



## 2 Cheap Canadian Stocks You Can Buy for Less Than \$30

### Description

Many [Canadian stocks](#) still trade at depressed prices to start 2023. If you want to take advantage of the deals, the cheap options today are **Manulife Financial** ([TSX:MFC](#)) and **Canadian Western Bank** ([TSX:CWB](#)). Both federally regulated financial institutions pay generous dividends, but you can buy them for less than \$30 per share.

You can use available contribution room in your Registered Retirement Savings Plan (RRSP) and Tax-Free Savings Account (TFSA) to purchase either dividend aristocrat.

### Top insurance stock

Some market analysts think Manulife is undervalued and trading below book value. The \$47 billion insurer and financial services company is absurdly inexpensive at \$24.77 per share. Moreover, it should be a steal considering the juicy 5.36 dividend.

While core earnings after three quarters in 2022 declined 8.1% to \$4.4 billion versus the same period in 2021, net income attributed to shareholders increased 7.6% year over year to \$5.4 billion. In Q3 2022, core earnings fell 12.9% to \$1.3 billion compared to Q3 2021.

Still, Manulife President & CEO Roy Gori said, “We delivered resilient operating results in the third quarter amidst a challenging market and operating environment.” Given market volatility, he adds that \$3 billion in net inflows in Global Wealth Asset Management (WAM) and a 37% core EBITDA margin during the quarter were solid achievements.

CFO Phil Witherington, said, “Our diverse business and strong capital levels position us well to navigate an uncertain market environment. Expense efficiency continues to be a key strategic priority and important lever in the current operating environment.” Witherington adds that Manulife has significant flexibility because of its high 136% Life Insurance Capital Adequacy Test (LICAT) ratio.

For management, the Asian market is a tailwind for Manulife in 2023. The rollout of its regional digital learning platform, ManuAcademy, in Vietnam saw more than 11,000 newly recruited insurance agents

joining the team. Meanwhile, Manulife MasterClass, its training series, is ongoing.

Last, Manulife's dividend growth streak of eight years should lend comfort to income investors. A \$25,000 investment will produce \$335 in passive income every quarter.

## Unmatched dividend growth streak

Canadian Western Bank isn't a Big Six bank but its dividend growth streak of 30 years is unmatched in the [banking sector](#). At only \$25.99 per share, you can partake of the lucrative 4.97% dividend. In Q4 fiscal 2022, the Board approved a 7% dividend hike from a year ago.

CEO Chris Fowler believes the \$2.5 billion bank is in a position of strength to face the potential economic volatility on the horizon. He said, "Our performance this year reflected solid growth and continued investment in strategically targeted full-service growth initiatives in a volatile economic environment."

In fiscal 2022 (12 months that ended October 31, 2022), CWB reported 14% annual loan growth in strategically targeted general commercial loans and 11% annual loan growth in Ontario. Its branch-raised deposits climbed 8% year over year. Fowler adds, "Our strategic execution has delivered enhancements to our digital capabilities and increased our physical presence in key markets."

For fiscal 2023, management will selectively target high single-digit annual percentage loan growth and expects more robust growth in CWB's general commercial portfolio.

## Excellent buys

Manulife Financial and Canadian Western Bank are worthy buys not only for their depressed prices but because they are dividend aristocrats.

### CATEGORY

1. Bank Stocks
2. Investing

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