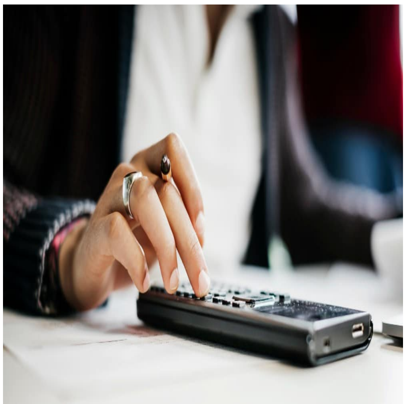

3 Top TSX Stock Picks for Mid-November

Description

TSX stocks have calmed down in a big way this November after a turbulent start to the chilly and jittery fall season. In this piece, we'll have a look at two Canadian stock picks that I believe look cheap going into mid-November. So, without further ado, let's get right into the names, so you can determine for yourself if they're enticing enough at current valuations to justify doing some buying.

IA Financial

IA Financial (TSX:IAG) is arguably one of the most underrated insurers in Canada. Shares of the name were relatively resilient following the 2008 Financial Crisis. Indeed, the dividend and longer-term growth profile may not be the most exciting to growth-focused investors. Still, there's no denying the high quality of management or their prudence. The company has made a nice splash in the wealth management business. As the insurers heat up again, IA is a prudent pick that one can feel comfortable holding over prolonged periods. Whenever the next recession strikes, IA is sure to be among the first to recover. For that reason, IA can't be counted out, despite having far less media coverage than its higher-yielding bigger brothers.

At 10.1 times earnings, the 2.6% yielder is a great TSX stock pick for value hunters this November.

Manulife Financial

Sticking with the insurers, we have **Manulife** (TSX:MFC)(NYSE:MFC) — a firm that has one of the growthiest, long-term growth pathways out there. When regulators allowed share repurchases and dividend hikes, Manulife wasted no time, hiking its payout out of the gate, rewarding investors with an 18% dividend raise, higher than the average annual dividend-growth rate of around 12%.

The company surged 2.6% on Monday. Investors are a fan of the move. And there are more hikes to come over the years, as we continue moving closer to the end of this pandemic. The $48.6 billion company has not done a whole lot over the past five years, up just 11.5%. But as rates finally move higher again, MFC shareholders could see the name make up for lost time. In any case, the stock is too cheap at 7.35 times earnings. The 4.5% yield safe, bountiful, and ready to charge higher.

TD Bank

TD Bank (TSX:TD)(NYSE:TD) is another financial that deserves to be a top TSX stock pick going into year-end. TD faces many tailwinds its peers are due for over the coming years. Higher rates will give TD a greater boost than most other banks, though. As a retail bank, it has the means to expand upon its net interest margins in a big way. The outlook hasn't looked this great for the name in quite a while. Along with the improving outlook comes increased management confidence.

Like Manulife, TD tends to be among the first to bounce back from crises. When it comes to banking, few firms are more prudent than TD. At the same time, CEO Bharat Masrani isn't afraid to seize opportunities to grow as they come along. Over the next two years, expect a sizeable acquisition in the U.S. market. In addition, huge dividend hikes should be expected, perhaps to the magnitude of 15-20%.

CATEGORY

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2. NYSE:TD (The Toronto-Dominion Bank)
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