



## 2 Super Dividend Stocks Too Cheap to Ignore

### Description

The **S&P/TSX Composite Index** was up over 30 points in early afternoon trading on May 6. North American stocks enjoyed a sharp rebound in April. However, investors should remain cautious as a flurry of earnings are set for release over the next few weeks.

Rather than betting solely on growth, I'm targeting some of the top dividend stocks on the **TSX** right now. Better yet, these dividend stocks are nicely discounted in early May.

### Why these two dividend stocks are worth your attention

Insurance companies have sweated out the last few months in this world-changing crisis. Before the COVID-19 outbreak became a reality, insurers looked like one of the best bets on the market. Domestic growth has been tepid over the past decade, but the opportunity for long-term [growth in Asia](#) is huge, which is why two of Canada's top insurers are some of my favourite dividend stocks.

**Sun Life** ([TSX:SLF](#))([NYSE:SLF](#)) stock was up 6.6% in early afternoon trading at the time of this writing. The company release its first-quarter 2020 results on May 5. Sun Life posted underlying net income of \$770 million in Q1 2020 – up 7% from the prior year and an impressive showing given the headwinds.

However, Sun Life's reported net income came in at \$391 million – down from \$623 million in Q1 2019. Sun Life is well positioned as governments pursue the loosening of restrictions. The company boasts a strong balance sheet and is still on track for solid growth going forward.

**Manulife** ([TSX:MFC](#))([NYSE:MFC](#)) was one of my top picks to monitor as [markets sank sharply](#) in early March. The company is set to release its first-quarter 2020 results the morning of May 7.

Investors should expect Manulife to suffer from the same headwinds that hurt Sun Life's earnings. However, Manulife also boasts a solid balance sheet and a strong track record. As far as value is concerned, both dividend stocks are worth your consideration. Let's explore why.

## Insurers are dirt-cheap right now

First, the yields for these dividend stocks are attractive after the spring rout. Sun Life last declared a quarterly dividend of \$0.55 per share – which equalled its payout in the previous quarter. This represents a solid 4.9% yield.

Manulife last paid out a quarterly dividend of \$0.28 per share, representing a tasty 6.8% yield. Investors will await its upcoming earnings report to determine whether there's any change to this payout. The company has delivered dividend growth for six consecutive years.

Both dividend stocks offer nice value today. Sun Life stock last possessed a favourable price-to-earnings ratio of 10 and a price-to-book value of 1.2. Shares of Manulife had a very low P/E ratio of 5.9 and a P/B value of 0.7 ahead of its upcoming earnings report.

While these stocks have emerged from technically oversold territory in late March, that doesn't mean investors can't take advantage of their still-discounted prices. I'm bullish on Sun Life and Manulife for the long haul.

### 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

1. Business Insider
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