1 Excellent Stock That Just Went on Sale

Description

Every investor dreams of getting big returns from financial portfolios, whether it is through stocks, bonds, ETFs or a combination of various securities. Income investors, however, want to generate consistent cash flow from their liquid investments.

The companies you choose for your portfolio must have good value. **Manulife Financial** (TSX:MFC)(NYSE:MFC) might be that stock that you should invest in right now – and it just went on sale!

A closer look at Manulife Financial

Headquartered in Toronto, Manulife Financial is one of the leading financial service groups in Canada. The company also conducts operations in the United States and Asia as well as reinsurance operations throughout the world.

Manulife Financial offers a wide range of financial products, which includes pension products, annuities, health insurance, mutual funds and life insurance.

Manulife's stock has witnessed a change of 18.18% since the start of the year. Shelling out a dividend of $0.19 per share and a dividend yield of 4.45%, this is one stock you should consider buying.

While it might come as a surprise to many, I strongly believe that Manulife can create a steady cash flow for you in the long run.

The company's biggest strength is the business model it employs: a stable income coming in through various insurance policies and financial products and services. After all, its revenue growth has been lagging behind over the past few years.

An indicator of Manulife's bottom line propelled by unmaintainable cost-reductions, the overall Canadian insurance industry has been enduring strong headwinds over the course of the year. The average earnings drop was significant for the industry at 12.37%.

A solid performance in Asia

Manulife has insulated itself from risks by diversifying its operations. It no longer just relies on income from Canada and the United States. In fact, 72% of its insurance premium revenue is being generated from Asia.

The core earnings for its second quarter were solid at $1.5 billion, up 1.5% year over year, which is largely thanks to its solid performance in Asia coupled with a higher investment income in a surplus portfolio.

Segmental performance for Manulife

The Global Wealth and Asset Management division's core earnings were at $242 million, which is up 1.3% year-over-year. Asia division's core earnings were up 14.4% year-over-year at $471 million.

Manulife Financial's Canada division core earnings were down 21.1% year-over-year at $471 million, while the United States division reported core earnings at $441 million, up0.2% year over year.

Q2 results had a minimal difference between the core and reported earnings, which is a good sign. Book value per share at $22.89 is higher, and with the Asia earnings up 15% year over year, the company's balance sheet is improving.

Bottom line

Investors like dividends for many reasons, such as better stock investing profits, overall portfolio risk decrease, and tax advantages.

These are just a few of the most important advantages. Being a top dividend stock right now, the price-to-book ratio for Manulife is also strong at 1.14.

Combined with the strength of its earnings outlook, Manulife looks like an impressive value stock at the moment, which you should not miss out on.

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