



3 Financial Stocks Investors Should Buy Today

Description

Interest rates are projected to increase multiple times this year. That's one of the reasons why growth stocks have been falling so heavily since the start of the year. However, not all sectors have been affected similarly. Companies in the financial sector could see market-beating returns in high-interest environments. This is because these economic conditions tend to result in greater profit margins for companies in this sector (e.g., banks). Here are three financial stocks that investors should buy today.

You can't go wrong picking one of these stocks

The Canadian banking industry is dominated by five companies. This group, known as the Big Five, is composed of companies that are very popular among Canadian investors. If you were to poll a random subset of Canadian investors, you're likely to find that the majority of those individuals are holding one of these five banks. Of that group, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) is my top choice.

What separates Bank of Nova Scotia from its peers, in my opinion, is the company's focus on international expansion. With 2,000 branches and offices across 50 countries, Bank of Nova Scotia is [Canada's most international bank](#). This stock also offers investors a forward dividend yield of 4.29%, making it even more attractive. A top player in the financial sector, Bank of Nova Scotia stock has gained nearly 3% this year. This compares to an about 1% gain by the **TSX** over the same period.

Get excited about this “boring” company

One of the most boring industries in the world may be the insurance industry. However, in theory, these are amazing businesses to own. These companies receive recurring payments from its customers in the form of premiums. This provides an insurance company with a very steady flow of income. Insurance companies then lose money when covering claims. If you've ever worked with an insurance company, you'll know first-hand that they will fight tooth and nail to ensure the company doesn't overpay on any claim.

Manulife Financial ([TSX:MFC](#))([NYSE:MFC](#)) is the largest insurance company in Canada. It is also in

the top 30 largest insurance companies in the world, with respect to assets under management. As of March 2021, Manulife had \$826 billion worth of assets under management. This year, Manulife stock has greatly outpaced the broader market, gaining more than 10%. Investors should also be happy to find that the company offers a very attractive forward dividend yield of 4.82%.

A financial behemoth

Finally, investors should consider buying shares of **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)). This is one of the most well-known [blue-chip stocks](#) on the TSX. With approximately \$690 billion of assets under management, it is one of the largest alternative asset management firms in the world. Through its subsidiaries, Brookfield has exposure to the infrastructure, real estate, renewable utility, and private equity industries.

Brookfield stock has been a very impressive market outperformer since its IPO. It has gained more than 4,700% since January 1995, even without including returns distributed as a dividend. Last year, Brookfield announced that it would be partnering with **Tesla** to develop a large-scale sustainable neighbourhood in the United States. It's expected that this project will be a major catalyst for Brookfield stock in the coming years.

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2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:MFC (Manulife Financial Corporation)
4. TSX:BN (Brookfield)
5. TSX:BNS (Bank Of Nova Scotia)
6. TSX:MFC (Manulife Financial Corporation)

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Date

2025/07/05

Date Created

2022/02/14

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