



3 Top Stocks I Bought This Week

Description

We're not even two weeks into 2023, and already I've made a few buys. Between foreign stocks, bank stocks and other dividend sectors, I've got a lot of things I'm interested in. Markets started off with a bang this year, as the first week of trading closed on a high note, with a 1.58% gain for the TSX on Friday, and 2.2% for the whole week. In this article, I will explore three stocks I bought this week, starting with two foreign stocks and then moving on to one Canadian name.

Bank of America

Bank of America ([NYSE:BAC](#)) is [a bank stock](#) I bought this week in anticipation of its upcoming earnings release. BAC releases earnings on Friday, and expectations are pretty muted. Analysts expect Bank of America to earn \$0.79 per share, which would be unchanged from the same period last year. I'm not sure I can confidently predict that BAC will beat the earnings estimate, but I do know that the growth in net interest income will be very high.

BAC already reported 24% growth in net interest last quarter due to the Fed's interest rate hikes, then **Mastercard** came out and reported that Christmas spending increased 7.6% this year, so it's very likely that credit card interest will grow a lot. The other components of loan income might be affected by rising defaults and charge-offs, but so far we aren't seeing a truly staggering increase in those items, so the outlook is looking good.

Taiwan Semiconductor

Taiwan Semiconductor Manufacturing ([NYSE:TSM](#)) is a Taiwanese company that (you guessed it) manufactures semiconductors. Technically, a semiconductor is a substance that's neither a conductor nor an insulator, but in the business world, the term basically means computer chip. That's what TSM does; it makes computer chips. Specifically, it manufactures the chips that other companies designed, making it a contract manufacturer.

Things are tough for the semiconductor industry this year, but not for TSM, which in its most recent quarter [reported](#):

- A 47.9% increase in revenue.
- A 77.7% increase in net income.
- A 77.8% increase in earnings per share.

It was a solid showing. Many companies reported losses in the third quarter, but TSM delivered strong growth, thanks to its resilient business model and control of 65% of the semiconductor industry.

TD Bank

The Toronto-Dominion Bank ([TSX:TD](#)) is a stock I've been buying for years, and have made pretty decent money on. It's a bank like Bank of America, and many of the points I made about BAC apply here, too. However, TD has one factor that makes it stand out compared to BAC:

Deals. TD is currently in the process of buying two U.S. banks: **First Horizon** and **Cowen**. First Horizon does about \$1 billion a year in earnings, Cowen about \$128 million. If these deals close, they will significantly add to TD's own earnings. The First Horizon deal has faced significant pushback, but the Cowen deal looks very likely to close on schedule. Even if TD only closes the Cowen deal, it'll see its earnings increase, and the FHN deal would be a real game-changer, as that bank reported strong earnings growth last quarter.

CATEGORY

1. Bank Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BAC (Bank of America)
2. NYSE:TD (The Toronto-Dominion Bank)
3. NYSE:TSM (Taiwan Semiconductor Manufacturing Company Limited)
4. TSX:TD (The Toronto-Dominion Bank)

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Date

2025/08/13

Date Created

2023/01/11

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