



Why I'm Buying Bank of Nova Scotia (TSX:BNS) Stock

Description

Canada's big banks are great long-term investments. They consistently provide strong growth, offer a handsome dividend, and typically emerge from an economic slowdown quicker than anticipated. This is just part of the reason why pundits frequently mention their appeal as part of a well-diversified portfolio. But which of the big banks should you buy? Let me try to answer that by mentioning why I'm buying **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) stock.

What makes Bank of Nova Scotia a great buy?

So, what makes the bank a great option for your portfolio? Let's look at a few reasons.

First, let's talk about expansion to new markets. All of the big banks have expanded out to new markets outside Canada. For nearly all of the big banks, that expansion means the U.S. market. Instead, Scotiabank expanded into the Latin American nations of Columbia, Chile, Peru, and Mexico.

Those four nations are part of a trade bloc called the Pacific Alliance. The group is tasked with improving trade between its member states and eliminating all tariffs. Scotiabank's expansion into Latin America means that it has become a familiar face throughout the bloc. This has led to some impressive growth numbers during earnings season and further expansion into those markets.

That growth came to a standstill when the global pandemic hit, as branches were forced to close and business investments dried up. To be clear, this wasn't something solely visible in Latin American markets; this was and continues to be a global event. The difference and, by extension, advantage for investors come in the form of timing.

While the pandemic expanded globally, there were surge points in every region. For both Canada and the U.S., we saw a surge in March and April of last year. That surge didn't get to Latin America until after the spring and arguably apexed during the summer. By this point, the U.S. market was already reopening, meaning that Scotiabank's peers were already posting gains.

In the case of Bank of Nova Scotia's Latin American segment, the reopening occurred later, meaning

the bank's recovery lagged its peers. In fact, despite posting solid gains of over 13% in the past three-month period that outperformed its peers, Bank of Nova Scotia still lags them over a trailing 12-month period.

Here's another reason to consider it

Apart from the promising growth potential, there is another reason why it makes sense to buy Bank of Nova Scotia stock. That other reason comes in the form of the quarterly dividend on offer. Bank of Nova Scotia offers an appetizing 5.06% yield, making it one of the best bank stocks for any portfolio.

Adding to that appeal is the fact that Bank of Nova Scotia has an established history of paying out dividends going back since 1833 without fail. The bank also provides investors with healthy annual [bumps to that dividend](#). That factor alone could make a case for why you should be buying Bank of Nova Stock.

I'm buying Bank of Nova Scotia stock. What about you?

Scotiabank really is the complete package. There's a reliable business model that generates revenue in Canada. There's the growing international segment in Latin America bolted on to one of the most lucrative trade deals in the hemisphere. And then there's one of the best-paying dividends on the market that is likely to continue seeing strong growth and further upticks.

In short, Bank of Nova Scotia is a great stock to own. [Buy it now](#), hold it, and get rich.

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