



Market Rout: 3 Top Bank Stocks to Buy Today

Description

The **S&P/TSX Composite Index** was down 455 points in early afternoon trading on September 20. No one sector had been spared from the carnage at the time of this writing. This is a good opportunity for investors to re-evaluate some of the top equities on the Canadian market. Today, I want to look at three bank stocks that are worth your consideration in this [market dip](#). Let's dive in.

Why TD is still my top bank stock to buy right now

TD Bank ([TSX:TD](#))([NYSE:TD](#)) is the second-largest Canadian bank by market cap and by total assets. I'd [suggested](#) that Canadians should snatch up this bank stock as the economy recovered. Its shares have climbed 13% in 2021 as of early afternoon trading on September 20. However, the stock has dropped 5.6% over the past month.

The bank unveiled its third-quarter 2021 results on August 26. Adjusted net income rose to \$10.7 billion in the first nine months of the fiscal year – up from \$6.99 billion in Q3 2020. Its Canadian and U.S. retail banking segments both delivered strong growth in the third quarter. Moreover, it benefited from a big dip in provisions set aside for credit losses.

Shares of this bank stock possess a favourable price-to-earnings ratio of 9.6. It last paid out a quarterly dividend of \$0.79 per share, which represents a 3.8% yield.

Don't forget about Canada's "International Bank"

Scotiabank ([TSX:BNS](#))([NYSE:BNS](#)) boasts an expansive global reach compared to its top peers. This bank stock has increased 12% in the year-to-date period. The stock was down 2.5% in early afternoon trading at the time of this writing.

In Q3 2021, Scotiabank beat expectations and delivered a profit of \$2.54 billion – up from \$1.30 billion in the third quarter of 2020. It posted provisions for credit losses of \$380 million. This was down significantly from the \$2.18 billion it cobbled together in the previous year.

Banks have been given some breathing room as the domestic and global economy has recovered. Scotiabank, which boasts a big footprint in Latin America, is well-positioned to benefit in this environment.

This bank stock last had a favourable P/E ratio of 10. Scotiabank still offers a quarterly dividend of \$0.90 per share. That represents a very solid 4.7% yield.

Another bank stock that offers great value today

Laurentian Bank ([TSX:LB](#)) is a regional bank stock that has consistently [punched above its weight](#) on the **TSX**. Shares of this bank stock were down 2.1% in early afternoon trading on September 20. The stock is still up 28% in 2021.

The bank unveiled its third-quarter 2021 results on September 1. Like its larger peers, it beat expectations and delivered profit of \$62.1 million – up from \$36.2 million in Q3 2020. Provisions for credit losses was slashed from \$22.3 million to \$5.4 million, which had a significant impact on its profit generation.

Laurentian Bank stock possesses an attractive P/E ratio of 9.5. It last paid out a quarterly dividend of \$0.40 per share, which represents a 3.9% yield.

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

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Date

2025/08/22

Date Created

2021/09/20

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