TFSA Dip-Buying Investors: Why Today Is the Perfect Time to Buy Boring!

Description

This is the perfect time to buy the stocks of boring companies. The boring-er, the better!

We're right in the middle of a drastic growth-to-value rotation, and as "sexy" names lose their appeal to the average investor, growth-heavy investors are going to want to join the shareholders of boring stocks who are going to be yawning their way to the bank as their TFSA holdings fall to a lesser extent than your average speculative tech play.

As we head into the scariest part of October (Halloween week), we could see more profit taking from red-hot growth stocks like **Shopify**, and while you could get a bigger peak-to-trough percentage discount, you could realistically see double-digit percentage losses accumulate so quick it'll cause some to draw comparisons of the current sell-off to the tech wreck of 2000, when, in fact, this sell-off is much more benign in nature.

So, if you're thinking about buying this dip, you're on the right track. But you should take the "water cooler test" before you pull the trigger on a stock.

Is the company behind a stock you're buying likely to be material you'd talk about at the office water cooler with your colleagues on break? Shopify, cannabis, crypto, and anything headlining CNBC are likely to be water cooler material and would thus fail the water cooler test.

What's one stock that passes the water cooler test?

Funeral service provider **Park Lawn** (TSX:PLC) isn't exactly what you'd want to talk to your friend about over the water cooler. You might even be labelled as morbid for bringing up the investment opportunity within the recession-proof death industry.

Park Lawn got pummeled in the recent sell-off around the same time the company inked a deal to purchase Wells Funeral Homes and Cremation Services, a deal that I believe is full of potential synergies that management will be able to realize slowly and steadily.

The company remains a high-growth name, which is a likely reason for why the stock sold off so violently along with the broader market, but when you consider the recession-proof nature of the death business and the prudence of management's M&A strategy, I'd say the recent pullback in PLC is a gift. And the 2% dividend yield is just icing on the cake.

Foolish takeaway

Your TFSA is a long-term wealth compounder. Don't try to catch a falling knife with dipped growth stocks at this juncture, even if you're still a pro-growth investor.

Growth stocks had their day in the limelight, and as we head into a challenging environment where the Fed fears rapidly rising inflation, we could see value stocks become great again, especially value stocks that are boring. Good, old-fashioned, dividend-paying, recession-proof value stocks are going to have their day in the sun, so punch your ticket to the value show if you're keen on buying this dip (you should be!).

Stay hungry. Stay Foolish.

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Date
2025/08/27
Date Created
2018/10/16
Author
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