



BUY ALERT: This TSX Stock Is Down 12% Over the Last Month

Description

CI Financial ([TSX:CIX](#))(NYSE:CIXX) is a Toronto-based publicly owned asset management holding company. Today, I want to look at why the stock has hit turbulence in the first month of 2022. Moreover, we'll determine whether CI Financial is worth snatching up for the long haul. Let's jump in.

Why this TSX stock in the financials space has struggled to start 2022

Shares of this TSX stock have dropped 13% month over month as of mid-morning trading on February 3. The stock is still up 36% in the year-over-year period. In the beginning of 2021, I'd [discussed](#) why CI Financial looked like a great buy-low candidate. Investors may want to consider snatching up this financial focused TSX stock on the dip.

How has this company performed in recent quarters?

Investors can expect to see the final batch of 2021 earnings from CI Financial on February 22. The company unveiled its third-quarter 2021 earnings on November 11. Overall, it was a strong quarter that should spur investors to take a second look at this TSX stock.

CI Financial reported total assets of \$320 billion — up 65% or \$126 billion in the year-over-year period. Meanwhile, asset management net sales hit \$821 million. That was the highest level since the second quarter of 2015. Better yet, CI Financial delivered adjusted earnings per share of \$0.80 in Q3 2021 — a quarterly record.

The company was powered by the best net flows into its asset management business in over half a decade. Its United States wealth business exceeded US\$98 billion. That was up from nothing at the start of 2020.

On the business front, this company completed acquisitions in advisory services with assets of \$3.4

billion. Moreover, it will open a U.S. headquarters in Miami, as it continues to expand its business south of the border.

Back in November 2021, I'd [suggested](#) that investors should snatch up dividend stocks like CI Financial. In Q3 2021, CI Financial announced a quarterly distribution of \$0.18 per share. That represents a 3% yield.

Should you buy this TSX stock today?

Asset management companies like CI Financial may start to feel some significant pressure in 2022. The Bank of Canada (BoC) and the United States Federal Reserve stood pat on benchmark interest rates in late January. However, central banks are telegraphing an upward move by the time policymakers reconvene in March. A rate-tightening cycle has the potential to shock a financial system that has gorged on historically low rates and easy monetary policy for many years. This has intensified in the face of the COVID-19 pandemic.

Shares of this TSX stock currently possess a price-to-earnings ratio of 12. That puts CI Financial in [favourable](#) value territory at the time of this writing. This stock last had an RSI of 31. This means that CI Financial is floating just outside technically oversold territory. I'm looking to buy this TSX stock on the dip in early February.

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Date

2025/08/29

Date Created

2022/02/03

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aocallaghan

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