



1 Top TSX Bank Stock to Buy in Any Market

Description

Banks have proven they're a great place to be right now. Indeed, few investors would have thought this to be the case one year ago.

Fast forward a year later, and everyone's piling into this trade. Indeed, the reopening thesis remains strong with large banks right now. The wave of stimulus we've seen from global central banks has improved the credit outlook for consumers. For banks, this is a great thing.

Investors seeking [excellent long-term total returns](#) have traditionally done very well with **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)). Here's why I think this is likely to continue for some time to come.

Strong fundamentals back up its historical dividend growth

For more than two decades, investors in TD have seen double-digit annual returns. These returns are partly derived from an impressive dividend yield, which has grown at near-double-digit rates for the past five years.

For investors seeking excellent total returns, TD bank has been one of the most stable long-term play on the **TSX** historically. Indeed, I think this big bank has excellent prospects to keep the ball rolling for years to come.

The company's earnings per share (EPS) growth rate is expected to come in just shy of 20% a year for the next couple years. Indeed, earnings have beat by roughly this margin during the company's recent earnings report. Like its peers, TD is benefiting from the removal of loan loss provisions and other short-term earnings catalysts.

However, I think TD's core business model is one that could continue to provide long-term upside for investors.

Strong business model continuing to get stronger

TD has proven itself to be a leader in creating operational efficiencies. Indeed, among its peers, TD is a leader in taking an innovative approach to integrating technological improvements into its business model.

The company's expanded its mobile banking offerings, and closed down underperforming branches. Accordingly, TD has become a leaner, meaner, cash flow-growth machine. For long-term investors, that's a great thing.

I think TD's recent deal with Charles Schwab gives this bank yet another catalyst for long-term growth. The bank is expanding operations outside of its core retail banking segment. The diversification TD provides, along with its growth tilt, make this a top bank stock for Canadian investors today.

TD's focus in the U.S. market has been a source of strength for TD in the past. Those banking on a strong recovery in the U.S. coming out of this pandemic want to put their money on this Canadian bank today.

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TICKERS GLOBAL

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

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