



This Top TSX Stock Just Cratered: Finally Time to Buy?

Description

The novel coronavirus is still impacting the lives of people around the world. Mobility is limited, and people are exercising greater caution. The fear and panic brought on by the virus haven't abated yet, and many believe that the worst is yet to come.

The financial repercussions of how the virus impacted the broader market, trade, businesses, and jobs will haunt the nation and global economy for years to come.

Thankfully, even though most stocks fell down the cliff hard, many are getting back up. **The S&P/TSX Composite Index** is 21% up from its lowest value in March.

Even at 24.2% down from what it was before the crash, the current recovery is a breath of fresh air after the performance witnessed in the past few weeks.

But many stocks cratered too deep to recover quickly along with the rest of the market, offering investors a chance to still benefit from the crash. One such stock is **Manulife Financial** ([TSX:MFC](#))([NYSE:MFC](#)).

The company

Manulife was founded in Canada in the year 1887. It only took the company a decade to make its first sale in Asia, and after six more years, in the U.S. Over the years, the company strengthened its footing in the Asian market, the U.S., and at home.

Manulife's merger with John Hancock in 2004 transformed it into the largest Canadian life insurance company and second-largest in North America.

The company stood the test of time in the last recession. The share value fell more than 70%, and the company never regained that glory day's share value again.

Still, in the post-recession years, the company reshaped and began steadily climbing. Currently, it has

\$1.2 trillion worth of assets under its management, and it's serving about 30 million customers worldwide.

The investment

Manulife got hit hard in the current market crash, mostly because of its wide exposure to the Asian markets that got hit the hardest by the pandemic.

About one-third of Manulife's profits are generated from the Asian market, so it's no wonder that the company lost over 50% of its share value in the current crash.

Even now, the company is trading at about a 40% [discount](#) from the value before the crash.

The company wasn't a very fast grower, even before the crash. Its pre-crash five-year CAGR is just 3.82%. But it was steady and dependable. The company is one of the 20 largest stocks (by market value) currently trading on the **TSX**. It has a strong balance sheet and total cash holdings that are worth more than the total market capitalization of the company.

It's also a [dividend](#) payer. Even if it isn't an aristocrat yet, it increased its payouts by 51% since 2016. Currently, due to a plummeted share price, the company is offering a juicy yield of 6.6%.

Foolish takeaway

If we take a look at the 2008 numbers of the company, buying it in the current market crash might not seem prudent. But if you compare it to other life insurance companies and financial giants, it weathered the last storm relatively better. It might show similar or even better resilience this time around as well.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:MFC (Manulife Financial Corporation)

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Date

2025/09/10

Date Created

2020/04/10

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