

Oppenheimer (OPY)

Doug Hughes

BankNewsletter



*Our number one pick for growth investors in 2019 will be once again **Oppenheimer (OPY)**—for the third year in a row; that should say something in itself, asserts small cap bank stock specialist **Doug Hughes**, editor of **Bank Newsletter**.*

This financial powerhouse is small, yet earnings are a small fortune, particularly as short-term interest rates go up. They should earn well over \$4.50 a share in 2019 so trading at \$26 does not make any sense. Their tangible book value is over \$28 a share now and they pay a nice 2% cash dividend.

Insiders own over 30% of the stock, and they have a 5% stock buyback in place still, which I am sure they will use if the stock goes much lower than the \$25 range.

While it has come up nicely from the \$15 area over the past year, the stock has just pulled back from the low thirties, giving anyone who missed it the first time another chance to load up.

This is a well known name for solid research and a mispriced stock that trades plenty (over 100,000 shares a day), so a nice position can be bought anytime, without moving the stock.

The firm makes tons of money on their interest rate swap income, almost like minting money in today's world. They also make a ton on mergers, trading, commissions and bonus fees if their funds do well.

Simply cheap and ripe for a takeover with being so small and having this solid interest income stream for the foreseeable future, someone will pay at least \$42 a share for them next year.

With the CEO at 72, he will let go this time before we get a crash or downturn in rates; now is the time to sell. Make this a top holding today, with maybe 5% downside risk and 60% upside potential.

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