



Is Manulife Stock a Buy in December 2022?

Description

Most global markets have been in a protracted downtrend for 2022. As interest rates rise across the globe, investors everywhere may be re-thinking their positioning as we head toward a new year. Accordingly, for investors in **Manulife** ([TSX:MFC](#)) stock, the question is whether this company is a worthwhile buy right now.

Interestingly, Manulife stock is one that's held up relatively well this year. Down approximately 7% year to date, this company has held steady amid a much more severe correction in other growth stocks. As investors seek defensiveness, this is a company that will likely remain top of mind.

Let's dive into whether this can remain the case in 2023.

Manulife stock has been performing well

As mentioned, Manulife's relative performance has been encouraging. Despite being down roughly 7% for the year, this is also a stock that's up around 10% from its lows three months ago. Thus, depending on one's time horizon, Manulife has been a winner.

This large-cap insurance company has seen its valuation dip toward [six times earnings](#) of late. Even for Manulife, that's cheap. Accordingly, alongside a [dividend](#) yield of 5.5%, there's plenty of fundamental reasons why this stock may have a floor somewhere around current levels, even if market conditions deteriorate.

It's Manulife's valuation and defensive positioning that most investors like. It's the reason I continue to be bullish on this stock. But that's not to say earnings can't deteriorate and this stock is a value trap. That will be determined over time and remains the key concern of many investors.

Earnings stability will be key

What many investors like about Manulife stock is that this is one that's driven by the company's

earnings — more so than market sentiment. Accordingly, should the company's upcoming earnings reports prove fruitful, investors can certainly benefit from these depressed levels.

While uncertain, I like Manulife's chances with respect to the company's earnings potential. It's a key player not only in the Canadian insurance market but several high-growth markets globally, Manulife has the potential to expand at a time when other companies are slimming down. Accordingly, in terms of cash flows, valuation, and dividend metrics, I think this stock is relatively safe.

Of course, a significant earnings downturn can change the game for Manulife investors. I just don't see that as highly likely at this present time.

Bottom line

Income investors, those seeking a defensive posture, and more risk-off investors may like Manulife stock at these levels. At this point in the market cycle, I think this is one of the best stocks out there. As we head into 2023, I think investors may want to give MFC stock a look.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:MFC (Manulife Financial Corporation)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. chrismacdonald
2. kduncombe

Category

1. Investing

Date

2025/09/02

Date Created

2022/12/20

Author
chrismacdonaId

default watermark

default watermark