



## 2 Top Canadian Bank Stocks for Beginner Investors

### Description

Beginner investors don't have an easy task on their hands, as the Canadian stock market looks to follow the U.S. markets into a bear market (that's a 20% drop). Indeed, the fading of the energy trade and the recent tumble in financial stocks have many Canadian investors wondering if the TSX Index is a suitable place to hide from volatility. While there may be a greater abundance of value on this side of the border, investors shouldn't expect any places to "hide" from this vicious market-wide selloff.

Instead of trying to seek shelter from volatility, investors should make the most of it. If you're young and are willing to invest for at least the next five years, you should treat a bear market as a sale on stocks or a gift courtesy of Mr. Market. You wouldn't be upset if some of your favourite merchandise was marked down 20-50%.

### **A bear market is a chance for beginner investors to buy high-quality stocks on sale**

So, why treat stocks any different?

They're not just pixels on a screen. They're pieces of businesses. And if you can get a bigger piece of your favourite business at a lower price, how is that a bad thing? Unless you're forced to sell or are nearing retirement, this market selloff is a chance for you to make moves to better position your TFSA or RRSP for long-term gains.

Sure, bull markets are when fortunes are made. But it's bear markets that tend to be the most opportune times to deploy capital. While you won't be rewarded as quickly as mid- to late 2020, odds are, you'll be up big time over the next 10 years. That's the timeframe that really matters.

Without further ado, [beginner](#) investors should begin to narrow their shopping lists and begin to buy some of the names that they would have bought at much higher prices back in 2021.

Consider wonderful companies like the big Canadian banks. They're magnificent for beginner investors

for seek value, passive income, and growth.

## National Bank of Canada

**National Bank** ([TSX:NA](#)) stock got walloped on Thursday, sinking 3.6% alongside the broader financial industry. When the times get tough, it's regional banks that tend to take a slightly bigger hit to the chin. Despite National Bank's strong relative performance through the early days of the pandemic, the stock trades at a hefty discount to its peer group and its historical average. At 8.5 times trailing earnings, NA stock is priced with a recession in mind. The stock boasts a 4.42% dividend yield and has room to disrupt its bigger brothers over the next decade.

Sure, National Bank is an underdog today. But with strong managers and a robust capital ratio, the \$28 billion bank is just as capable as its much larger rivals.

## Scotiabank

**Scotiabank** ([TSX:BNS](#))([NYSE:BNS](#)) is a solid mix of domestic and international banking. The stock took a big hit this Thursday, falling 3.2%. Now down more than 23% from its recent high, BNS stock cannot seem to catch a break. Now, emerging markets exposure is risky at a time like this. However, beginner investors who lack such exposure can get it at a huge discount with BNS stock.

Emerging markets are capable of greater growth over the long run. While such growth comes at the cost of greater risk, Scotia's managers have done a great job of mitigating such risks. As such, I view BNS stock as a bargain at 8.7 times trailing earnings, with its huge (and safe) 5.75% dividend yield.

### CATEGORY

1. Bank Stocks
2. Investing

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2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:NA (National Bank of Canada)

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