



## ALERT: I'm Buying Scotiabank (TSX:BNS) Stock for Cheap Today!

### Description

The **S&P/TSX Composite Index** [slipped 81 points](#) on Thursday, February 9. Every major TSX sector finished the day in the red. Some of the [worst-performing sectors](#) included health care, telecom, and battery metals. **Scotiabank** ([TSX:BNS](#)) remains a heavy hitter on the Canadian market and the fourth largest of the Big Six Canadian [bank stocks](#).

Today, I want to discuss why I'm looking to snatch up shares of Scotiabank before its first-quarter (Q1) earnings release. Let's dive in.

### How has this top bank stock performed over the past year?

Shares of Scotiabank have dropped 21% year over year as of close on February 9. The stock has jumped 12% so far in 2023. That is a terrific start for this top bank stock. Readers who want to see more can play with the interactive stock price chart below.

### Here's why I'm excited about Scotiabank in 2023

Canada's economy is facing new challenges that have sprouted from the aggressive interest rate-tightening policy pursued by the Bank of Canada (BoC). The BoC enacted the fastest and most radical series of interest rate hikes in more than 15 years in response to inflation that had run out of control. Fortunately, this policy is starting to bear fruit.

BoC governor Tiff Macklem recently stated that the central bank was "seeing signs that higher interest rates are beginning to rebalance the economy." Currently, the overnight rate stands at 4.5%. Meanwhile, the annual inflation rate was reported at 6.3% in December 2022. That is still far above the BoC's target of 2%. His comments suggest that Canadians will need to grit their teeth and accept high interest rates for the next two years.

This high interest rate environment has capped credit growth and put a dent in business investment. However, Scotiabank and its peers have also seen profit margins improve. That means you can trust

Canada's top banks in 2023 and beyond.

## What should you expect from its Q1 earnings?

Scotiabank recently announced that it would announce its Q1 fiscal 2023 earnings on Tuesday, February 28.

In fiscal 2022, the "International Bank" reported adjusted net income of \$10.7 billion, or \$8.50 per diluted share — up from \$10.1 billion, or \$7.87 per diluted share. Total revenue in its Canadian Banking segment rose to \$12.0 billion compared to \$10.8 billion in fiscal 2021. Meanwhile, net income in its International Banking segment rose to \$2.66 billion over \$2.15 billion in the previous year.

This bank recently bolstered its reliance on the domestic market. That strategic shift should continue to pay off in the quarters ahead, as the Latin American economy remains in a difficult position.

## Scotiabank: Why I'm buying this bank stock today

Shares of Scotiabank currently possess an attractive [price-to-earnings ratio of 9.1](#). That puts this bank stock in more [favourable value territory](#) compared to its industry peers. Moreover, Scotiabank offers a quarterly dividend of \$1.03 per share. That represents a very strong 5.6% yield. This top bank stock offers nice value and income that has outpaced its peers at the time of this writing. I'm looking to stack shares ahead of its Q1 earnings report later this month.

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1. aocallaghan
2. kduncombe

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**Author**

aocallaghan

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