

Growth in Asia Will Continue to Propel These 2 Dividend Stocks

Description

The International Monetary Fund (IMF) reiterated its positive economic outlook for the Asia-Pacific region in early May. The IMF projects that China will post 6.6% growth in 2018 with needed credit tightening measures constricting growth in some areas. [India continues to impress](#) in 2018 and the IMF has held its growth forecast at 7.4% in 2018 and 2019. Overall, the IMF projected that Asia will post 5.6% growth in 2018, which could account for around two-thirds of global growth.

The IMF did warn that global financial tightening and protectionism could be a threat to strong growth going forward. China and the U.S. remained locked in an ongoing trade spat. The IMF identified priorities for Asia in the long-term, which included boosting productivity, narrowing gender gaps in the labour force, and managing demographic transition.

Today we will focus on two TSX-listed stocks that are primed to soar as Asian growth remains very strong. Both also provide solid income for any portfolio.

Manulife Financial Corp. ([TSX:MFC](#))([NYSE:MFC](#))

Manulife Financial is a Toronto-based company that provides insurance and financial services. Shares of Manulife have dropped 6.7% in 2018 as of close on May 8 and are down 0.81% year over year. The [growth of the middle class in Asia](#) has provided lucrative opportunities for insurance companies to offer services. Manulife has reported strong growth in its Asia segment in successive quarters.

The company released its first-quarter results on May 2. Manulife reported net income of \$1.37 billion, or \$0.67 per share compared to \$1.35 billion, or \$0.66 per share in Q1 2017. In the quarter, Manulife delivered core earnings of \$1.30 billion compared to \$1.10 billion in the prior year. The company received a boost from the *U.S. Tax Cuts and Jobs Act*, but growth in its Asia-based business once again drove results.

Core earnings in its Asia division rose 19.6% year-over-year to \$427 million in the first quarter. In Asia, it reported annualized premium equivalent sales of \$1.4 billion. Gross flows in its wealth management segment posted an increase in all of its Asia regions.

Manulife also declared a quarterly dividend of \$0.22 per share, thereby representing a 3.4% dividend yield.

Sun Life Financial Inc. ([TSX:SLF](#))([NYSE:SLF](#))

Sun Life Financial is a Toronto-based insurance and financial services company. Sun life stock has climbed 1.9% in 2018 so far, and is up 8% year over year. The company released its first-quarter results on May 8.

Sun Life reported net income of \$669 million compared to \$551 million in Q1 2017. Wealth sales grew to \$39.8 billion, while insurance sales retreated to \$665 million compared to \$772 million in the prior

year. Net income in Asia surged 128% to \$133 million. In Asia, insurance and wealth sales increased 17% and 29%, respectively. Insurance and wealth sales in Canada both retreated by the double digits percentage wise.

Sun Life also hiked its dividend by \$0.02 to \$0.475 per share.

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1. Dividend Stocks
2. Investing

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2. TSX:MFC (Manulife Financial Corporation)
3. TSX:SLF (Sun Life Financial Inc.)

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