



## 2 Dividend Heavyweights to Buy Right Now

### Description

People who have started planning for retirement or building the foundation of their financial future are realizing the importance of personal savings. However, they also understand that a big chunk of money saved needs to be invested for [higher income growth](#). Since the goal is long term, insurance stocks are good options.

On the TSX, Canadian life insurers **Manulife Financial** ([TSX:MFC](#))([NYSE:MFC](#)) and **Sun Life Financial** ([TSX:SLF](#))([NYSE:SLF](#)) appeal the most to investors. Many see the benefits of anchoring the future on these two dominant industry players.

### Financial health

MFC and SLF are both financially healthy. Analysts have offered their outlooks based on the December 2018 earnings update from the companies.

MFC surprised the market with a +138.69% earnings growth last year. Management describes 2018 as a year of record results and encouraging progress. The company delivered a historic and record-setting \$4.8 billion net income. This year, the consensus is 17% growth and 28% in 2020, or \$6.5 billion earnings.

In the U.S., John Hancock Insurance, a division of MFC, is one of the largest insurance companies. As of year end 2018, the total assets under management and administration by the company and its subsidiaries are worth \$1.1 billion. MFC desires to be the most [digital and customer-centric global firm](#) too.

SLF takes pride in its diversified business model, which it believes makes for strong offence and defence. Net income last year was \$2.9 billion and because of strong execution, SLF consistently delivered top- and bottom-line growth. The income growth average in the last four years is 13.25%.

If SLF can maintain the said average, income would top \$3.3 billion in 2020 and close in on \$4 billion in 2021. The company is also advancing digital transformation across all business segments to ensure

friendly customer service rendition.

Despite SLF's smaller size, the company's new business value grew to \$1.1 billion compared to MFC's \$1.7 billion. Some investors are contemplating on purchasing the stocks before the Q1 2019 earnings reports. MFC is due to report on May 1, while SLF's reporting date is on May 9.

## Stock performance

Currently, MFC is trading at \$24.67 and is up +27.35% year to date. SLF is doing fine as well as the latest price of \$55.36 represents a +22.23% from the year-end closing of \$45.29.

Ahead of the respective quarterly earnings report, analysts see MFC to potentially jump by 42.68% to \$35.20. Meanwhile, a price appreciation of +10.19% or \$61 is likely for the shares of SLF. The higher forecast for MFC seems to suggest the stock is the better trading stock, while SLF is more of a hold stock.

Investors won't be shortchanged because MFC (4.42%) and SLF (3.9%) stocks are dividend payers with dividend yields. Obviously, both stocks are good investment prospects for the long term. It will depend on how many shares your allotted investment fund can afford to purchase.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

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

### PARTNER-FEEDS

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