



Why TD Bank Stock Remains a Hot Stock to Buy Right Now

Description

The Canadian banking sector is one that has provided long-term investors with incredible total returns. Aside from capital appreciation, these big banks have brought in attractive [bond-like dividend income](#) for investors over time. That's something that is unlikely to change anytime soon.

Accordingly, I'm always on the lookout for big banks with impressive historical performance. However, strong prospective performance looking forward is also important. In this regard, **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) continues to be a top pick of mine.

Let's dive into why TD Bank stock is a great pick for long-term investors to consider right now.

TD Bank stock: One providing diversification and growth

Toronto-Dominion Bank is one of the leading banks in North America. This Canadian bank has shown excellent operational efficiency metrics and is likely to continue to do so for some time. This is a bank that has maneuvered the pandemic well and is positioned for continued growth in the years and decades to come.

Indeed, TD Bank stock benefits greatly from its international exposure. While more than 50% of the company's total operations still come from Canada, the U.S. is a major market for TD overall. Accordingly, Canadian investors are able to gain excellent leverage to the U.S. while retaining the dividend tax credit and other favourable conditions as a result of buying TD stock.

This is a company I've looked at as a great pandemic recovery play. Here's why investors may want to consider TD Bank stock coming out of this mess.

There's ample room for optimism

Given TD's recent strong earnings, this is a bank with impressive liquidity and cash reserves that are just waiting to be doled out to investors. While the company currently pays a [dividend yield of 3.7%](#),

most investors expect that yield to grow in the near future. Once regulators allow for dividend hikes, I expect TD to be among the first banks to announce in the quarters to come.

Until then, TD Bank stock is one with an excellent business model. This bank is well positioned in the retail banking segment and growing brokerage services business. Accordingly, investors looking for a top Canadian bank stock with diversified revenue streams have a lot to like about TD Bank stock.

This is a company that's likely to produce some stellar earnings in the years to come, as the North American recovery picks up steam. I like TD's U.S. exposure and think this bank will likely outperform for this reason.

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1. Bank Stocks
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3. Investing

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