



## Bank of Nova Scotia (TSX:BNS): Time to Buy, Sell, or Hold?

### Description

**Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) has been through a tough year. Canada's one of the top lenders has made several acquisitions in the past year that have expanded its global and local footprints. But some investors didn't like the bank expanding too fast and punished its stock.

But in 2019, that perception is changing, and Scotiabank stock is gaining some lost ground. After sliding 15% in 2018, its shares are up more than 5% this year so far. But despite these gains, I still find its [stock worth buying](#), as it's still the cheapest option when compared to its peers and offers better upside potential.

Here are my two top reasons that support my bullish view about Scotiabank stock.

### Global reach

Among the top six Canadian banks, Scotiabank is the most international bank. Over many years, the lender has pursued a unique expansion strategy where it chose to grow in emerging markets.

Following its aggressive growth in Latin America, Scotiabank is now one of the largest lenders in the Pacific Alliance — an economic bloc consisting of Mexico, Peru, Chile, and Columbia. The region is forecast to contribute 30% to the bank's total revenue over the next two years.

That diversification away from North American economy is a good hedge to counter any possible slowdown in the local economy.

The latest evidence of this strength came in the company's latest quarterly report, which showed the bank's global strategy continues to pay off. Its international banking posted a 23% jump in first-quarter earnings to \$893 million — the best performance among Scotiabank's three main reporting units.

This support came at a time when Canadian lenders faced a slow growth in domestic lending as growth mortgages dropped to 17-year lows.

## Dividend growth

It's hard for banks to avoid a [cyclical slowdown](#), as their fate is so closely tied to the economic cycles. That's the reason that long-term investors try to invest in dividend stocks, which continue to pay dividends in both good and bad times.

Scotiabank has a very reliable track record when it comes to paying dividends. The lender has returned cash to investors every year since 1832, while it has hiked its payouts in 43 of the last 45 years.

In its January earning release, Scotiabank announced a more than 2% increase in its quarterly payout to \$0.87 a share. Trading \$72.53 and with an annual dividend yield of 4.81%, Scotiabank is an attractive banking stock to buy and hold. As years tick by, investors will benefit from both slow and steady capital appreciation and regular dividend hikes.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

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

### PARTNER-FEEDS

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

### Category

1. Bank Stocks
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

### Tags

1. Editor's Choice

**Date**

2025/08/28

**Date Created**

2019/03/12

**Author**

hanwar

default watermark

default watermark