



The 1 Canadian Stock I'd Buy Without Hesitation

Description

The **S&P/TSX Composite Index** climbed 121 points on Friday, November 11. The **S&P/TSX Capped Financial Index** rose 0.67% on the same day. Today, I want to discuss why I'd look to snatch up **Royal Bank** ([TSX:RY](#)) without a second thought in the final weeks of this year. Royal Bank is the largest Canadian financial institutions. Indeed, it is the [largest](#) Canadian stock by [market cap](#) on the [Toronto Stock Exchange \(TSX\)](#). Let's jump in.

How has Royal Bank stock performed so far in 2022?

Shares of this top Canadian stock have dropped 3.7% in 2022 as of close on November 11. That has pushed the stock into negative territory in the year-over-year period. However, Royal Bank stock has jumped 7.9% over the past month. Below is an interactive chart that will help you track the performance of this top [Canadian bank stock](#).

Should you be encouraged ahead of the bank's final earnings report?

Canada's largest bank is set to release its fourth-quarter and full-year fiscal 2022 results on November 30, 2022. The largest Canadian financial institution is set to close the book on an eventful year for the Canadian economy. Indeed, the policy path set out in 2022 will likely have a major impact on the financial health of Canada for the rest of this decade. Royal Bank will be an important barometre for the success or failure of the interest rate-tightening policy.

Royal Bank unveiled its third-quarter fiscal 2022 earnings on August 24. Net income dropped 17% year over year to \$3.6 billion, and diluted earnings per share (EPS) slipped 15% to \$2.51. Meanwhile, net income in the first nine months of fiscal 2022 was reported at \$11.9 billion, or \$8.31 per diluted share — down 2% and 1%, respectively.

In the third quarter of 2022, Royal Bank saw net income fall 4% to \$2.02 billion in its Personal and Commercial Banking segment. Net income was weighed down by a spike in provisions set aside for

loan losses. Meanwhile, Insurance net income slipped 21% to \$186 million. Worse, its Capital Markets segment saw net income plunged 58% from the previous year to \$479 million. That was due to loan underwriting mark downs as well as “challenging market conditions.”

On November 10, Royal Bank Global Asset Management announced its October sales for RBC Funds, PH&N Funds, and BlueBay Funds. It posted mutual fund net redemptions of \$1.7 billion. Meanwhile, long-term funds posted net redemptions of \$2.0 billion and money market funds delivered net sales of \$258 million. Mutual fund assets under management ultimately rose 1.7%.

Royal Bank: Why I’m looking to buy today

This Canadian stock currently possesses a favourable [price-to-earnings ratio of 11](#). Royal Bank is still trading in more attractive value territory compared to its industry peers. Canadian investors can depend on this profit machine for the long haul. Moreover, it offers a quarterly dividend of \$1.28 per share. That represents a 3.8% yield. I’m looking to snatch up this top Canadian stock while it still offers solid value in the middle of November.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:RY (Royal Bank of Canada)
2. TSX:RY (Royal Bank of Canada)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. aocallaghan
2. kduncombe

Category

1. Investing

Date

2025/07/17

Date Created

2022/11/19
Author
aocallaghan

default watermark

default watermark