



## 1 Bank Stock That Offers a Fat Monthly Dividend

### Description

Canadian banking stocks enjoy the reputation of being reliable and relatively steady as long-term investments for investors looking to increase their wealth gradually.

Despite a good reputation, the banking industry saw a dip in performance over the past several months. Many major Canadian bank stocks saw surprising drops in share prices.

While the drop might have caused a lot of investors to worry, things are looking up again. If you missed the recent bounce back that the Canadian banking stocks made, you can still get in on the game.

I'm going to talk about **Canadian Imperial Bank** ([TSX:CM](#))([NYSE:CM](#)) – a sizeable dividend-paying stock that presents investors an excellent buying opportunity.

### A significant year for Canadian banks

2019 has [not been the best year](#) for the biggest Canadian banks. Analysts did not present a great outlook for banking stocks, and to a large part, they still don't present a good outlook for the industry's top performers.

Canadian Imperial Bank, however, has seen share prices increase from significant lows to climb back up to more respectable levels.

Global trade tensions roiled the markets throughout August 2019, and the Canadian housing market made investors worry a lot because of its effects on banking stocks.

CIBC was among the top Canadian banks to report tepid mortgage growth numbers, resulting in limited growth for the banks through their domestic operations.

### Has CIBC found much-needed stability?

One year ago, CIBC stocks traded at \$120.71 per share. The prices dropped to \$100.80 by January

2019, climbed up to \$114.73 and then hit 52-week lows to decline to \$98.20. It's evident that CIBC has had a roller coaster of a year, but the dividend-paying stock is on an upward trend again.

The bank's shares are trading at \$108.76 at the time of writing – a bounce back of more than 10% in less than a month. The 5.3% yield is considerably higher than where it traditionally stands among dividend stocks. CIBC is a stock that suffered too much by short positions made by analysts like Steve Eisman.

The tables do seem likely to turn for the bank, which was one of the most hated Big Five banks in Canada in the aftermath of the [Financial Crisis](#). It's been a while since 2009, the economic situation is different today, and Imperial Bank is growing its operations south of the border.

With increasing business in the U.S., CIBC stocks have bottomed out, and we're witnessing a significant bounce in its initial stages.

## Foolish takeaway

At the time of writing, Canadian Imperial Bank stocks appear to be an attractive buying option. I believe analysts will come around eventually, and the share prices will bounce back by a significant margin.

As thing stand, CIBC is an undervalued, high dividend-paying stock. The stock could be an excellent option for investors looking to get in on banking stocks while share prices are still attainable.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

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

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### Date

2025/09/09

**Date Created**

2019/10/08

**Author**

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