



Is TD Bank (TSX:TD) Stock a Good Buy Today?

Description

Stock market investing has become increasingly popular in recent years with the growing awareness about the importance of having multiple revenue streams.

Many Canadian investors choose to go the route of hands-off investing by purchasing baskets of securities that offer them exposure to a diversified portfolio of assets. Others choose to start self-directed investment portfolios in their investment accounts to eliminate any investment management fees.

[If you're just starting investing](#), and you are interested in taking the latter route, it is crucial to identify high-quality assets that you can buy and hold for a long time to generate significant investment returns.

If you're creating your own investment portfolio, it is important to remember that you should not put all your eggs in one basket. However, it is important to establish strong foundations for your portfolio with a few core holdings that are backed up by others that might be shorter-term investments. The core holdings for your portfolio have to be resilient businesses with excellent historical performance and the potential to continue delivering reliable shareholder returns.

Today, I will discuss **Toronto-Dominion Bank (TSX:TD)(NYSE:TD)** stock, an asset that is a top choice for many Canadian investors as the foundation for their investment portfolios. Reading this post will help you understand why it could be a valuable addition to your portfolio as a core investment.

A strong and stable financial institution

TD Bank is one of the top financial institutions in Canada and one of the Big Six banks. The bank has long held the reputation for being financially strong and stable, and it showed its mettle during the financial crisis in 2008. The Great Recession devastated stock markets worldwide, and many top financial institutions buckled under the pressure of the financial crisis.

The U.S. economy went through a significant downturn, and several top investment banks went belly up due to the challenging market environment. However, TD Bank and its peers stood firm during the

financial crisis. TD Bank reported a strong performance, despite the challenging market environment.

The bank's Q1 earnings report from fiscal 2009 showed an improved adjusted net income by 8.4% and revenue growth by 1% from the same quarter in fiscal 2008.

The bank has put up a stellar performance in the current global health crisis, delivering solid profits yet again.

Excellent dividend history

TD Bank stock has a [stellar track record](#) for paying shareholder dividends. The bank stock has paid its shareholders their dividends for the last 164 consecutive years, continuing its payouts through financial crises and two World Wars. It shows that sharing a portion of its profits is an integral part of the bank stock.

After the announcement from the head of the office of the Superintendent of Financial Institutions earlier in November, Canadian financial institutions can resume share buybacks and dividend hikes. The announcement will allow TD Bank and its peers to increase their payouts to shareholders once again — a move that can provide another boost to the passive income you can generate by owning the stock.

Foolish takeaway

At writing, TD Bank stock is trading for \$93.31 per share, and it pays its shareholders at a juicy 3.39% dividend yield. With an [imminent dividend hike](#) on the horizon, its dividend yield could see a significant hike in the coming weeks. The bank stock is up by almost 30% year to date and looks on track to continue its strong bull run in 2022. It could be the ideal time to add its shares to your investment portfolio today.

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