



1 Top TSX Financial Stock to Buy in February 2023

Description

The market's hot start to the year is starting to stall, with the broader markets cooling down to end last week. Undoubtedly, Canadian investors shouldn't get too far ahead of themselves by chasing the names that have surged by the most over the past few weeks. As you know, the fastest flyers can be the fastest fallers, making it a risky game to "chase" any type of security. Undoubtedly, momentum investing is not for the faint of heart.

Oftentimes, the strategy lures in those seeking quick gains. By chasing near-term returns, one could put themselves at risk of a sudden reversal. Indeed, [new](#) investors may think it's all too simple to make money by looking at the stocks and securities that only seem to march higher. Unfortunately, such euphoric surges end in sadness for newcomers who thought [making money in stocks](#) is as easy as "following the heat."

Calling all value investors: Timely value stock picks for February 2023

In this piece, we'll have a look at one TSX underrated financial stock that have a modest amount of momentum behind them and valuations that I believe are still absurdly low from a historical standpoint. Indeed, whenever you can find value and momentum, you may have a stock that can deliver over the medium and long term.

However, it is the long-term that Canadian investors should be looking towards. At the end of the day, it doesn't matter how bumpy the ride is toward your retirement. As long as you've got the strength to hang on and the patience to ride it out, it's often a good idea to brave the bumpy roads, as the odds of getting a better bang for your buck can be higher when most others around you would rather wait for the dust to settle.

Great-West Lifeco for steady, growing passive income

Consider **Great-West Lifeco** ([TSX:GWO](#)), a Canadian insurer that's really started to heat up, now up

13% year to date. Of course, double-digit gains in just over a month's time are unsustainable. However, given the magnitude of the decline that preceded the run-up, I think Great-West is in a sweet spot — at the crossroads of momentum and value, if you will.

The stock trades at 10.3 times trailing price to earnings (P/E), with a huge 5.84% dividend yield. The payout is on sound footing, but recession headwinds are still acting as a sort of overhang on the stock and the rest of the market.

At writing, shares are off more than 12% from their peak levels. With newly appointed chief risk officer Dervla Tomlin bringing in a wealth of experience (30 years of industry experience) to the firm, I think Great-West is in a great spot, as it looks to overcome macro headwinds.

There may not be many catalysts ahead for the firm. However, the firm is fresh off a solid quarter that saw \$892 million in earnings alongside a 6% dividend hike. For passive-income lovers, GWO stock still stands out as a spectacular deal for its recent momentum, value, and dividend-growth potential.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:GWO (Great-West Lifeco Inc.)

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. joefrenette
2. kduncombe

Category

1. Investing

Date

2025/08/12

Date Created

2023/02/15

Author

joefrenette

default watermark