



## Is This Regional Bank a Buy Trading at 52-Week Lows?

### Description

Shares in **Canadian Western Bank** ([TSX:CWB](#)) are down a little over 19% so far in 2018, with the stock making [a fresh 52-week low last month](#).

Stocks that trade at their 52-week lows can often represent interesting buying opportunities, but is that true of CWB stock right now?

For starters, the bank's third-quarter results showed a lot of momentum.

It booked 12% loan growth in the third quarter over the year ago period and 10% growth compared to October 31 of 2017.

President and CEO Chris Fowler said that the bank is well positioned to finish the year strong, targeting another year of double-digit expansion that included achieving \$25 billion in loans and more than \$200 in quarterly revenues.

While CWB has historically been regional focused in Canada's western markets, it continues to see strong growth from its expanding presence in the Ontario market and expanded capabilities from select targeted industries.

For example, last year CWB purchased alt-lender Maxium Group for total consideration of \$120 million.

In acquiring Maxium's book of business, CWB gained lending assets worth more than \$1 billion in addition to greater access to equipment leases, structured loans and a focus on the golf, health care and real estate industries.

Access to less conventional lending structures helped it generate a higher net interest margin in the last quarter while maintaining strong credit quality metrics, and allowed CWB to pay out another dividend increases to its shareholders.

CWB's dividend to common shareholders declared on August 29 of \$0.26 per share was two cents more than what it had paid a year ago, representing a 8% increase from the prior year and a 4% hike

from the previous quarter.

The fact that CWB has continued to grow its net interest margin while maintaining decent credit metrics is particularly encouraging in light of the Bank of Canada's ongoing rate increases.

Higher interest rates for Canadians will make it more difficult for individuals and businesses to borrow money.

The fact that CWB has been successful in essentially locking in some higher margin deals should pay off for it down the road should the North American economy and lending experience a slowdown.

### **Bottom line**

So things are generally looking on the up and up for CWB these days, and its recent acquisitions will more than likely help to pave the way for a more diversified, stable and growing book of business for the coming decade.

But does that mean [you should be buying CWB stock](#) right now?

I guess it depends on your approach to buying securities.

If you're the kind of investor who likes to "average in," then now is probably a solid time to be doing that.

However, if you happen to be someone who's brave enough to attempt to try and "time the market," you may be better off waiting to see how the market closes out on this one as 2018 comes to a finish.

*Fool on.*

### **CATEGORY**

1. Dividend Stocks
2. Investing

### **TICKERS GLOBAL**

1. TSX:CWB (Canadian Western Bank)

### **PARTNER-FEEDS**

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

### **Category**

1. Dividend Stocks
2. Investing

### **Date**

2025/07/25

### **Date Created**

2018/11/17

**Author**  
jphillips

default watermark

default watermark