



Q4 Earnings: 3 Bank Stocks to Watch

Description

The fourth and final round of bank earnings are set to be released in the coming weeks. Bank stocks have performed well with the broader TSX. This has occurred in the face of warnings by the Bank of Canada that we will face slower growth on the domestic front going forward. **BMO Equal Weight Banks ETF** ([TSX:ZEB](#)), which aims to replicate the performance of an equal weight diversified Canadian bank index, has climbed 9.1% over the past three months.

Let's jump in and look at three of Canada's top banks ahead of their Q4 and full-year earnings reports.

Royal Bank

Royal Bank ([TSX:RY](#))([NYSE:RY](#)) is Canada's largest bank. The stock has climbed 20% in 2019 as of close on November 11. This past weekend, I'd discussed how investors can bet on artificial intelligence in banking, as Royal Bank has [pushed into robo-advisory services](#).

The bank is set to release its fourth-quarter and full-year results for 2019 before markets open on December 4. In the first nine months of this fiscal year, Royal Bank has reported net income of \$9.66 billion, up 5% from the prior year. Diluted earnings per share in the year-to-date period have climbed 7% year over year to \$6.57.

Shares of Royal Bank possessed a price-to-earnings ratio of 12 and a price-to-book value of two at the time of this writing. This puts it in pricier territory relative to its peers, as it hovers around a 52-week high.

Toronto-Dominion Bank

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) is the second-largest bank in Canada and boasts the largest U.S. footprint of its peers. Shares have climbed 17% in 2019 as of close on November 11. Back in August, I'd suggested that there [were better options](#) among the big banks after TD Bank reported its third-quarter earnings.

On its investors page, TD Bank says that it will release its fourth-quarter and full-year results for this year on December 5. In the year-to-date period as of the end of Q3, TD Bank posted adjusted net income of \$9.55 billion compared to \$9.13 billion in the previous year. Adjusted earnings per share had increased to \$5.11 over \$4.84 in the first nine months of 2018.

TD Bank stock had a P/E ratio of 12 and a P/B value of 1.7 as of close on November 11. Shares were also hovering around 52-week highs, as the stock has gained nice momentum over the past month.

Scotiabank

Scotiabank ([TSX:BNS](#))([NYSE:BNS](#)) is Canada's third-largest bank and boasts a large global footprint. This has inspired onlookers to dub it "The International Bank." Scotiabank stock has increased 16.3% in 2019 as of close on November 11.

Investors can expect to see Scotiabank's fourth-quarter results on November 26. The bank's international segment growth has powered earnings in 2019. In the year-to-date period, Scotiabank has reported total revenues of \$23 billion compared to \$21 billion for the same period in 2018. Net income in its international banking segment has increased to \$2.26 billion over \$1.86 billion in the prior year.

Shares of Scotiabank last had a P/E ratio of 11.5 and a P/B value of 1.4. It also boasts the most attractive dividend with a quarterly payout of \$0.90 per share. This represents a 4.7% yield.

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Author

aocallaghan

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