



Don't Miss Out: This Dividend Stock Is a Massive Buy Today

Description

Long-term investors shouldn't fear market sell-offs. If anything, they should be practically gleeful at the opportunity that has suddenly presented itself. Look at all those terrific stocks at bargain prices!

Unfortunately, taking advantage of this chance to buy suddenly cheaper stocks is easier said than done. The lizard part of our brain has a funny habit of taking over, paralyzing many investors with fear. Is today the right time to buy? What if this is the start of a huge bear market?

While we weigh those decisions, the market inevitably recovers, and investors miss out on a [glorious opportunity](#) to add cheap stocks to their portfolio.

Don't be one of these uncertain investors. It's time to seize this opportunity while you still can. Start by loading up on this beaten-up stud — the kind of dividend stock you can buy and hold for a very long time.

The skinny

Manulife Financial Corporation ([TSX:MFC](#))([NYSE:MFC](#)) is Canada's largest life insurer with operations in 21 different countries. The company focuses on three main operating areas, including Canada, the United States, and Asia.

Apart from life insurance, it offers all sorts of other insurance products, investment advice, wealth management services, and portfolio management for institutional clients.

Manulife has recently been focused on growing its bottom line in a few different ways. It has made acquisitions in the wealth management space, as well as growing that division organically.

Managing assets for institutional investors has also provided solid growth. On the insurance side, the company has focused on growing its operations in Asia. The vast majority of its new business today comes from these Asian operations.

As you might have guessed, this Asian exposure has investors spooked. They're worried a large number of fatalities from the deadly Coronavirus pathogen will impact Manulife's bottom line.

Remember, the company isn't just active in China, but also in nations like Japan, Taiwan, Indonesia, and Thailand. As the virus spreads in Asia, Manulife will feel the impact.

Still, I think these fears are overdone. Statistics today show the Coronavirus is only slightly more deadly than the flu. It also looks like the virus is largely contained, although I'm the first to admit this could change at any time.

Besides, you can even argue this might be bullish for life insurance in the region; there's nothing like an epidemic to motivate a procrastinator to finally get life insurance.

The opportunity

We don't know how the coronavirus will impact Manulife's bottom line. But what we do know is if the impact is minimal — as I think it will be — then shares are a [terrific bargain](#) today.

Analysts project the company will earn \$3.14 per share in core earnings in 2020, a number, which excludes any non-cash items that might impact the bottom line. The stock currently trades hands at just over \$23 per share, giving us a forward price-to-earnings ratio of 7.5.

Manulife is also cheap on a price-to-book value basis, trading at right around book value. That values the company's financial assets fairly, while assigning virtually zero value to its brand or value of its wealth management and institutional asset management businesses. As well, both of Manulife's main competitors are trading at around 1.5 times book value.

Analysts believe that Manulife is worth around the same multiple as its peers, with an average price target of just a little above \$30 per share, which represents upside potential of around 30% — something I think is quite achievable over the next couple of years.

Finally, Manulife has been a dividend growth machine since 2013, more than doubling the dividend from \$0.13 to \$0.28 per share each quarter. That's enough for a 4.8% yield today.

The bottom line

The time to act is *now*. Manulife shares are unfairly beaten up because of Coronavirus fears. Once this storm passes, you'll regret not loading up on the stock when it traded so cheaply.

CATEGORY

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