



2 TSX Bank Stocks With High Dividend Yields Above 4% to Buy Today

Description

When the stock market got choppy recently and all those high-growth overvalued tech stocks took a tumble, investors fled to value stocks. These are [large-cap](#), [blue chip companies](#) with good balance sheets, strong cash flow, profitability, and ever-increasing dividends with long, consistent payout histories.

Fortunately for Canadian investors, our stock market is full of these heavy-hitters. Today I'll be profiling two top stocks from the banking industry, part of the financial sector which was a top performer in 2021 and 2022 so far due to the prospect of rising interest rates.

Bank of Nova Scotia

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) is one of Canada's "Big 5" banks. BNS provides various banking products and services in Canada, the U.S., and internationally, operating in four segments: Canadian banking, international banking, global wealth management, and global banking and markets.

BNS currently has a forward annual dividend yield of 4.30%, with a five-year average dividend yield of 4.68%, which is quite respectable. The payout ratio of 46.75% is sustainable and reasonable. BNS recently increased dividends by 11% in 2021, and looks to continue that as they remain profitable.

Technicals wise, BNS currently trades at around \$92, close to its 52-week high of \$93.34. The stock has a five-year monthly beta of 0.85, making it slightly less volatile than the overall market. BNS is also trading well above both its 50-day and 200-day moving averages of \$88.8 and \$81.81, respectively, which could indicate an overall bullish trend.

Canadian Imperial Bank of Commerce

Canadian Imperial Bank of Commerce ([TSX:CIBC](#))([NYSE:CIBC](#)) is another member of the "Big 5." CIBC operates in the same regions as BNS, and runs four business units: Canadian personal and business banking; Canadian commercial banking and wealth management; U.S. commercial banking

and wealth management; and capital markets.

CIBC currently has a slightly lower forward annual dividend yield of 3.94%, but has a higher five-year average dividend yield of 4.89%. The payout ratio is also healthy at 41.92%. CIBC also recently increased their dividend in 2021 by 10%, and looks to continue that moving forward.

Technical wise, CIBC currently trades at around \$163, close to its 52-week high of \$166.54. The stock has a five-year monthly beta of 1.02, making it as volatile as the overall market. CIBC is also trading well above both its 50-day and 200-day moving averages of \$151.42 and \$145.05 respectively, which could indicate an overall bullish trend.

The Foolish takeaway

[Dividend growth investors](#) chasing high yield should consider the Canadian banking sector, in particular CM and BNS. These two stocks offer excellent fundamentals, substantial dividend yields, a long history of payments, consecutive increases, and good competitive advantages. Buying and holding these two stocks as the core of an income-oriented portfolio could be a winning strategy.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:CM (Canadian Imperial Bank of Commerce)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:CM (Canadian Imperial Bank of Commerce)

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