



## Here's the Next TSX Stock I'm Going to Buy

### Description

The Canadian stock market got out to a somewhat surprising start to the year. The **S&P/TSX Composite Index** managed to return more than 5% in January, despite all of the macroeconomic concerns that continue to loom.

As a long-term investor, I'll gladly take the short-term gains. That being said, it's hard to ignore the sky-high inflation and interest rates. Many are predicting that we're heading to, or are already in, a recession.

While I remain somewhat bearish in the short term, I'll certainly continue investing consistently throughout 2023, like I do every year. What's changed for me recently has been a heightened focus on adding more dependability and diversification to my portfolio.

I learned a harsh lesson last year that it's important to remember why we diversify and the dangers that can come from being over-indexed towards one area of the market. For me, that was high-growth tech stocks.

### Bracing for more volatility

It's close to impossible to predict short-term movements in the stock market, so I'm not going to try. I am, however, betting that we're going to see the high levels of volatility continue. The level of uncertainty in the macro economy today is fuel for volatility in the stock market. As a result, I'm expecting the rough market conditions to continue, at least in the short term.

Towards the end of 2022, I began adding slower-growing dependable companies to my watch list. My goal is to add diversification to my portfolio as well as stability and [passive income](#). Fortunately, the TSX is full of dependable Dividend Aristocrats, many of which are trading at discounts right now.

## Toronto-Dominion Bank

At a market cap of close to \$170 billion, **Toronto-Dominion Bank** ([TSX:TD](#)) is the second-largest Canadian bank. In addition, it trails only **Royal Bank of Canada** on the TSX in terms of market cap size.

TD Bank won't be leading my portfolio with monster growth returns anytime soon, but that's not why it's on my watch list. The bank can help provide much-needed diversification to my portfolio, which is currently over-indexed toward the tech sector. In addition, the added stability will help reduce the amount of volatility my portfolio experiences on a daily basis.

Passive income is another way to help offset volatility. And if you're looking for a top dividend stock, the [Canadian banks](#) are an excellent place to start.

At today's stock price, TD Bank's annual dividend of \$3.84 per share is good enough for a yield above 4%.

## Foolish bottom line

If you've got a long-term time horizon, don't let the market's uncertainty and volatility keep you from investing. I'll admit, though, that it's easier said than done to invest during these types of market conditions.

What helps me is reminding myself of my investing strategy, which is buying top-quality businesses and holding for the long term. The market will ebb and flow, and it's during those inevitable downturns that you need to take advantage and put your money to work.

TD Bank is the perfect TSX stock to be buying today if you're looking to continue investing during today's tough market conditions. Due to TD's dependable track record of returns and top dividend, I'd highly suggest that anyone investing for the long term should have this bank stock on their radar.

### CATEGORY

1. Bank Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:TD (The Toronto-Dominion Bank)

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