
# Ranking the Big 5 Bank Stocks Right Now

## Description

We are a few weeks away from closing the books on the 2010s. Canada's banks have put together a terrific decade. However, global growth is slowing in the face of intensifying trade disputes.



I have remained bullish on Canada's banks. Today, I'm going to rank my top banks out of the Big Five before the fourth and final batch of earnings are released. My ranking criteria will take size and importance of the bank into account, the share value in late November, and its dividend yield in comparison to its peers.

## 1. CIBC

Surprise! The smallest of the Big Five Canadian banks sits at the top of my ranking as of close on November 21. Back in August, I'd suggested that investors should jump on **Canadian Imperial Bank of Commerce** stock ahead of its third-quarter earnings release. Shares have climbed 16.9% over the past three months as of close on November 21.

CIBC showed improvement in the third quarter, as its U.S. division drove a year-over-year increase in profit. Crucially, CIBC hiked its quarterly dividend by 2.9% to $1.44 per share. This represents a 5% dividend yield, which is tops among its Canadian banking peers. The stock is near its 52-week high at the time of this writing, but still boasts a price-to-earnings ratio of 10, which is the lowest among the banks I am covering today.

## 2. Scotiabank

**Scotiabank** is my second-favourite bank stock ahead of the fourth and final earnings season for this year. It has gained a reputation as Canada's international bank because of its large global footprint, especially in Latin America.

Earnings at Scotiabank beat estimates in the third quarter on the back of double-digit earnings growth in its international segment. The bank hiked its quarterly dividend by 3% to $0.90 per share. This represents a 4.7% dividend yield, which ranks as the second highest of the Big Five. The stock possesses a P/E ratio of 11.4 and a P/B value of 1.4, which puts it around the average compared to its peers.

Scotia's top-end dividend yield and international footprint put it in second place for me right now.

## 3. BMO

**Bank of Montreal** rounds out the top three in my ranking. Profit rose 1% year over year in the third quarter, but BMO still fell short of expectations. Back in May, BMO increased its quarterly dividend to $1.03 per share, which represents a 4% dividend yield. This puts it in the middle of the pack, which is right where I've ranked it today.

Shares have a P/E ratio of 10, which puts it at a nice value relative to the other five in this ranking. It also boasts a P/B value of 1.43, which also tops the list. BMO stock last had an RSI of 68, putting it just outside technically overbought territory. It was tempting to place BMO higher in this ranking, but its disappointing Q3 release gave me pause.

## 4. Royal Bank



It was tough to rank **Royal Bank** this low considering its importance as a domestic and international bank. Ultimately, Royal Bank's premium pricing and middling dividend relative to its peers was what inspired me to rank it in fourth place. The bank posted a strong third quarter and has emerged as the mortgage lending leader in a recovering Canadian housing market.

However, Royal Bank possesses a P/E ratio of 12.4 and a P/B value of two, which are the highest levels among the Big Five right now. It last had an RSI of 69, putting it just outside technically oversold territory. Royal Bank last hiked its quarterly dividend to $1.05 per share, representing a 3.8% yield. This is the fourth-best yield of the Big Five.

## 5. TD Bank

**Toronto-Dominion Bank** comes last in my ranking today, which speaks to the strength of the Big Five. The bank's margins narrowed in the third quarter, which is a worrying sign in the back half of the year. Its U.S. footprint has been a key driver of growth in recent years, but declining interest rates south of the border have weighed on its margins.

The bank last declared a quarterly dividend of $0.74 per share, representing a 3.8% yield. This ranks at the low end beside Royal Bank. The stock is trading at a premium ahead of earnings with a P/E ratio of 12.2 and a P/B value of 1.7.

**CATEGORY**

1. Bank Stocks
2. Investing

**POST TAG**

1. Editor's Choice

**PARTNER-FEEDS**

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

**Category**

1. Bank Stocks
2. Investing

**Tags**

1. Editor's Choice

**Date**
2025/08/19
**Date Created**
2019/11/22
**Author**
aocallaghan