



3 Leading Financial Stocks to Buy for 2021 and Beyond

Description

Financial stocks are some of the most important stocks you can buy. It's crucial to have exposure to every industry. But in Canada, where bank and financial stocks are some of the largest companies, and the banking industry is one of the safest in the world, it's crucial to find high-quality financial stocks for your portfolio.

These companies can grow for years and are consistently increasing their profitability and increasing the cash they can return to investors. However, one of the biggest reasons to find high-quality financial stocks to buy today is that interest rates are primed for a major increase over the next year.

With inflation soaring — currently at its highest level in almost 20 years — central banks will have to cool down the economy's growth. So with [interest rates](#) set to rise in Canada, as well as many countries around the world, these financial stocks should be some of the biggest benefactors.

Therefore, if you're looking to take advantage of the momentum in the space, at the same time as buying some high-quality financial stocks for your portfolio, here are three to consider today.

A top investment company

One of the best Canadian stocks in general to buy, in addition to a leading financial company, is **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)). Brookfield is a massive investment company with investments in several high-quality industries.

In addition to its main asset management business, the company also has major investments in real estate, renewable energy, and infrastructure. These are three sectors with some of the highest quality businesses and assets around the world. This is a significant reason why the [growth stock](#) has had such an impressive performance over the last 10 years, growing investors' capital by over 625%.

And going forward, Brookfield is committed to continue growing these existing portfolios. However, at its recent investors day, it also expressed the desire to launch new funds in more growing industries, such as insurance and high-quality businesses in the technology sector.

So if you're looking for a high-quality stock that's well-diversified and always looking to invest for the future, Brookfield Asset Management is one of the best financial stocks to buy today.

A high-quality bank stock

Another high-quality investment you could consider making today is a bank stock. And right now, **Canadian Western Bank** ([TSX:CWB](#)) is one of Canada's most attractive stocks.

Canadian Western Bank is an excellent financial stock to buy today. It's a great company trading cheaply with a tonne of potential to rally both in the short and long term.

There are a few reasons why Canadian Western Bank could rally in the short run. The stock has a tonne of potential to rally as interest rates are expected to rise soon. Inflation has been increasing rapidly, and on top of that, interest rates continue to be at ultra-low levels. So with interest rates set to start rising over the next few years, these financial stocks will see a major benefit.

Another reason Canadian Western Bank looks so attractive right now involves the rapidly rising commodities prices. As the bank has a tonne of operations in Western Canada, it's more exposed to the economy than any other Canadian bank.

This can weigh on the stock if the economy is in turmoil. But when commodities prices are rallying and the economy starts to boom, Canadian Western Bank could become one of the best financial stocks you can buy.

An ultra-cheap financial stock to buy now

Finally, **Manulife** ([TSX:MFC](#))([NYSE:MFC](#)) is another outstanding financial stock to buy today. The company offers investors growth potential as interest rates rise and it's incredibly cheap.

Over the longer run, Manulife's expansion into Asia should also provide excellent growth opportunities. For now, though, the stock is extremely cheap, and like Canadian Western Bank, could see a massive rally in its share price, should interest rates start to rise soon.

Plus, after you buy Manulife and while you wait for this top Canadian financial stock to appreciate, you can collect its impressive dividend. Currently, the stock yields more than 4.45%. So if you're looking for a high-quality stock to buy undervalued today, Manulife is one of the best in Canada.

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2. NYSE:MFC (Manulife Financial Corporation)
3. TSX:BN (Brookfield)
4. TSX:CWB (Canadian Western Bank)
5. TSX:MFC (Manulife Financial Corporation)

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