



RBC Stock Returns Since March Are Astounding!

Description

The onset of COVID-19 devastated equity markets around the world. Canada's stock market was enjoying all-time highs coming into the new decade, but the pandemic did not spare even the highest-quality companies trading on the **TSX**. However, the broad market decline bottomed in March 2020.

Since the [market bottom](#), several stocks recovered rapidly in a surprising development. While many companies are still struggling to climb up to pre-pandemic prices, several high-quality companies are doing much better than others. The positive market movement is instilling hope that reputable companies can get back to better valuations.

It could be the perfect time to consider investing in a dividend star for a bargain. Remember that high dividend yields are not the only concern here. You need to look at companies with a strong balance sheet and the resilience to ride the wave of economic uncertainty until the pandemic subsides. Otherwise, you can fall into a dividend trap and end up on the wrong side because you were chasing dividends.

A royal financial institution

One such stock that you should take a closer look at is the **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)). The \$138.99 billion market capitalization financial institution is Canada's largest bank in terms of the market cap. It offers a wide range of financial services and products to its clients.

Like most other companies, RBC was also stuck hard by the pandemic. As the loan-loss provisions surged, the bank's income from loan interest fell, taking a toll on the company's bottom line.

Despite the losses, RBC has significant liquidity to provide value for its shareholders. The bank's strategic diversification helps it maintain a significant cushion in its balance sheet that can help it weather the current storm. It is a resilient stock with various means to generate income to keep it afloat.

RBC has seen multiple economic crises over centuries, and none of them have proven to be catastrophic for the bank. Despite two world wars, economic recession, and another pandemic, RBC

has continued to pay its investors their dividends without fail since 1870.

Impressive recovery

Royal Bank of Canada's recovery since the March bottom is a clear sign that it's a bankable investment to have in your portfolio. At writing, the stock is trading for \$97.65 per share, and it is up 35.16% from its March low. It is currently paying its shareholders at a juicy 4.42% dividend yield. Investors can lock in an excellent yield at its current price.

Foolish takeaway

Despite its impressive recovery, RBC is still trading for a discount of almost 11% from its February 2020 high. Investing in the stock right now can allow you to leverage both from its guaranteed dividend payout and [capital gains](#) as the stock recovers to pre-pandemic prices. I think it can be a reliable long-term investment even after recovery due to its steady dividends.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

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