



Canadian Banks: 2 Giants to Buy

Description

For long-term investors, the Canadian banks have long been great options to rely on. This is because these blue-chip giants generally offer both respectable share price growth as well as rock-solid dividends to boot.

Over time, by re-investing the dividends received, investors stand to rake in high total returns with these Canadian bank stocks. Each of the major bank stocks in Canada offer investors unique benefits and upsides worth considering.

So, while all of them can be ideal choices for different investment styles, individual [investors](#) must choose which ones fit their needs the best.

Today, we'll look at two viable Canadian bank stock choices that could deliver great total returns over time.

BMO

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) is a major Canadian bank with a strong presence in both Canada and the United States. It's a strong bank stock due to its healthy and attractive dividend and penchant for growing that dividend.

BMO is a household name amongst long-term dividend investors, and for good reason. This banking giant offers investors a rock-solid dividend backed by a long history of dividend growth.

As of this writing, BMO is trading at \$129.94 and yielding 3.26%. While that yield trails BMO's typical offering, it's because it's been forced to hold its dividend for some time now.

With the economy starting to roll again, this Canadian bank will be able to offer dividend increases to its investors slowly going forward. Long-term investors might want to hop on before that sort of event takes place.

BMO is a good choice for investors that like the bank's U.S. exposure. BMO has strong footing with our neighbours to the south, and many view that as an avenue for growth going forward.

At any rate, this top Canadian bank stock is ideal for blue-chip investors looking for a safe long-term play with upside.

TD

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) is another major Canadian bank stock, which also has a strong foothold in the U.S. to go with its Canadian standing.

TD differentiates itself from its peers with its unique lending portfolio and exposure to different industries. TD has a bit more of a diverse lending portfolio and has interesting geographical diversification as well.

As of this writing, TD is trading at \$85.42 and yielding 3.7%. Once again, investors can expect this Canadian bank stock to start pushing its [dividend](#) up when the time is right.

With that dividend, TD is sitting at only a 37.22% payout ratio. That means there is plenty of breathing room to move the dividend up, and Canadian bank stocks typically hang around at a much higher payout ratio.

For the long term, TD has all the makings of a stock that can offer great total returns. It has solid share price growth potential as well as a very stable dividend with room to run.

Canadian banks' strategy

Both BMO and TD are great options for long-term investors looking to hop onto the Canadian banking train. These Canadian bank stocks both offer benefits that investors should consider for the long haul.

If you're looking for some solid blue-chip stocks for the future, be sure to give these names consideration.

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

2025/08/17

Date Created

2021/10/08

Author

jageguin

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