



What to Expect When the Canadian Banks Report

Description

Earnings season is winding down, but for many Canadian investors, the best is yet to come.

As it was last quarter, and the one before that, etc., investors will have a keen eye on anything housing related that comes through in next week's quarterly releases.

During the recently completed quarter, interest rates have moved higher – this should be a good thing for the banks. In concert with these interest rate moves, mortgage rates have also ticked higher.

Royal Bank ([TSX:RY](#)) has just hiked its posted 5-year fixed mortgage rate to 3.89%. **BMO** ([TSX:BMO](#)) has also recently done the same – hiking their rate to 3.79%.

It was just 5 months ago that BMO was scolded for dropping this same rate to a mere 2.89%.

Higher mortgage rates could spell trouble for our housing market.

With visions of higher rates dancing in our heads, the following table provides an indication of what analysts are expecting and when each of the 5 banks is scheduled to report.

Company Name	Q3/13(E)	Q2/13(A)	Q3/12(A)	Date
BMO	\$1.53	\$1.46	\$1.49	27-Aug
Scotia (TSX:BNS)	\$1.30	\$1.24	\$1.72	27-Aug
Royal Bank	\$1.37	\$1.29	\$1.29	29-Aug
CIBC (TSX:CM)	\$2.14	\$2.12	\$2.06	29-Aug

TD Bank (TSX:TD)	\$1.64	\$1.90	\$1.91	29-Aug
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Source: Capital IQ

Foolish Takeaway

What's very clear from this table is that bank earnings are more or less stuck in the mud. Year-over-year growth is virtually non-existent. The Canadian housing market has been a tremendous tailwind for this group and as it softens, growth is going to prove to be even more of a challenge.

Because of these housing related concerns, none of the Big 5 banks made the cut for our special **FREE** report "**5 Companies That Should Replace Your Canadian Index Fund**". To find out which companies did make the cut, simply [click here now](#) and we'll send you the report, at no charge. One of the names was recently taken out at a huge premium. To learn more about the other 4, [click here now](#).

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Fool contributor Iain Butler does not own shares of any of the companies mentioned at this time. The Motley Fool doesn't own shares in any of the companies mentioned.

CATEGORY

- Investing

TICKERS GLOBAL

- TSX:BMO (Bank Of Montreal)
- TSX:BNS (Bank Of Nova Scotia)
- TSX:CM (Canadian Imperial Bank of Commerce)
- TSX:RY (Royal Bank of Canada)
- TSX:TD (The Toronto-Dominion Bank)

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Author

tmfohcanada

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