



TD (TSX:TD) Stock: Why the Bank Surged 7% This Month

Description

Motley Fool investors aren't necessarily used to the Big Six banks [surging](#). Yet that's exactly what happened during the last month with **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)). Shares of TD stock have climbed 7% in the last month, jumping just as earnings come around the corner.

What happened?

The jump occurred after a slew of announcements from TD stock. The first was the announcement that earnings would be released Dec. 2, as predicted. But then several more announcements came down the line. The first two were normal, with TD announcing its ETF distributions and annual reinvestment. TD stock was also nodded at for four mutual fund awards and was one of the most sustainable companies.

These are all great buzzwords, but the big push was likely a number of analyst upgrades. Shares of TD continue to trade at about \$93 per share. However, many analysts started bumping target prices to the three-digit range. This would mark the first time TD stock reached the three-digit level!

What analysts are saying

TD stock continued to be a top pick amongst the Big Six banks for analysts. TD stock remains a solid choice thanks to inflation, customer activity, rising interest rates, and, of course, the push in dividend hikes and buybacks. All of this combined creates a situation where the company is likely to outperform, even in the banking sector.

Part of this comes down to the reshuffle in leadership, with a new boss in the U.S. sector of TD. This could energize its strategy out of the pandemic, creating further U.S. opportunities, along with its already booming U.S. and online sector. This could, in fact, include some mergers and acquisitions in the U.S., according to analysts.

Should investors buy TD stock?

There are a few obvious reasons by analysts continue to recommend TD stock as a buy. This growth will fuel double-digit dividend hikes — something all Motley Fool investors should see from the [banks](#). But furthermore, this stock is certainly headed towards the three-digit range.

When (not if, when) that happens, there should be a boost from hitting that achievement. This could send shares up even higher right before the end of 2021. And given its trajectory over the last few decades, TD stock isn't likely to come back down again.

So, with a dividend hike in store and a potential upside to over \$100 per share, TD stock is certainly one to consider for long-term [investors](#). And the best news? It remains a value stock. You can currently pick up TD stock with a P/E ratio of just 11.26 and a 3.32% dividend yield.

Shares are up 30% year to date, compared to the **TSX** up 18%. TD stock will report its fourth-quarter earnings on Dec. 2, 2021, before market open. Analysts currently estimate TD to report earnings per share of \$1.94. Last quarter, it beat earnings estimates by four cents, reporting \$1.98, above the predicted \$1.92.

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Author

alegategwolfe

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