
1 Oversold Dividend Stock I'd Buy in December 2022

### Description

The year 2022 started with a sharp selloff in high-growth stocks as consistently rising inflation raised the possibility of aggressive interest rate hikes. However, many fundamentally strong dividend stocks have also seen a sharp correction in the last few months as rapidly rising interest rates made investors worried about a looming recession. If your main focus is on investing for the long term, such market corrections could be an opportunity for you to add some quality dividend stocks to your portfolio.



In this article, I'll talk about one oversold dividend stock in Canada that you can consider buying in December 2022.

## One oversold dividend stock to buy in December

Whether you're investing for the short term or long term, you shouldn't ignore the underlying fundamentals of a stock. This principle applies, even if you're buying an oversold stock, as you still may want to trust only fundamentally strong businesses to invest your hard-earned money. Considering that, **CI Financial** (TSX:CIX) could be a reliable business to invest in for the long term. It looks undervalued to me right now.

This Toronto-headquartered global asset and wealth management firm has a resilient revenue base and strong profit margins. The company currently has a market cap of $2.6 billion after its stock has seen 47.4% value erosion in 2022 so far to trade at $13.92 per share. CI Financial distributes its dividend payouts on a quarterly basis and has an attractive yield of around 5.2% at the time of writing.

## Top reasons to buy this Canadian dividend stock now

In the five years between 2016 and 2021, CI Financial's total revenue rose by 40% from $1.9 billion to $2.7 billion. During the same period, its adjusted earnings grew positively by a solid 61% from $1.96 per share to $3.15 per share.

As macroeconomic uncertainties have led to market turmoil this year, asset and wealth management businesses, including CI Financial, have faced difficulties. This is one of the key reasons why CI's September quarter adjusted earnings fell by 7.6% year over year to $0.73 per share after consistently growing positively in the previous eight quarters. However, the ongoing temporary challenges aren't likely to majorly affect its long-term growth prospects, as its financial position continues to be strong with the help of its growing asset base.

At the end of October 2022, CI Financial had total assets of $364.3 billion. And the company continues to expand its asset base further by making new quality acquisitions. For example, it recently made two acquisitions in the United States, including the Boston-based Eaton Vance WaterOak Advisors and the New York-based investment advisory firm Inverness Counsel.

Besides these acquisitions, CI Financial is also trying to modernize its asset management business, expand its wealth management platform, and increase its global presence. Considering all these positive factors, I find CI Financial stock highly undervalued at the moment when it's down more than 47% this year. Given that, you may consider adding this fundamentally strong Canadian dividend stock to your portfolio before it's too late.

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