



Why Is Everyone Talking About TD Stock?

Description

TD Bank ([TSX:TD](#)) is the second largest of the Big Six Canadian banks. It is behind only **Royal Bank**, as they are the [two largest stocks by market cap](#) on the **S&P/TSX Composite Index**. Today, I want to discuss why Canadians have their eye on TD Bank and some of its peers in the early part of November. Let's jump in.

How has TD Bank stock performed in the autumn?

Shares of TD Bank have dropped 11% in 2022 as of close on November 4. That has pushed this top stock into negative territory in the year-over-year period. However, its shares have jumped 6.9% over the past month.

TD Bank has managed to regain momentum along with the broader TSX since early October. At that time, North American stocks were [broadly reeling](#). Despite the October bump, there is still considerable anxiety surrounding the market and the broader economic. Canada's largest financial institutions may be entering an extremely challenging period. The Bank of Canada (BoC) has pushed forward with its most aggressive interest rate-tightening program in decades. That has put immense pressure on the Canada housing market and on Canadian consumers.

Will this top bank stock continue to build on a strong performance in October? That may depend on how investors digest its final batch of earnings.

What should you expect ahead of its next earnings release?

Canada's [second-largest bank](#) is expected to unveil its fourth-quarter and full-year fiscal 2022 earnings on December 1, 2022.

The bank released its third-quarter (Q3) fiscal 2022 results on August 25. In Q3 2022, it posted adjusted net income of \$3.81 billion or \$2.09 per share — up from \$3.62 billion, or \$1.96 per diluted share. Canadian Retail delivered net income growth of 6% from the prior year to \$2.25 billion. That net

income growth was powered by higher banking and insurance volumes, improved profit margins from rising interest rates, record credit card sales, and an increase in customer activity.

TD posted United States Retail banking adjusted net income growth of 13% to \$1.46 billion. It posted personal loan and deposit growth of 8%, which fueled overall loan growth of 2.6% in the quarter. Meanwhile, Wholesale Banking net income plunged 18% from the previous year.

Income growth has slowed considerably at TD Bank in this challenging economic climate. Higher interest rates will limit credit growth. However, it will also lead to improved profit margins for all the top Canadian banks.

TD Bank: Is it worth buying today?

Besides being two of the top banks in Canada, TD Bank is also one of the largest retail banks in the United States. That means investors are granted exposure to a dynamic U.S. market. Canadian banks proved very resilient during the Great Recession. That means investors can trust these entities, as uncertainty builds in the present.

TD Bank currently possesses a [favourable price-to-earnings ratio of 11](#). That puts this bank stock in more attractive value territory compared to its industry peers. Moreover, it offers a quarterly dividend of \$0.89 per share. That represents a solid 4% yield. I'm looking to snatch up TD Bank stock ahead of its December earnings release.

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aocallaghan

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