



Buy Alert: 2 Bank Stocks on Sale Today

Description

Canadian bank stocks have received a lot of attention in recent weeks. The top financial institutions in the country have seen their stocks fall victim to the global selloff. Markets were volatile again on March 27, as investors continue to fear the long-term impacts of the economic shutdown.

The outbreak of COVID-19 is reportedly weeks away from its peak in the United States and Canada, which makes it impossible to predict when the ongoing lockdowns will end.

These conditions are worrisome. The longer the lockdowns go on, the longer it will take for normalcy to return. Investors should not expect a snap back to regularity when these lockdowns do eventually end.

With that in mind, let's look at two bank stocks that are worth dipping into in April. These equities offer long-term promise, and both boast [attractive dividends](#).

National Bank

National Bank ([TSX:NA](#)) stock was down 8% in early afternoon trading on March 27. Its shares have dropped 26% month over month. The bank stock enjoyed an uptick over the past week, but a return to volatility may threaten this return to normal.

When we look at bank stocks right now, investors should consider dollar cost averaging in order to mitigate the risks of higher volatility.

In the first quarter of 2020, National Bank posted net income growth in each of its major segments. As it stands today, we may as well throw these results out the window. Economists are predicting a sharp and brutal contraction, and bank stocks will likely be hard hit.

As it stands today, National Bank possesses a favourable price-to-earnings ratio of 7.6 and a price-to-book value of 1.4. Moreover, the bank boasts an immaculate balance sheet. The stock last paid out a quarterly dividend of \$0.71 per share, representing a strong 5.2% yield.

Scotiabank

Scotiabank ([TSX:BNS](#)) shares were down 5.6% in early afternoon trading on March 27. The stock has dropped 19% over the past month. Earlier this month, I'd [discussed](#) why Scotiabank's Latin American exposure was reason for optimism in this uncertain environment.

The bank's Global Wealth Management and Global Banking and Markets segments put together a strong first quarter. Adjusted net income rose 12% year over year to \$306 million in Global Wealth Management and it increased 35% to \$451 million in Global Banking and Markets.

Unfortunately, Latin America is just beginning to deal with the COVID-19 outbreak. While Brazil's government has sought to press on with business as usual, it's receiving considerable pushback from the populace.

Shares of Scotiabank last possessed a favourable P/E ratio of 8 and a P/B value of 1.1. Scotia also has a flawless balance sheet, which makes it a stable choice going forward even in the face of this unprecedented economic shutdown. Banks can also take solace in government action that has allowed clients to defer payments and avoid mass defaults.

Scotia last paid out a quarterly dividend of \$0.90 per share, which represents a tasty 6.2% yield.

CATEGORY

1. Bank Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:NA (National Bank of Canada)

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Date

2025/08/19

Date Created

2020/03/27

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