



5 Reasons to Buy TD Bank (TSX:TD) Stock Today

Description

A single stock investment minimizes monitoring but is risky because the general rule in investing is not to put your eggs in one basket. More than 3,500 companies, distributed in 11 primary sectors, are listed on the **TSX**. The setup enables investors to diversify to spread out the risks.

There's no consensus on how many stocks one must hold in a portfolio. However, most investors have an anchor stock backed up by several others. The anchor is usually the best in the lot or unshakeable regardless of the economic environment. Also, [long-term investors](#) can hold the stock for years, if not decades.

If you were to pick an anchor for your basket of stocks, the **Toronto-Dominion Bank (TSX:TD)(NYSE:TD)** is among the top choices. Canada's second-largest bank isn't a hard sell, but there are five reasons the blue-chip stock is a must-buy today.

1. Top Canadian brand

TD is the number one brand in the Canada 100 2021 Ranking by Brand Finance (brandirectory.com). In July 2021, Euromoney's Awards for Excellence named TD, through TD Securities, Canada's Best Investment Bank. The \$166.13 billion bank is third by market cap in TSX's top 10 constituents (as of November 4, 2021).

2. Financial strength and stability

A calamity that hit the financial markets beginning in December 2007 led to the 2008 global financial crisis. Top investment bank Lehmann Brothers and two others collapsed when the U.S. economy declined severely. The Great Recession exposed to the world that Canada has the soundest banking system.

No Big Bank requested for a bailout, nor did a systematic collapse ensue. In Q1 fiscal 2009 (quarter ended January 31, 2009), TD reported revenue and adjusted net income growths of 1% and 8.4%

versus Q1 fiscal 2008. The quarterly results showed strength and stability amid the turmoil.

In the health crisis, TD delivered solid profit growth once more. After three quarters in fiscal 2021 (nine months ended July 31, 2021), the bank's reported net income of \$10.78 billion was 54% higher than in the same period in fiscal 2020. TD's Canadian and U.S. retail segments reported 68% and 92% net income growth in Q3 fiscal 2021 versus Q3 fiscal 2020.

3. Expansion mode

TD is already a top 10 bank (8th) in the U.S. by asset size, but expansion isn't over. After Q2 fiscal 2021, Canadian Big Banks had grown their cash piles. Bharat Masrani, TD Group's CEO, said the bank is very open to a major bank deal in the U.S. He intimated that TD has around \$30 billion to splurge on M&As.

4. Outstanding dividend track record

Income investors, retirees, and millennials will not lose sleep over TD's ability to sustain paying dividends. The 164 years dividend track record is solid proof that it's in the bank's DNA to share a [portion of earnings](#) with shareholders.

5. Dividend growth

On November 4, 2021, Peter Routledge, Head of the Office of the Superintendent of Financial Institutions (OSFI), announced the lifting of restrictions on share buybacks and [dividend increases](#). Thus, TD and its industry peers have the green light to hike payouts to investors.

No regrets

End 2021 on a bright note and pay yourself forward by buying the bank stock today. TD trades at \$91.28 per share and pays a 3.46% dividend, which means they'll be no regrets.

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