investors to consider.

The U.S. has had its fair share of trouble with the pandemic but surged ahead of the world with its vaccine rollout. The U.S. will likely become a leading exporter of the vaccine by the second half of the year. The rapid rollout has allowed the U.S. to achieve faster reopenings throughout the country and boost its economy.

Foolish takeaway

TD Bank has a terrific footprint in the US banking sector. The favorable conditions for the U.S. economy are expected to result in a massive rebound in the country's gross domestic product (GDP). The positive movement in the U.S. gross domestic product will spill over in Canada, and TD Bank is the most well positioned industry operator to benefit from the improving climate.

TD Bank shares are trading for \$82.31 per share, and the stock sports a juicy 3.84% dividend yield at writing. Its price-to-earnings ratio of 12, putting it in an excellent position in the industry and making it an [attractive buy-and-hold investment](#) for TFSA investors to consider.

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Date

2025/08/28

Date Created

2021/04/23

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