



3 Cheap Bank Stocks to Buy Today

Description

The **S&P/TSX Composite Index** was down 186 points in late-morning trading on June 29. Financials managed to parry some of the smaller losses on the day compared to the reeling base metals and healthcare sectors. Regardless, top Canadian bank stocks have suffered a steady retreat since the middle of the spring. Today, I want to look at three bank stocks that are worth snatching up [on the dip](#) before we move into July. Let's dive in.

This top Canadian bank stock has suffered a sharp drop since the winter of 2022

TD Bank ([TSX:TD](#))([NYSE:TD](#)) is the second-largest bank stock by market cap on the TSX. Shares of TD Bank have dropped 14% in 2022 at the time of this writing. The stock is down 2.6% in the year-over-year period.

Investors can expect to see TD Bank's next batch of results in August. In Q2 2022, adjusted net income came in at \$7.54 billion, or \$4.09 per share, in the year-to-date period — up from \$7.15 billion, or \$3.86 per share, in the previous year. Meanwhile, it still delivered net income growth in its Canadian and United States Retail Banking segments.

Shares of this bank stock had an RSI of 29 in early afternoon trading today. That puts TD Bank in technically oversold territory. It also possesses a favourable price-to-earnings (P/E) ratio of 10. This could be a great time to snatch up this top bank stock at a discount.

Why BMO needs to be on your radar in late June

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) stock was down marginally in early afternoon trading on June 29. This top bank stock has declined 12% in the year-to-date period. That has also pushed this stock into negative territory in the year-over-year period.

This bank released its second-quarter 2022 earnings on May 25. Adjusted net income increased 4% from the prior year to \$2.09 billion. BMO saw its Canadian Personal and Commercial Banking segment deliver net income growth of 21% to \$940 million while its United States P&C segment delivered adjusted net income of \$589 million — up 8% from the second quarter of 2021.

BMO stock had a very attractive P/E ratio of 6.8 at the time of this writing. Its shares dipped into oversold territory twice in June and are still hovering just above those levels with an RSI of 34.

One more cheap bank stock to buy today

National Bank ([TSX:NA](#)) is the smallest of the Big Six Canadian bank stocks. Its shares have plunged 15% so far in 2022. The stock is down 10% from the previous year.

In Q2 2022, net income was reported at \$893 million, or \$2.55 per share — up from \$801 million, or \$2.25 per share, in the prior year. Meanwhile, net income has climbed 17% in the year-to-date period to \$1.82 billion. It still delivered growth in its major segments.

This bank stock boasts a very favourable P/E ratio of 8.6. It is also trading just outside of technically oversold levels with an RSI of 31.

CATEGORY

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2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:BMO (Bank Of Montreal)
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