



Manulife Stock: It's Cheap, and it Just Got a Dividend Boost

Description

Among the dividend stocks I've got on my watch list right now is **Manulife** ([TSX:MFC](#))([NYSE:MFC](#)). Indeed, Manulife stock is one fundamentals-oriented and income-seeking investors want to consider. This is a company with rather impressive fundamentals that are currently being overshadowed by a dim outlook for the insurance sector.

To be frank, there are some serious potential headwinds facing insurers. Disruption in this space from technologically driven online insurers is real. Interest rates remain low, suppressing long-term returns from the company's investment portfolio. And slowing population growth and other macroeconomic drivers are not in the favour of large-scale insurers.

However, there are many reasons long-term investors like Manulife stock. Let's dive into why this company is worth a look right now.

Strong fundamentals steadying Manulife stock

This past week, Manulife reported earnings. Much to the chagrin of investors, Manulife stock took a dive following weaker-than-expected results.

However, Manulife stock has since rebounded in impressive fashion. Much of this appears to do with the company's decision to [raise its dividend](#) substantially. The company raised its dividend to \$0.33 per quarter, up 18% from the company's current dividend schedule of \$0.28 per share quarterly.

This move comes almost immediately following news that the Superintendent of Financial Institutions lifted the dividend increase moratorium for large financial institutions.

For income investors, this is a good thing. Manulife's core business brought in US\$1.6 billion this past quarter, amounting to US\$0.76 per share. Accordingly, this is a company with a well-covered dividend that's choosing to pass on its earnings to shareholders.

For long-term investors, particularly retirees, this is a very good thing.

Bottom line

To me, Manulife represents one of the most intriguing [dividend stocks](#) in the market right now. This is a company with relatively consistent and stable earnings. Barring any sort of major catastrophe, Manulife stock is one that has proven to be a long-term winner. This stock tends to increase in time alongside its dividends.

Accordingly, those taking the longer view, seeking meaningful and reasonable total returns over time, ought to consider Manulife stock. This company has shown a willingness and eagerness to provide increased income to shareholders over time. With a yield of 4.5% at the time of writing, this bond-like income is hard to find elsewhere.

Additionally, the company's valuation remains attractive. Manulife currently trades at only seven times earnings — a far cry from where large banks and other peers in the financials sector sit.

This is one stock I'm considering for my RRSP, particularly on any dips moving forward.

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