



3 Bank Stocks to Scoop Up Before Earnings

Description

The S&P TSX Index has fallen 2% over a three-month span dating back to early May, though it has experienced some recent gains as new earnings have started to trickle in. Solid jobs numbers and GDP growth has also given investors a reason to look at jumping in after a swoon.

Canadian banks are a consistent favourite due to their stability, dividend offerings, and solid growth.

National Bank of Canada

National Bank of Canada ([TSX:NA](#)) has bucked the trend and risen 5.63% in the same three-month span which saw the TSX and other Canadian banks struggle. On May 31, National Bank beat estimates and posted profits that more than doubled to \$484 million in the second quarter. Net income was up to \$1.28 per diluted share — up from \$0.52 in Q2 2016. The bank announced that it would raise its dividend by 3.6% to \$0.58 per share, representing a dividend yield of 4.11%.

National Bank is set to release earnings on August 30.

Royal Bank of Canada

The share price of **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) has risen 0.56% since early May. After falling below the \$93 mark in late July, the stock has since rebounded and increased 1.83% in the first week of August. The bank released its second-quarter results on May 25 and reported net income which was up 9% from Q2 2016. Results showed impressive growth in Capital Markets, Investor and Treasury Services, and Wealth Management. Personal and Commercial Banking also had strong earnings.

RBC is expected to release its third-quarter earnings on August 23. It boasts a dividend of \$0.87 per share representing a dividend yield of 3.67%.

Toronto-Dominion Bank

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) has seen 0.56% growth since early May, and has

declined 2.64% in 2017. TD stock has seen an increase in short interest as of late. The total short interest was up 8.25% in the beginning of August to 7.25 million shares — up from 6.7 million. On May 25, the bank released its second-quarter earnings. Earnings per share rose to \$1.34 — up from \$1.20 in Q2 2016. Net income rose 22% to \$2.5 billion from \$2.1 billion in the same period the previous year. At offering, the stock possessed a 3.72% dividend yield of \$0.60 per share.

The conference call for third-quarter earnings is expected on August 31.

In each second-quarter earnings report National Bank, RBC, and TD beat analyst expectations and posted record profits. There should be a degree of caution from investors in the wake of a drop in oil prices during this period. Housing regulations coming into effect and a recent correction could also make an impact. Each of the banks have raised the prime lending rate and fixed mortgage rates on several products.

Experts and analysts are expecting the Canadian market to bounce back for the remainder of 2017 as the housing crisis stabilizes and good economic numbers come in. Tightening is still a concern, but each of the stocks presented presents a good long-term addition for portfolios with a nice dividend to boot.

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