



## Where to Invest \$1,000 for the Next 5 Years

### Description

The key to counter recession fears or panic in 2022 is to pick companies that could weather an economic downturn and recover faster than others. If you're [investing \\$1,000 today](#) amid the volatility, you have solid choices on the **TSX**. You can invest your money in **Toronto-Dominion Bank** ([TSX:TD](#)) ([NYSE:TD](#)) and **Emera** ([TSX:EMA](#)) for the next five years.

Canada's second-largest bank is resilient as ever and has a compelling growth story. The utility stock should perform well, regardless of the market environment and keep investors happy with dividend payments.

### Better scale is coming

TD continues to scale in the U.S., especially on the investment banking side. It is waiting to obtain regulatory approvals to take over First Horizon Corp. and brokerage firm Cowen Inc. Both acquisitions are potential growth drivers. The expected merger with First Horizon in the first quarter (Q1) of fiscal 2023 will make TD the sixth-largest bank in the U.S.

The \$159.45 billion Canadian lender has long desired to penetrate and fuel its expansion in the markets of the southeastern United States. Bharat Masrani, TD's Group president and chief executive officer (CEO), said, "First Horizon is a great bank and a terrific strategic fit for TD." He expects immediate presence and scale in highly attractive adjacent markets in the U.S. with significant opportunity for future growth across the southeast.

TD's combination with Cowen, a rapidly growing investment bank, will accelerate its strategic growth plans across the border. Management expects the combined pro-forma global revenues to increase by more than one-third to roughly \$6.8 billion.

Apart from the added advisory, capital markets, equity execution and industry-leading research capabilities, the parties can broaden their expertise in key growth sectors.

The revenue synergies that TD will derive from First Horizon (over US\$600 billion) and Cowen

(US\$300-US\$350 million) are fantastic. Despite the 6.69% year-to-date loss, the big bank stock is an intelligent buy. At \$87.93 per share, the dividend yield is an attractive 4.04%.

## Essential services

Emera is a suitable choice for [risk-averse investors](#). The \$16.22 billion energy and services company provides essential services, namely electricity generation, transmission, and distribution. After the first half of 2022, net income attributable to common shareholders increased 15.2% year over year to \$295 million.

Its president and CEO Scott Balfour said, "Our portfolio of high-quality regulated assets continues to deliver solid performance and predictable earnings growth." Emera's regulated assets include Florida Electric Utility, Canadian Electric Utilities, Gas Utilities & Infrastructure, and other electric utilities.

The rate-regulated businesses and service areas of Emera are competitive advantages. Both Florida and Nova Scotia have stable regulatory policies and economic conditions. Thus, earnings, cash flow, and dividends from the portfolio of regulated utilities are generally reliable.

Emera expects its rate base to grow 7-8% through 2024 with the \$8.4 billion capital investment plan (2022 to 2024). Management plans to increase the annual dividend by 4% to 5% within the same period. The utility stock trades at \$61.04 (-0.29% year to date) and pays a 4.4% dividend.

## Park your money

Whether you invest \$1,000 or \$10,000, TD and Emera are safe places to park your money for the next five years.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:EMA (Emera Incorporated)
3. TSX:TD (The Toronto-Dominion Bank)

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