



Top 3 Bank Stocks After Q1 2018 Earnings Season

Description

Bank earnings season wrapped up last week in a period in which investors were looking for positive news. The S&P/TSX Index has dropped 5% as of close on March 2. Global markets were routed after President Trump announced that the United States would apply tariffs on steel and aluminum imports. Many are worried that this could spark a bitter trade war.

However, even in the midst of rising interest rates and a surge in protectionism, the largest Canadian banks should be profit machines for the foreseeable future. Investors looking for income would do well to look to bank stocks, as utilities, telecom, and other income generators have fallen out of favour with rising bond yields. Today, we are going to look at my top three bank stocks to pick up after earnings season.

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#))

TD Bank stock has increased 1.3% in 2018 as of close on March 2. Shares are up 7.2% year over year. The bank released its first-quarter results on March 1.

TD Bank reported a net write-down of investments of \$48 million and tax charges of \$405 million due to the U.S. Tax Cuts and Jobs Act, which was enacted in December 2017. In spite of this one-time tax charge, TD Bank leadership expects that the dramatic cut in the corporate rate will be a [positive going forward](#). Adjusted net earnings were up 15% year over year to \$2.9 billion.

The bank reported growth in all of its business segments and double-digit growth in its Canadian Retail and U.S. retail banking segments. TD Bank hiked its quarterly dividend by 11% to \$0.67 per share, representing a 3.6% dividend yield.

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#))

Bank of Nova Scotia stock has dropped 2.7% in 2018 thus far. Shares are down 1.3% year over year. The bank released its first-quarter results on February 27.

Net income rose to \$2.33 billion in the first quarter compared to \$2.01 billion in the prior year. Net

income in Bank of Nova Scotia's Canadian banking segment climbed 12% to \$1.1 billion as the bank posted strong asset growth, lower provision for credit losses, and lower non-interest expenses. Bank of Nova Scotia's international banking segment increased 16% to \$667 million, and the bank made key acquisitions to broaden its footprint in Chile and Columbia.

Bank of Nova Scotia hiked its dividend by 8% year over year to \$0.82 per share, representing a 4.1% dividend yield.

National Bank of Canada ([TSX:NA](#))

Shares of National Bank have climbed 0.9% in 2018 thus far. National Bank is the sixth-largest bank in Canada, but it has a major footprint in Quebec, which reported [impressive economic growth in 2017](#). The stock has risen 8.6% year over year. National Bank released its first-quarter results on February 28.

Net income rose 11% year over year to \$550 million, and diluted earnings per share increased 9% to \$1.46. The bank reported double-digit growth in its Personal and Commercial banking, Wealth Management, Financial Markets, and U.S. Specialty Finance and International segments. Personal lending showed sustained growth in its Canadian banking segment, which was encouraging, considering tighter lending conditions in Canada.

National Bank declared a quarterly dividend of \$0.60 per share, representing a 3.8% dividend yield.

CATEGORY

1. Bank Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:NA (National Bank of Canada)
5. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Bank Stocks
2. Investing

Date

2025/08/25

Date Created

2018/03/06
Author
aocallaghan

default watermark

default watermark