



Better Buy: Manulife Stock vs. Suncor Stock

Description

The **S&P/TSX Composite Index** was up 35 points in early afternoon trading on January 26. Some of the best-performing sectors included energy and financials. That is good news for investors, as these are the heaviest-hitting sectors on the TSX. Today, I want to look at two top stocks in these spaces: **Manulife Financial** ([TSX:MFC](#)) and **Suncor Energy** ([TSX:SU](#)). Which is the better buy between these two? Let's jump in.

Is Manulife stock worth your attention in late January?

Manulife is a Toronto-based company that provides financial products and services in Canada, the United States, Asia, and around the world. Shares of this financial stock have climbed 2.7% year over year as of early afternoon trading on January 26. The stock has jumped 8.5% so far in the new year.

Investors should be inspired to target Manulife, as it offers exposure to the burgeoning insurance and wealth management spaces. Better yet, these spaces have experienced huge growth in Asia due to the significant growth in its middle-class population.

This company is set to release its fourth-quarter and full-year fiscal 2022 earnings in the middle of February. Manulife unveiled its third-quarter fiscal 2022 results on November 9. The company saw its Global Wealth and Asset Management net inflows fall to \$3.0 billion compared to \$9.8 billion in the third quarter of fiscal 2021. This was due to worsening market conditions and the fear of rising interest rates. Core earnings in its Asia and Canada based business were mostly flat in the year-over-year period.

Shares of Manulife currently possess a favourable [price-to-earnings ratio of seven](#). Better yet, it offers a [quarterly dividend](#) of \$0.33 per share. That represents a strong 4.9% yield.

Here's why Suncor is a dependable bet for the long term

Suncor is one of the largest integrated [energy companies](#) in Canada and around the world. Shares of

this Calgary-based company have increased 28% compared to the prior year. Meanwhile, its stock is up 10% so far in 2023.

The company is also expected to unveil its final batch of fiscal 2022 earnings by the middle of February. In the third quarter of 2022, Suncor reported adjusted funds from operations (AFFO) of \$4.47 billion, or \$3.28 per common share compared to \$2.64 billion, or \$1.79 per common share, in the third quarter of fiscal 2021. Meanwhile, adjusted operating earnings more than doubled to \$2.56 billion, or \$1.88 per common share.

This top energy stock last had an attractive P/E ratio of 8.2. Suncor is trading in more favourable value territory compared to its industry peers. Moreover, it offers a quarterly dividend of \$0.52 per share, which represents a very solid 4.5% yield.

Should you buy Manulife or Suncor today?

Suncor is a fantastic hold for investors who want a dependable bet in the energy sector. However, I'm more inclined to snatch up shares of Manulife in late January 2023. Manulife also offers very nice value, and its revenue and earnings are on track for strong growth going forward. Moreover, it offers a superior dividend at the time of this writing.

CATEGORY

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