



2 Top Financials Stocks to Buy Right Now

Description

Financial stocks have been a go-to preference for investors who want to play it safe in the market yet receive a sizeable return. Investing in financial stocks is also a superb way to diversify your portfolio.

As part of a well-diversified portfolio, financials stocks are a must. And in this context, I think **Manulife Financial** ([TSX:MFC](#))([NYSE:MFC](#)) and **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) are two [top picks](#) to consider right now.

Here's why.

TD Bank

One of Canada's largest banks, TD is a powerhouse of a financials stock to own today. Indeed, this stock continues to make my list of top picks due to the lender's long-term track record of providing meaningful total returns for investors.

Between TD's dividend yield of 3.6% and the bank's long-term capital appreciation record, investors have been able to amass some serious wealth over recent decades owning this gem. I don't see things changing on the horizon in this front.

TD's recent earnings have highlighted this performance. In fact, TD's results surpassed analyst expectations by a wide margin. The company's Q1 adjusted income of US\$3.38 billion came in higher year over year, as the effects of the pandemic wind down. Indeed, for those who view greener pastures ahead, this is a great pick right now.

The company's also been streamlining its operations of late. Via cutting out unprofitable branches and leveraging technology to do so, TD hopes to provide long-term investors with boosted returns. These moves ought to pay dividends (figuratively and literally) over the long haul. Accordingly, I think TD's CAGR of 15% over the long term is likely to remain in place for some time.

Manulife

An undervalued financials stock, Manulife certainly looks cheap at these levels.

This large-cap insurer continues to churn out great results as well as a relatively juicy dividend yield of 4.5% for investors.

The company was quick to recover from the pandemic-induced turmoil we saw last year. Indeed, Manulife's exposure to Asian markets and its global growth profile in general, make it a much more geographically diversified and defensive option than its peers right now.

I think investors seeking growth at a reasonable price ought to consider companies like Manulife right now. Indeed, Manulife trades at a discount from a valuation perspective to the big banks. Those seeking value today have a few great options. Manulife and TD both offer great risk/reward potential for such long-term investors. Indeed, these two stocks ought to remain atop the watch lists of investors seeking diversification today.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
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POST TAG

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TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:MFC (Manulife Financial Corporation)
4. TSX:TD (The Toronto-Dominion Bank)

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