



2 Canadian Banking Stocks to Buy Before Dividend Hikes Resume

Description

Canadian investors have always invested a considerable amount of money in Canadian bank stocks for various reasons. Investors seeking long-term wealth growth through capital gains and [dividend investing](#) tend to choose the top Canadian banks due to their reputation for providing them with some of the best total returns among equity securities.

Canadian banking stocks have long provided some of the best [dividend earnings](#) to investors, with some of the top names distributing a share of profits with investors through shareholder dividends for almost two centuries.

It makes sense to see many investors choosing to invest in a basket of Canadian bank stocks to replicate the performance of the top financial institutions in the country. Today, I will discuss two of the top Canadian bank stocks you should have on your radar if you are a self-directed investor who wants to consider individual picks from the sector.

Toronto-Dominion Bank

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) is one of the top names to consider if you want to invest in Canadian banks. The financial institution has strong domestic operations, but its cross-border presence in the U.S. retail banking sector is attributed to providing much of the bank's success. The company's revenue growth has been consistent for a long time, making it a reliable stock to bank on for long-term shareholder returns.

TD Bank stock's immense presence in the U.S. gives Canadian investors significant leverage on the performance of the US economy. As the world slowly moves past the pandemic, an improvement in the U.S. economy could provide the bank with a substantial boost. At writing, the stock is trading for \$89.54 per share and boasts a juicy 3.53% dividend yield that you could lock into your portfolio today.

Bank of Nova Scotia

Bank of Nova Scotia (TSX:BNS)(NYSE:BNS) is a stock you could consider a must-buy if you are interested in becoming a stock market investor and looking for a foundational holding. Like TD Bank, Scotiabank has significant international operations. However, Scotiabank's exposure to international markets in the Latin American region could likely give the bank an edge over its peers in the coming years.

The Pacific Alliance countries, namely Columbia, Peru, Chile, and Mexico, have established a trade bloc. The countries' economies are expected to grow faster than G7 countries in the coming years, giving Scotiabank exposure to high-growth markets that its peers do not possess. At writing, Scotiabank stock is trading for \$82.36 per share and boasts a juicy 4.37% dividend yield that you can lock into your portfolio today.

Foolish takeaway

The government has yet to give the go-ahead to Canadian banks to resume dividend hikes. As the global vaccination rates increase and the economic expansion continues, it is only a matter of time before Canadian banks get the green light. Several of the top names in the industry, like TD Bank stock and Scotiabank stock, are well-positioned to deliver a substantial hike in shareholder dividends.

It could be the perfect time to pick up shares of these financial institutions to [enjoy long-term wealth growth](#).

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