



Buy Bank of Nova Scotia (TSX:BNS) Right Now

Description

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) is neither the largest nor the most well known of Canada's big banks. It is, however, an [intriguing investment option](#) whose appeal has only grown since the onset of the COVID-19 pandemic. Here's a look at what differentiates the bank from its peers and why you should buy Bank of Nova Scotia right now.

An alternative to the big banks?

At first glance, the big banks are different flavours of the same product. All of the big banks provide impressive coverage across Canada, continue to churn out handsome gains, and offer impressive dividends. In a similar vein, the banks also provide some diversification outside the Canadian market, but this is where the Bank of Nova Scotia differs from its peers.

Instead of focusing its international presence in the U.S. market, Bank of Nova Scotia chose to invest heavily in Latin America. Specifically, the bank chose the countries of Chile, Columbia, Peru, and Mexico. These four nations are parties to a trade agreement known as the Pacific Alliance. The Alliance is charged with increasing trade and reducing tariffs between its members. By establishing a solid presence in these nations, Bank of Nova Scotia has become the preferred lender across the bloc, leading to solid gains in its international segment.

This has provided the bank with a superb level of diversification outside of Canada that far outweighs its peers.

Unfortunately, Latin America was hit hard during the COVID-19 pandemic, which resulted in the Bank of Nova Scotia posting dismal results. Specifically, in the most recent quarter, the bank reported earnings of \$1,304 million, or \$1.04 per diluted share. By way of comparison, in the same period last year, the bank reported earnings of \$1,984 million, or \$1.50 per diluted share. The international segment in particular saw net income attributable to equity holders drop a whopping 96%.

So, where exactly is that opportunity?

An opportunity for long-term growth and income

So far in 2020, Bank of Nova Scotia remains down over 20%. This pales in comparison to the performance of some of the bank's Big Five peers, which are down just 4-6% this year. So, where exactly does that opportunity lie?

Bank of Nova Scotia will recover, as will the rest of the market. The difference with Bank of Nova Scotia is that potential investors can buy in at a discounted rate today and ride the stock back up to where it should be. In the interim, investors will also benefit from something else that Bank of Nova Scotia offers — an attractive dividend.

Bank of Nova Scotia currently offers a quarterly distribution of \$0.90 per share. Given the drop in share price in recent months, the dividend works out to an insane 6.38% yield. This not only exceeds the yield of its peers but also [screams growth potential](#) when you factor in dividend reinvestments.

In short, buy Bank of Nova Scotia now and hold it forever.

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Date

2025/07/08

Date Created

2020/10/12

Author

dafxentiou

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