



Bargain Hunters: 2 Top Bank Stocks Near Their 52-Week Lows to Buy Right Now

Description

Last week we saw earnings season wrap up for Canada's Big Banks — as well as some mixed results because not all the banks had a good quarter. The good news, especially for dividend investors, is that this creates a great buying opportunity to not only grab a great bank stock on the dip, but also to lock in a great dividend as well.

With a lower share price, the dividend becomes a higher percentage of your investment, giving you a better yield in the process. And bank stocks are generally stable dividend stocks to put in your portfolio, making them attractive buys when they're trading low.

Canadian Imperial Bank of Commerce ([TSX:CM](#))([NYSE:CM](#)) is one of the stocks that has been struggling lately. Although the company saw both sales and profits rise in its latest earnings from a year ago, it wasn't enough to convince investors to buy the stock.

CIBC's share price has fallen around 9% during the past month, putting it just a few dollars away from its 52-week low. At a price-to-earnings multiple of just nine, the stock is a cheap buy given that it's also one of the most [stable investments](#) you can make.

Since late 2016, CIBC's stock has normally had strong support at around \$100, making this a very attractive buying opportunity for investors. With the decline, the stock is now yielding 5.5% — a remarkable payout from one of Canada's top banks. Given its history of increasing dividend payments, I'd expect to see CIBC raise its payouts at its next quarterly earnings release.

For investors seeking a good dividend stock, CIBC might be one of the best buys you can make today.

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) is another bank stock that's been on the decline lately. Down about 6% in the past month, Scotiabank also is coming off a quarter that failed to stimulate any excitement. It also posted decent results, but unfortunately, it wasn't enough to get any sort of rally going.

It is certainly a bit riskier than the other bank stocks with its exposure to other parts of the world, but as one of the Big Five banks, it's not an investment that will keep you up at night.

Scotiabank is also a good bet to increase its payouts next quarter based on its pattern of hiking dividends in the past. Currently, it pays shareholders a yield of 5.1%, which is again a good payout for bank stock. Typically, you expect to see bank stocks pay dividends of around 4% or less, and here there are two options that pay more than 5%.

Like CIBC, Scotiabank is also getting close to its 52-week low and it could have a lot of upside for investors who buy at its current price. Although the markets may be concerned about bank stocks and mortgage growth, over the long term, bank stocks are as safe a buy as anything you can find on the **TSX**, which is why I'd expect to see these two [dividend growth stocks](#) to recover at some point this year.

CATEGORY

1. Bank Stocks
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2. NYSE:CM (Canadian Imperial Bank of Commerce)
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Author

djagielski

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