



## Got \$1,000? Buy This Top TSX Stock Today

### Description

For those with a few extra bucks looking for a top-notch TSX stock to buy today, you've come to the right place.

I'm going to discuss why I think **Manulife Financial** ([TSX:MFC](#)) is a great pick right now.

### Rotation to value stocks underway

Fellow Fool contributor Joey Frenette highlights in a recent piece why he thinks Manulife could outperform.

He [wrote](#), "With investors anticipating higher inflation and interest rate hikes, I think fears could spiral, and growth stocks could take on even more damage. Regardless, I'd look to nibble on shares of your favourite growth companies on the latest dip if it turns out that this tech correction is closer to a bottom than its peak. At the same time, it would be wise to scoop up the deeply discounted 'value stocks' if you're overweight growth and have taken on more damage than you're comfortable with over these past two weeks of vicious selling."

I have to agree. There's certainly the potential growth stocks could continue to slide. Rising inflation expectations are rational, and the market is doing what it does best — repricing asset values.

If this trend continues, which it just might, value stocks like Manulife could do very well.

### Why is Manulife a value stock?

Some may argue that Manulife is fairly valued right now, given the level of risk in the economy. Well, if that were true, the valuation gap that exists today in financials stocks wouldn't exist.

Indeed, Manulife is undervalued when one considers its historical ratios and where interest rates are today. Indeed, its stock price is still down more than 50% from its 2007 peak. Yes, this stock has more

than fully recovered from the depths of the pandemic-induced selling. However, many could argue there's a lot more room to run with Manulife stock.

The company's relatively high dividend yield of 4.1% still remains a key opportunity for income investors. Particularly, those in or nearing retirement should consider companies like Manulife with significant yields. I think the company's business model is one that provides for bond-like, stable income over the long term. Yes, bond yields have risen, but not to the point where it makes Manulife's dividend look unattractive.

## Bottom line

The market is overheated right now, and a rising tide lifts all boats. Manulife stock has been on an impressive run of late. Accordingly, many investors may question whether this momentum is sustainable.

However, I think the catalysts that are driving this stock higher are likely to persist. Indeed, this is a stock that still represents solid value and income for long-term fundamental investors.

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1. Bank Stocks
2. Dividend Stocks
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### TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
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chrismacdonald

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