



## TFSA Investors: Should You Buy Bank Stocks Right Now?

### Description

Canadian bank stocks lost some momentum after a [lukewarm earnings season](#) in late February and early March. Brutal market conditions in the final months of 2018 spilled over into fiscal 2019 and damaged Capital Markets segments at all major Canadian banks. However, others reported weaknesses in other segments that analysts took notice of.

The TSX Index has climbed 14.5% in 2019 as of close on April 11. Does it make sense to add bank stocks in mid-April, as investors reflect on [high valuations on the TSX](#)? Today, we are going to look at three bank stocks worth examining ahead of the second batch of earnings for Canada's top financial institutions.

### TD Bank ([TSX:TD](#))([NYSE:TD](#))

TD Bank is the second-largest bank in Canada. It also boasts the largest U.S. footprint of any of its peers. Shares have climbed 8.5% in 2019 as of close on April 11. The stock is up 4.8% from the prior year.

In the first quarter of fiscal 2019, TD Bank reported muted growth in adjusted net income to \$2.95 billion compared to \$2.94 billion in Q1 2018. TD Bank posted adjusted net earnings growth in its Canadian and U.S. Retail Banking segments, but Wholesale Banking revenue fell 35% from the prior year.

Investors can expect TD Bank's second-quarter results in late May. The stock is trading at the middle of its 52-week range and shares last had an RSI of 43. This puts TD Bank in neutral territory right now. The stock is a fantastic addition if it slips into oversold territory ahead of its Q2 earnings release.

### Scotiabank ([TSX:BNS](#))([NYSE:BNS](#))

Scotiabank stock has climbed 4.7% in 2019 as of close on April 11. Shares have dropped 7.6% from the prior year. Scotiabank had one of the weakest earnings reports of the big banks in Q1 2019.

The bank reported net income of \$2.24 billion compared to \$2.33 billion in Q1 2018. Its Canadian Banking segment posted a 2% decrease in adjusted profit due to weakness in real estate and an adjustment due to the reorganization of Interac. The lone bright spot was International Banking, where Scotiabank reported a 19% year-over-year increase in adjusted net income to \$805 million.

Scotiabank stock is trading at the low-to-mid end of its 52-week range. It last had an RSI of 42. Value and income investors should consider Scotiabank after it increased its quarterly dividend to \$0.87 per share in Q1 2019.

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

National Bank is the sixth-largest bank in Canada. Shares have climbed 10.5% in 2019 as of close on April 11. The stock is up 4.1% from the prior year. National Bank released its first-quarter results on February 27.

It was a lukewarm quarter of National Bank, as net income was largely flat at \$552 million compared to \$550 million in Q1 2018. Financial Markets net income dropped 17% from the prior year to \$170 million, while its other major segments posted solid growth. National Bank stock is still trading at the higher end of its 52-week range. Shares had an RSI of 54 as of close on April 11, which puts it well outside of being regarded as a discount right now.

### CATEGORY

1. Bank Stocks
2. Investing

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