



## Should You Buy The Bank of Nova Scotia Now?

### Description

The recent sharp sell-offs on the S&P/TSX Index are leaving many investors jittery, but many seasoned market experts are trying to calm fears by reminding us that this so-called market correction is only natural after the markets saw nearly two years of steady gains.

During a market dip, smart investors take advantage of a buying opportunity for what usually are rather expensive stocks.

One example is **The Bank of Nova Scotia** ([TSX: BNS](#))([NYSE: BNS](#)).

While the company has been beaten up more than most of the big Canadian banks, the current \$67 price tag is indeed a great price to get in on the stock.

The Bank of Nova Scotia's presence in the Caribbean, Mexico, and Central and South America continues to grow, which will result in favourable exposure and profit opportunities in the long run given the steps the governments of those countries have taken to boost economic development.

Some analysts believe Bank of Nova Scotia will buy some of **Citigroup Inc's** ([NYSE: C](#)) international assets. Citigroup is said to be considering exiting its consumer banking operations in 11 countries where it does not have scale (including Peru, Costa Rica, Guatemala, Panama, El Salvador, and Nicaragua). Bank of Nova Scotia might dive in and pick those assets up, particularly in Peru. The Peruvian assets are valued roughly at a mere \$260 million and \$400 million, which is not only a cheap purchase for Bank of Nova Scotia, but the country is already a key focus for the bank.

The bank's Q3 earnings in August saw a 3% increase in net income and international banking compared to the same period last year. One of the best performing divisions was Global Banking and Markets, which saw a bump up of 8% compared to last year, as investment banking witnessed a record year. Some analysts expect its earnings over the next few years will grow more than \$6 per share.

Further, it is a well-managed bank. It has always been conservative especially from a creditperspective.

Finally, when compared to the other Canadian banks, Bank of Nova Scotia has the second-highest dividend yield of 3.82%. The third quarter saw a dividend hike of about 3% to \$0.66. What's more, several analysts who track the stock potentially see an increase in dividend.

## CATEGORY

1. Bank Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:BNS (Bank Of Nova Scotia)

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