



## Why Manulife (TSX:MFC) Stock Is up 8.9% Over the Past Month

### Description

**Manulife Financial** ([TSX:MFC](#))([NYSE:MFC](#)) is a Toronto-based company that provides financial and insurance products and services to North America and a global client base. Today, I want to look at the momentum the stock has built in recent weeks. Should you look to buy and hold Manulife for the rest of 2022? Let's jump in.

### Manulife stock has rewarded its shareholders since early 2020

Shares of Manulife plunged to a five-year low during the [March 2020 market pullback](#). Fortunately, the stock has managed to bounce back nicely in the nearly two years that have followed. Manulife stock has climbed 8.9% month over month as of close on January 12.

Like its peers, this stock has feasted on loose monetary policy since the start of the COVID-19 pandemic. Interest rates are set to increase in 2022, if statements from the Bank of Canada (BoC) are to be believed. However, this should not chase investors away from this top Canadian insurance stock.

### Why investors should seek exposure to the global insurance industry

All the way back in 2017, I'd discussed why the [rising middle class in Asia](#) was powering Canadian insurance stocks like Manulife and **Sun Life**.

A recent report from the Swiss Re Institute projected that the global insurance industry would reach a new record in premiums by the middle of 2022. It expects total premiums to exceed \$7 trillion. Swiss Re attributed this to rising risk awareness and heightened demand for protection in the face of the COVID-19 pandemic. Other trends that are set to bolster growth for the insurance industry include climate change and widespread digitalization. The Swiss Re Institute predicts that global non-life premiums will grow by 3.7% in 2022 and 3.3% in 2023.

Asia will play an outsized role in powering this growth. More than one billion Asians are set to join the global middle class by 2030. This is according to a new study from the World Data Lab. That is good news for Manulife and its peers.

## Should you be optimistic about Manulife for the rest of 2022?

Manulife is set to unveil its fourth-quarter and full-year 2021 earnings on February 9, 2022. In Q3 2021, core earnings increased 10% year over year to \$1.5 billion. Meanwhile, APE sales rose 5% to \$1.4 billion. Better yet, Global Wealth and Asset Management net inflows came in at \$9.8 billion — up from \$2.2 billion in the third quarter of 2020.

The company delivered new business value growth in each major segment. Asia new business value rose to \$1.27 billion in the first nine months of 2021 compared to \$1.01 billion in the year-to-date period in 2020. Meanwhile, total new business value was reported at \$1.68 billion — up from \$1.31 billion in the previous year.

Back in November 2021, I'd [discussed](#) why Manulife was a dividend stock you could trust in your retirement portfolio. It currently offers a quarterly dividend of \$0.28 per share, which represents a solid 4.3% yield. Better yet, Manulife possesses a very attractive price-to-earnings ratio of 7.5. This is still a great time to snatch up this promising dividend stock for the long term.

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aocallaghan

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