



Great Buy: This Big Bank Is on Sale Now!

Description

How diversified is your portfolio? Finding that perfect mix of stocks can be daunting to some investors. Fortunately, there are some great buys on the market to consider irrespective of the investing climate. Canada's big banks are always great options, and this big bank is on sale right now.

Which bank should you buy?

Canada's big banks, particularly the Big Five, are very much alike. They all offer a defensive if not stable domestic segment. The banks also offer juicy quarterly dividend as well as solid results with each passing quarter. Finally, they all have established international segments that are a source of growth.

So, [which big bank](#) should you buy now? That would be **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)), one of the largest of the big banks. TD also happens to be a big bank on sale right now, making it an excellent time for investors looking to expand their portfolio.

Here's a look at why.

What makes TD Bank so special?

The long-term potential of TD is off the scale, and that's without factoring in the fact that the big bank is on sale right now.

Like all of its big bank peers, TD offers a strong domestic network of branches and products that provide a reliable source of revenue. TD has also expanded heavily into the U.S. market over the past decade, and that is where long-term growth lies.

In the years following the Great Recession, TD acquired several smaller banks along the U.S. east coast. Those banks were rebranded and stitched together to form a U.S. network of over 1,000 branches stretching from Maine to Florida.

More recently, TD has reignited that growth spark. In February of this year, TD announced it was acquiring Tennessee-based First Horizon. The US\$13.4 billion deal will expand TDs coverage to an additional 1.1 million customers across 12 states.

As a growth stock, there are several points that should excite investors.

Apart from the significant expansion to additional markets, it's worth noting that the First Horizon markets are forecasting significantly higher population growth. This provides TD with a front seat to that future growth potential.

Additionally, adding First Horizon's +400 branch locations to TD's massive network will solidify the bank as one of the top six banks by size in the U.S. market.

Finally, let's talk about income potential. TD has provided investors with a handsome dividend for well over a century without fail. In fact, TD has also provided investors with an appetizing annual bump to that dividend. The most recent uptick, which came following the removal of pandemic restrictions on dividend hikes, came earlier this year.

The current yield works out to an appetizing 3.79%. This means a \$40,000 investment will earn over \$1,500 in the first year alone. This makes TD one of the [better-paying income stocks](#) on the market.

A big bank is on sale: Will you buy?

There's no such thing as a stock without some risk. Every single stock carries some risk, and that includes TD. Fortunately, TD is a stellar option to consider for both income- and growth-seeking investors, with minimal risk. Factor in the current discount on the stock, and you have a near-perfect investment.

Despite all that potential, TD still trades at a relatively attractive P/E of just 11.77. Over the trailing three-month period, the stock is down nearly 10%. This makes it a great time to consider buying.

In my opinion, TD is a great option that should be part of every well-diversified portfolio.

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