2 Top TSX Dividend Stocks to Buy Now

Description

There are many great TSX dividend stocks to check out before the volume and volatility really have a chance to return this September. Indeed, volatility can accompany the back-to-school season. In this piece, we'll have a look at two of my top names with juicy payouts to check out this week.

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Manulife Financial

For some reason or another, investors can't seem to appreciate **Manulife Financial** (TSX:MFC)(NYSE:MFC) and its compelling long-term growth story. The top reason to hold shares for the long run is its solid Asian business, which is poised to bring the company's growth to the next level over the next decade and beyond. Despite better-than-average growth prospects, people seem more than willing to throw in the towel at the first signs of pressure.

Simply put, I think Manulife is one of the TSX dividend stocks that doesn't get the respect it deserves. Insurance can be a fickle business, but given today's improving economic backdrop, I'd argue that it's absurd that many are doubting the firm's ability to sustain solid profits over the medium term.

Manulife trades at 6.84 times trailing earnings right now. That's absolutely ridiculous. While the next three quarters could be bumpier, I think it's a mistake to group such a TSX dividend stud as some sort of value trap. Sure, the path behind looks better than the path forward, at least through the eyes of investors. But over the longer term, I think that those who pick up shares at these depths will be in a spot to do well, perhaps very well, as they collect the juicy 4.5% dividend yield amid the insurer's continued recovery from COVID-19.

IA Financial

Sticking with the theme of insurers, we have **IA Financial** (TSX:IAG), a very different flavour than Manulife. Undoubtedly, IA is more of a play on the Canadian and American markets, both of which may not be as "growthy" as Manulife's Asian business. That said, IA's management team has been known to exercise a great deal of prudence and patience. It's IA's exceptional managers that are a huge reason why shares of IA were among the first of Canadian insurance stocks to post a full recovery from the Great Financial Crisis of 2008.

Today, IA is coming off a nearly full recovery from the 2020 crash that caused the TSX dividend stock to shed around half its value. I'd pounded the table on the plunge, and although the steal of a deal is gone, I still view IA as a relative bargain in today's expensive market.

IA is less growthy and pricier than Manulife at just north of the 10 times trailing earnings mark. But if you seek greater stability, more exposure to the North American markets, and would not mind a lower yield (currently at 2.62%), IA shares are definitely worth a second look at these levels.

Bottom line on the two top TSX dividend stocks

Manulife and IA look great non-bank financials to buy today, as valuations are sagging on the lower end of the range. If I had to choose one name, though, I'd have to go with Manulife.

I think investors are heavily discounting its long-term growth prospects, and the single-digit price-to-earnings multiple, I believe, is completely unwarranted. You'll get more yield, more encouraging growth prospects, and a jaw-droppingly low valuation.

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2. TSX:IAG (iA Financial Corporation Inc.)
3. TSX:MFC (Manulife Financial Corporation)

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Date
2025/08/25
Date Created
2021/08/19
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