



## 1 Top Canadian Financials Stock I'd Buy Right Now

### Description

Investors with wealth protection on their minds should consider parking their money in quality financial stocks. Such stocks are known to provide healthy dividend income and come in handy for capital appreciation down the road.

Accordingly, I think getting exposure to financial stocks like **Manulife Financial** ([TSX:MFC](#))([NYSE:MFC](#)) could be a great move for investors, especially when it is trading at these levels.

Here's why investors may want to consider this [quality financial stock](#) today.

### Promising business model and portfolio

Ever wondered how big Manulife is in the financial protection and wealth management service space?

Well, this insurance player runs operations in over 20 countries in the world and focuses on growth markets. In particular, the company's Asian operations are substantial. Of course, this provides Canadian investors with extensive geographic diversification. This also provides for outsized growth potential over the long term.

In fact, Manulife is currently looking for opportunities to expand its footprint in Asia down the road. This definitely gives me hope regarding long-term consistency with respect to cash flow growth.

Apart from its international presence, this company also boasts of a diversified portfolio that is not necessarily limited to just one sector. Manulife is involved in the wealth management, private banking and securities business. I must say that all of its business operations are running profitably and offer ample scope to growth investors to boost their portfolio.

While Manulife has a global presence, this stock is significantly undervalued. In fact, its valuation is nearly equivalent to its book value. Moreover, the company is currently offering a 4.5% dividend, making this bond proxy a lucrative bet for more than one reason.

## Valuation attractive at these levels

Indeed, Manulife stock has managed to surpass its pre-pandemic level recently. Regardless, it is still struggling with a comparably low valuation. When compared to it peers in the financials sector, particularly big banks, this valuation gap becomes more prominent.

Manulife has continually traded at a discount of roughly 20% to most big names in the financial space. Insurers have been hit by lower rates of late. However, I don't view this headwind as a big enough reason for the current valuation gap.

Accordingly, Manulife's risk-reward profile right now is superior to most financials stocks on the **TSX**.

For long-term investors seeking defensiveness and stability, Manulife is a great choice. The relatively high dividend yield this stock pays allows long-term investors to be patient with this stock. I like that.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

### POST TAG

1. banking
2. dividend
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### TICKERS GLOBAL

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

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