



3 Cheap Financial Stocks to Buy Now and Never Sell

Description

The **S&P/TSX Composite Index** [plunged 256 points](#) on Thursday, October 6. This was the second straight triple-digit decline for the [top Canadian index](#). These two trading sessions have been a disappointment after the hot start to the month on Monday and Tuesday. Regardless, investors should be on the hunt for discounts. The **S&P/TSX Capped Financial Index** fell 2.62% on the same day. Today, I want to zero-in on three financial stocks that look [cheap](#) in early October.

This top bank looks like a super discount in early October

Scotiabank ([TSX:BNS](#)) is the fourth largest of the [Big Six Canadian bank stocks](#). It is often called “The International Bank” due to its impressive global exposure, particularly in Latin America. Shares of this top financial stock have plunged 28% in 2022 as of close on October 6. That has pushed the stock well into negative territory in the year-over-year period.

Investors can expect to see the bank’s final batch of fiscal 2022 earnings on November 29. In the third quarter (Q3) of 2022, the bank delivered adjusted net earnings of \$2.61 billion, or \$2.10 per diluted share — up from \$2.56 billion, or \$2.01 per diluted share, in the prior year. Meanwhile, total revenue fell marginally to \$7.79 billion. Scotiabank still achieved strong earnings growth in Canadian and International Banking, but there are signs it is succumbing to broader economic headwinds.

Shares of this financial stock currently possess a very favourable price-to-earnings (P/E) ratio of 7.8. The Relative Strength Index (RSI) is a technical indicator that measures the price momentum of a given security. Scotiabank last had an RSI of 27, which puts the bank stock in technically oversold territory. Moreover, it offers a quarterly dividend of \$1.03 per share. That represents a tasty 6.3% yield.

Here’s a financial stock that offers growth and qualifies as a Dividend Aristocrat

goeasy ([TSX:GSY](#)) is a Mississauga-based company that provides non-prime leasing and lending

services to Canadian consumers. Shares of this financial stock have dropped 37% so far in 2022. The stock has declined 42% compared to the same period in 2021.

This company is set to unveil its next results in early November. In the second quarter, goeasy delivered strong loan portfolio growth of 32% to \$2.37 billion. Credit applications shot up at the lender in the second quarter, likely reflecting a Canadian consumer population that has been pushed to the brink due to soaring inflation.

Its shares last had an attractive P/E ratio of 10. This cheap financial stock has achieved eight consecutive years of dividend increases, which makes goeasy a Dividend Aristocrat. goeasy currently offers a quarterly dividend of \$0.91 per share, which represents a 3.3% yield.

One more undervalued financial stock to snatch up today

Manulife Financial ([TSX:MFC](#)) is the third and final undervalued financial stock I'd look to snatch up in the first half of October. This TSX stock has dropped 10% in the year-to-date period. That has pushed the stock into the red year over year.

The company released its second-quarter fiscal 2022 results on August 10. It delivered core earnings of \$1.6 billion and APE sales of \$1.4 billion — down 9% and 1%, respectively, compared to the prior year. APE stands for annual premium equivalent and is used in the insurance industry. This measure is obtained by normalizing policy premiums into the equivalent of regular annual payments. Meanwhile, Global Wealth and Asset Management net inflows sank to \$1.7 billion in Q2 2022 compared to \$8.6 billion in Q2 of fiscal 2021.

This financial stock possesses a very attractive P/E ratio of 5.7. Manulife offers a quarterly dividend of \$0.31 per share, representing a super strong 5.9% yield.

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2. NYSE:MFC (Manulife Financial Corporation)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:GSY (goeasy Ltd.)
5. TSX:MFC (Manulife Financial Corporation)

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