



3 Reasons to Buy Scotiabank (TSX:BNS) Stock Right Now

Description

[If you are just starting investing](#), you might feel tempted to delve into high-growth and high-risk assets trading on the stock market and making all the news. However, the most successful investors know that recognizing high-quality stocks that can provide you with reliable long-term returns is an ideal way to go.

Canada's Big Six banking stocks have proven themselves to be some of the best [long-term investments](#) on the stock market. Today, I will discuss one of the Big Six banking stocks that can provide you with significant long-term wealth growth through capital gains and passive income through shareholder dividends.

At writing, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) stock is trading for \$79.09 per share. The \$96.10 billion market capitalization stock does not boast the largest market capitalization among its peers, but it could prove to be a better investment at its current levels.

Let's take a look at some of the most important reasons you should consider adding this stock to your investment portfolio today.

Resilient domestic market operations

Much like its peers, Scotiabank has strong domestic operations that provide it with significant cash flows. The Canadian banking sector has become saturated in recent years, but the bank continues to steadily grow its revenues from its domestic operations.

The recent most quarter saw Scotiabank report \$2.54 billion in earnings, surpassing its revenues of \$1.3 billion last year in the same period. The company's domestic operations contributed \$1.08 billion of its entire revenue in the quarter. It means that the bank's domestic operations contributed almost the same amount as its overall revenues in the same quarter last year.

Growing presence in emerging markets

The most important reason why it would be a good idea to take an interest in Scotiabank over its peers right now is its approach to expanding its international presence. Most of its peers among the Big Six Canadian banks have focused on establishing and expanding their presence in the United States. Scotiabank has opted to delve into the Pacific Alliance by establishing operations in Mexico, Peru, Chile, and Columbia.

The trade bloc of these four countries is expected to grow faster than G7 countries in the coming years. The Pacific Alliance formed between these countries is designed to improve trade by eliminating tariffs among them. Scotiabank's presence in each of the member states will allow the bank to benefit from the growing economies in the region.

Reputable income-generating asset

Reliable dividend income will remain one of the most important reasons for investors to allocate a significant portion of their portfolios to Canadian banking stocks. Scotiabank is one of the best stocks to consider for this purpose.

The Canadian bank began paying its investors their shareholder dividends in 1833, and it has not suspended its payments since it began. The bank is closing in on 200 consecutive years of providing its shareholders with dividends.

Scotiabank, like its peers, was forced to halt its dividend hikes during the pandemic. Most people expect dividend hikes to continue by the end of the year. If that happens, investors could be looking at the opportunity to earn growing dividend income through the stock.

Foolish takeaway

With a reputation for providing its investors with reliable dividend income, solid long-term growth, and the potential to deliver immense growth in the coming years, Scotiabank stock is more than a compelling stock to consider. It is a stock that should be a foundational part of every investor portfolio.

You can buy and store shares of the Canadian bank in a [Tax-Free Savings Account](#) (TFSA) and forget about it for years to enjoy significant long-term wealth growth. It could become a part of your retirement portfolio that continues growing your account balance through reliable shareholder dividends and increase in value over the years through capital appreciation.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:BNS (Bank Of Nova Scotia)

PARTNER-FEEDS

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

PP NOTIFY USER

1. adamothonman
2. kduncombe

Category

1. Bank Stocks
2. Dividend Stocks
3. Investing

Date

2025/07/20

Date Created

2021/10/02

Author

adamothonman

default watermark

default watermark