



Bank of Nova Scotia Has Growth Potential Moving Forward

Description

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) has experienced a positive 2016, setting the stage for growth potential in 2017.

The company has been making moves that will set it up for success, including raising its stake in **Progressive Corp.** ([NYSE:PGR](#)) by 446.4% during its second quarter. Bank of Nova Scotia filed the acquisition with the Securities and Exchange Commission, buying an extra 90,456 shares that put the bank's position at 110,718 shares, or \$3,927,167.46, as of December 28's market close.

Progressive Corp. last released its earnings October 13, reporting quarterly revenue that was up 11.8% year over year. Analysts expect the company to post a strong earnings showing for its fiscal year, and the stock reached its 52-week high of \$35.95 on December 21, 2016. The stock is up 11.5% year-to-date. The company continues to impress in the market as its premiums have been on the up and up.

Bank of Nova Scotia's decision to bet on Progressive Corp. suggests the bank is placing its bets on a company that has positive momentum going forward. Competitive rates, a variety of products, and the rise of premiums that have been occurring over recent quarters are some of the reasons why Progressive Corp. is slated for a strong 2017.

Another company that Bank of Nova Scotia is betting on is **Autoliv Inc.** ([NYSE:ALV](#)); the bank acquired 36,949 shares of the stock, which is worth approximately \$4,154,176.07. The stock is poised for a turnaround as its most recent earnings showing topped expectations by 26 cents. The quarter's earnings figures marked a 12.7% rise year over year.

Additionally, Zacks Investment Research updated ALV's rating from a "Hold" to a "Buy," setting a price target of \$125. Full-year earnings are expected to be about \$6.77 per share, marking a strong end to the year for Autoliv following a slow beginning. Bank of Nova Scotia is betting big on the automotive safety products provider, and it will make for better days next year.

The bank recently disclosed a quarterly dividend offering of 0.5485 per share on January 27 to investors in record as of January 3. This amounts to an annualized dividend of \$2.19, as well as a yield

of 3.90%. Bank of Nova Scotia last released its earnings data on November 29, topping the consensus estimate as it earned \$1.57 per share — five cents higher than expectations.

Revenue was also up by more than \$600 million year over year, while the bank topped projections by \$127 million approximately. The company has a price target of \$59.62, and it has a price-to-earnings ratio of 13.16, which points towards increased growth in the future. The company also has a payout ratio of 49.60%.

With its recent moves, earnings data, and high dividend yield, Bank of Nova Scotia has momentum going into 2017.

The stock experienced 36.2% growth in 2016 as of November 28 with steady growth throughout the year, and the upcoming month will see a continuation of this growth, while earnings are expected to top expectations in February.

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