



3 Top TSX Bank Stocks to Watch This Earnings Season

Description

Earnings season for Canada's top banks is very nearly upon us. So, should investors building positions in our biggest financial institutions load up on shares before the big event? Let's weigh some of the pros and cons of three big TSX bank stocks reporting earnings around the end of the month.

Weighing three top Canadian bank stocks

Canadians with an interest in U.S. growth no doubt already own shares in **TD Bank** ([TSX:TD](#))([NYSE:TD](#)). The number two bank in the nation has been seeing big gains in American markets. So sturdy is this name that even amid volatility from the U.S. election, TD Bank has risen 11% in the last four weeks. Investors also look keen on TD Bank's most recent quarter, with this top-tier banker up +5% in the last five days of trading.

A dividend 4.7% with a payout ratio of 59% combines a rich yield with the potential for income growth over the years. Value could be better for TD Bank, though with a P/B ratio of 1.4 times book, the long-term safety on offer seems worth the premium for this top TSX bank stock.

BMO also pays a 4.7% dividend yield, with very similar coverage. Its 1.2 P/B ratio denotes slightly better value for money, though. Throw in its strength in asset management and lower exposure to U.S. markets, and BMO is a strong alternative to TD Bank.

Scotiabank ([TSX:BNS](#))([NYSE:BNS](#)) is another key Canadian bank stock to watch this fall. With strong exposure to Latin American markets, Scotiabank has been one step behind its Big Five peers. This is because the coronavirus was generally a little later reaching that region. This means that Scotiabank is approximately one quarter behind other Bay Street bankers.

A 5.8% dividend yield with a 63% payout ratio makes Scotiabank a [strong contender](#) for long-term income investors. This TSX bank stock is valued similarly to its peers listed above. However, investors buying Canadian bank stocks for long-term income will have to weigh their bullishness on international growth before buying Scotiabank shares.

Uncertainty continues to cloud the markets

Indeed, the second wave has generally blindsided the markets, tainting the bullishness that saw momentum erupt in unlikely corners this year. While [vaccine hopes](#) are still coming thick and fast, an actual rollout could take some time. Between now and then, there is more than enough uncertainty to rock the markets.

Investors should keep an eye on the performance of TSX bank stocks, as coronavirus cases continue to rise in Western regions. From the public health crisis to consumer sentiment to economic instability, it's a tough time to be in banking. For this reason, it may be better to wait until after earnings to buy shares.

In summary, investors watching these three stocks have some key dates to pencil into their calendars. Scotiabank is estimated to report earnings November 24. BMO will release its own report December 1. TD Bank is expected spill the beans December 3. A mixed round of earnings reports is likely, with destructive market forces still acting on share prices to create a period of ongoing volatility.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

POST TAG

1. bank earnings season

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Bank Stocks
2. Dividend Stocks

3. Investing

Tags

1. bank earnings season

Date

2025/10/01

Date Created

2020/11/19

Author

vhetherington

default watermark

default watermark