



## Why I'm Buying More of This Stock, and You Should, Too!

### Description

When it comes to balancing your portfolio, we often turn to new investments. There's a good reason for that, as opportunities can arise that warrant us to consider new stocks for our portfolio. Another lesser-known, but still important case is buying more of a stock we already own.

### Why does this matter?

A common theme among investors is to assess whether a stock still warrants a place in your portfolio. Sometimes, an investment we thought was once a stellar buy is now a [hard sell](#). Other times, investors become intrigued by new and [lesser-known options](#).

The gap between those two options is whether investors should be buying more of an *existing* stock.

That's exactly why I'm considering buying more of **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)).

### Why I'm buying more of Scotiabank

Scotiabank is neither the largest nor most well-known of Canada's big banks. In many ways, the bank is similar to its peers, by operating a massive, mature (and profitable) domestic segment. Scotiabank is also in alignment with its peers by offering a tasty dividend, and a growth market outside Canada.

That's where the similarities end.

Instead of focusing that expansion effort on the U.S. market, Scotiabank turned further south. Specifically, Scotiabank established a branch network within the markets of Mexico, Columbia, Peru, and Chile.

Those four nations are part of a trade bloc known as the Pacific Alliance. The Alliance is charged with increasing trade and reducing (if not eliminating) tariffs between its member states. The agreement has led to significant growth within the region over the past few years.

As an established lender in the region, Bank of Nova Scotia has seen its fortunes in the region grow, too. In the most recent quarter, the bank posted earnings of \$2,740 million, or \$2.14 per diluted share. To illustrate that growth, in the same period last year, Scotiabank reported \$2,398 million, or \$1.86 per diluted share.

Scotiabank's international segment itself saw earnings surge to \$545 million in the quarter. This was a marked improvement over the \$389 million reported in the same period last year.

In terms of potential, let's not forget that interest rates are on the rise. As they continue to surge, those increases will get passed on down to the products the bank offers.

In other words, prospective and current investors can expect Scotiabank to continue to see stellar growth.

## One more factor to consider

Apart from that impressive growth potential, there's another key reason why you should buy Bank of Nova Scotia.

The bank has one of the best dividends on the market. Apart from the fact that Scotiabank has been paying out dividends for nearly 200 years, the current quarterly distribution is very attractive.

The yield currently works out to a tasty 4.35%. This means that an investment of \$35,000 in Scotiabank will earn an income of just over \$1,520 in the first year.

Even better — if you aren't ready to draw on that income just yet, reinvesting it until it's needed will see that income surge even further.

## Are you buying more of a stock?

Attaining that perfect mix of investments takes time and patience. And while no investment is without risk, Bank of Nova Scotia does have an established business, reliable revenue stream, and substantial growth potential.

In my opinion, Bank of Nova Scotia is a great long-term holding for nearly any portfolio. I'm buying more of this stock. The question is, will you?

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2. Investing

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