



2 Under-the-Radar Bank Stocks to Buy Before Earnings

Description

The **S&P/TSX Composite Index** was up 302 points in late-morning trading on December 1. The financial sector was one of the best performing on the broader Canadian market to kick off the final month of the year. The first of Canada's Big Six banks have started to unveil their final batch of earnings. Today, I want to look at two under-the-radar bank stocks that are worth snatching up on the dip before their results are released. Let's dive in.

Here's a Quebec-based bank stock that is worth targeting in early December

Last week, I'd [discussed](#) why investors should target Quebec-based bank stocks, as the province's economy has enjoyed a massive uptick in 2021. **Laurentian Bank** ([TSX:LB](#)) is a regional bank based in Montreal. Shares of this bank stock have climbed 19% in 2021 as of early afternoon trading on December 1. However, the stock has dipped 12% month over month.

The bank is set to release its fourth-quarter and full-year 2021 results on December 10. In Q3 2021, Laurentian Bank posted net income of \$59.0 million, or \$1.25 per diluted share — up from \$47.1 million, or \$1.02 per share, in the previous year. The bank benefited from a net gain on the settlement of pension plans resulting from annuity purchases as well as lower provisions for credit losses. Investors can expect a positive performance in Q4 2021 due to strong Real Estate Financing and momentum in Capital Markets.

Shares of this bank stock possess a very attractive price-to-earnings (P/E) ratio of 8.8. Laurentian Bank stock last had an RSI of 27, putting the stock in technically oversold territory. It offers a [quarterly dividend](#) of \$0.40 per share, representing a solid 4.2% yield.

Don't sleep on this bank stock rooted on the other side of the country

Canadian Western Bank ([TSX:CWB](#)) is an Edmonton-based regional bank that has made a successful push into eastern Canada in recent years. I'd [suggested](#) that investors should snatch up Canadian Western, as interest rates are set to rise in 2022. Shares of this bank stock have increased 32% in the year-to-date period. However, the stock has plunged 6.3% month over month.

In Q3 2021, Canadian Western delivered total revenue growth of 16% to \$263 million. Meanwhile, loans rose 9% to \$32.3 billion and branch-raised deposits increased 17% to \$18.7 billion. The bank benefited from strong credit performance, low write-offs and provisions for credit losses, and a decline in its impaired loans. It posted adjusted earnings-per-share growth of 36% from the prior year to \$1.01.

Investors can expect to see Canadian Western's final batch of 2021 earnings on December 3. The Canadian economy has bounced back nicely in 2021 after a rough 2020. However, there are some concerns due to the emergence of the Omicron variant. Canada's has achieved a high vaccination rate and its pandemic procedures have vastly improved since the start of this crisis. This should enable the country to avoid hitting a rough patch, even as this variant sees domestic spread.

This bank stock last had a favourable P/E ratio of 10. It offers a quarterly distribution of \$0.29 per share, which represents a 3% yield.

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