



2 Top Bank Stocks to Buy Right Now

Description

Canadian bank stocks have been a great destination for investors. They have provided investors with consistent long-term returns and [growing dividends](#) over time. Indeed, finding a more consistent place to park long-term cash is hard to do.

In Canada, there are six major banks accounting for the vast majority of the overall market share in this sector. However, I view **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) and **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) as two of the best bets in this sector.

Here's why.

Top bank stock: TD Bank

Toronto-Dominion Bank is one of the leading Canadian bank stocks. TD Bank has proven its worth over the long term. Investors ought to take a look at this company's long-term stock chart for confirmation of this.

One of the reasons TD has outperformed most of its peers over the long term is the company's international focus. Specifically, TD is focused on the U.S. market and is one of the leading retail banks on the East Coast. In addition to this, the lender's online trading platform, **Ameritrade**, has been a winner. TD has sold off most of its stake in this division, though the company still holds significant exposure to these cash flows.

TD is also a bank that hasn't been afraid to trim the fat. This is a company that has scaled its operations well and has focused on digitizing its offering. Closing underperforming retail locations and providing services online is a shift the industry is undertaking right now. It just so happens TD is one of the leaders in this regard. That's one key reason to like this lender over its Canadian peers.

Additionally, TD is less exposed to the Canadian mortgage market than most of its peers. This is a truly

international bank with excellent growth prospects. Long-term investors seeking dividend and capital appreciation growth can't go wrong owning this top TSX bank stock.

Top bank stock: Royal Bank of Canada

The largest Canadian bank, and one of the largest bank stocks in the world, happens to be Royal Bank. As with every sector, size matters. And in this regard, Royal Bank is truly the king.

Royal Bank has gotten to this size over the years via a series of acquisitions and mergers. However, this is also one of the most integrated banks, with highly diversified revenue streams. Accordingly, investors seeking defensiveness among Canadian bank stocks can't go wrong owning Royal Bank.

The company's been making some intriguing moves into venture capital and other high-growth areas. Like TD, Royal Bank is focused on diversifying itself from the pack. This lender has done this via a range of diversification efforts I view as a huge positive.

Those banking on a continued economic rebound would do well to own the sector leader among Canadian bank stocks. Indeed, Royal Bank's [3.3% bond-like yield](#) is just the cherry on top. This is a company I view as a safe and consistent long-term holding and would consider this stock on any pullbacks.

CATEGORY

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2. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:RY (Royal Bank of Canada)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:RY (Royal Bank of Canada)
4. TSX:TD (The Toronto-Dominion Bank)

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