



2 Top Bank Stocks to Buy Immediately

Description

A recession is dangling over everybody's heads. While the talks of a recession have been around for several months, the slowing global economy and prevailing tense geopolitical situation are increasingly worrying.

A recession is no longer a matter of "if," but "when." As the time comes and we enter tough economic times, only those who prepare themselves can prosper.

In anticipation of the inevitable recession, investors have started to run away from the TSX. They are selling off stocks in droves to invest in alternative options that can keep their money secure through what could be a brutal bear market.

The **TSX Composite Index** is already down 210 points; it's time for you to prepare yourself for the recession as well.

If you're considering a move away from the stock market, I will ask you to reconsider. There's a better way of securing your financial future than running away from the market altogether. You can consider diversifying your portfolio to add stocks from companies positioned to face the brunt of the economic depression.

Reliable dividend-paying stocks can even provide you with the chance to earn an income through the recession instead of letting your idle money become stale in an alternative storage option.

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) and **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) are two top bank stocks you should consider investing in right now. Let's take a better look at the bank stocks.

The first dividend-paying stock on TSX

The Bank of Montreal is one of the Big Five Canadian banks. In a year that was tough for the overall Canadian banking sector, the Bank of Montreal is the worst off among the Top Five. Gaining just 9%

since January 2019, Bank of Montreal did not perform as well as the bank expected. The mixed Q3 2019 results also presented a strange picture for investors.

The net income for the bank rose barely 1% at \$1.6 billion in the quarter, but the net profit rose by 15% to \$6.7 billion. BMO became the fourth most shorted stock due to the general performance of the market and the bank's confusing Q3 2019 reports. However, this decline makes BMO a good buy.

The bank has never failed to offer shareholders dividend payouts for 190 years, being the first dividend-paying stock on the TSX. While the performance of the stock did not go as well as the bank expected, the \$95.16 per share valuation could be a bargain for investors. [Holding BMO stocks](#), you can enjoy dividends at a juicy 4% yield while you wait for the market to recover.

A bank for the long haul

The Canadian Imperial Bank of Commerce is an evergreen stock for many investors. I don't remember a time when CIBC made a dividend cut, even when the bank's stock declined to the lowest point. The bank dutifully paid shareholders [dividend payouts](#) even through the financial depression in 2008.

CIBC is widely considered to be an excellent stock to have in your portfolio. For income investors, dividend investors, retirees, or even beginners, CIBC is potentially a must-have. Canadian Imperial is historically very reliable, and this fool feels confident talking about the stock.

The Earnings Per Share for CIBC have increased at a steady pace in recent years. While I agree that there is nothing remarkable about the bank's growth as an organization, the bottom line is consistently growing.

The EPS five years ago was \$7.86, and an estimate for the EPS this year is \$12.10 – an increase of over 50%. CIBC shares trade at \$107.31 at the time of writing.

Foolish takeaway

Canadian banking sector stocks enjoy a longstanding reputation for being reliable. The stocks pay juicy dividends, create value for shareholders through the growth of the banks, and are well-equipped to endure a recession. I believe that you should consider stocks for both the Bank of Montreal and Canadian Imperial Bank seriously while the share prices are low.

CATEGORY

1. Bank Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:CM (Canadian Imperial Bank of Commerce)
3. TSX:BMO (Bank Of Montreal)
4. TSX:CM (Canadian Imperial Bank of Commerce)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Bank Stocks
2. Investing

Date

2025/09/09

Date Created

2019/10/16

Author

adamothonman

default watermark

default watermark