



1 of My Favourite TSX Stocks Just Went on Sale!

Description

The **TSX Index** has been [dragging](#) its feet this year with surging Omicron variant cases worrying investors. Undoubtedly, Santa Claus may not be coming to town this year, with a slew of things to worry about heading into the new year. It may not be an excellent year for stocks in 2022, at least according to many pundits and strategists.

That said, investors should not cash out, as there's still ample money to be made by disciplined stock pickers who can dodge and weave past areas that stand to be most impacted in this latest barrage of volatility. Currently, high-multiple tech is taking a beating, with many names down deep double digits. The Nasdaq 100 currently sits down just over 6% and could fall into correction territory before 2021 is over with. Meanwhile, the TSX Index is down by a similar amount, with many 2021 winners quickly reversing.

Don't wait for a correction; TSX bargains exist now

Although it would be nice to wait for an official market [correction](#) (that's a 10% drop from peak to trough), I'd argue that there's no sense waiting, given the many bargains that exist now and the fact that many names are already down way lower than the averages! Further, there's no guarantee that the TSX will drop by 10%. It can happen, but if you have too much cash in hand, I wouldn't hesitate to dip a toe into the market waters on this pullback right here, right now.

Investors don't need to make a splash, but they can if they see a name thrown right in their strike zone. In this piece, consider **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)), a glimmer of value in an otherwise expensive (and fragile) market.

Bank of Montreal

Bank of Montreal dropped 2% on Monday following news that it had acquired a U.S. bank (Bank of the West) in a deal worth US\$16.3 billion. It wasn't exactly a super cheap deal, and investors don't appear to be fans. That said, BMO isn't paying up a hefty premium, and it seems management has done its

homework on the potential deal that would give the banking giant a nice presence in California.

BMO is a commercial banking stud, with a considerable presence in the U.S. midwest. The push into California, I believe, is a smart one to make and complements the bank's U.S. retail and commercial banking business very well. Undoubtedly, BMO is now a U.S. and Canadian banking player that has brilliant managers behind it. I think the Monday pullback is unwarranted, given BMO's recent quarterly strength and its huge dividend hike, which speaks to management's confidence in future earnings growth.

I own shares of BMO and will consider adding should it worsen drastically from here. BMO is too good a bank to pass up after an acquisition that I think was not nearly as expensive as it could have been, given BMO paid less than two times book value for a firm that solidifies its expansion south of the border.

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