



Why CIBC Stock Is the Best Buy During This Selloff to Make You a Millionaire

Description

The **TSX** today continues to be hit by a massive market selloff, with shares currently down about 11.3% year to date. Investor sentiments seem to wax and wane, but it looks like this [bear market](#) could continue for Motley Fool investors for quite some time, unfortunately.

But long-term investors should have a different view of today's market selloff. Instead of seeing it as losses, see it as an opportunity. The opportunity to purchase incredible companies at super-low prices. And if there's one stock on the TSX today that could make you a millionaire, I'd say it's **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)).

Big bank drop

The [Big Six banks](#) did quite well during the pandemic, with provisions for loan losses not even necessary given the growing market. But with interest rates rising along with inflation, loans are coming in less and less. This has led to a drop in revenue for each of the Big Six banks amidst the market selloff.

That includes CIBC stock, which has seen shares drop about 12% year to date on the TSX today in this bear market. But luckily, this bank, along with the other Big Six banks, have provisions for loan losses that can come into effect, even if we hit a recession. In fact, even during the Great Recession of 2009, CIBC stock and others rebounded to pre-crash prices within a year.

That's why this market selloff provides the perfect time for Motley Fool investors to pick up CIBC stock. Before the fall, shares of CIBC stock traded at about \$83.75 (adjusted for the stock split). Now, those shares are \$20 cheaper at \$63, as of writing. This means you can lock in the highest dividend yield of the Big Six banks at 5.24%!

That dividend matters

The market selloff today means you can lock in this dividend that is basically mandatory if you want to

become a millionaire — especially during a bear market. Sure, there are growth stocks out there that *could* get you to millionaire status. But reinvesting in CIBC stock through dividend income is the way you *will* become a millionaire. Let me show you how.

Let's say you did what you're doing now and purchased CIBC stock during the Great Recession back in 2009. Since then, shares have grown 303%, at a compound annual growth rate (CAGR) of 11.32%! As mentioned, shares quickly climbed back and you were able to lock in a great dividend yield. That dividend has climbed at a CAGR of 5.22% in the last decade alone.

If we use this data, we can predict how long it will take us to reach millionaire status in the next few years if you buy during this market selloff. Let's say you have \$15,000 you want to put towards CIBC stock today. You then decide to reinvest dividend income only. In that case, it would take you 33 years to reach \$1.099 million!

Want it faster? Let's say you put that \$15,000 down and then put aside \$3,000 for CIBC stock each year. Then you continue to reinvest income. In that case, it would take you 26 years to reach \$1.068 million!

Bottom line

There are growth stocks that *might* make Motley Fool investors millions. There are other bank stocks, too. But CIBC stock offers a cheap, low share price trading at just nine times earnings. It has provisions for loans and is becoming a leader in emerging markets and growth opportunities. And, most importantly, it has a dividend that continues to grow at a rapid pace. One that can be used for reinvestment during this market selloff on the TSX today.

CATEGORY

1. Bank Stocks
2. Investing

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2. TSX:CM (Canadian Imperial Bank of Commerce)

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