



## Contrarians: A TSX Dividend-Growth Bargain That's Hiding in Plain Sight

### Description

Sometimes the best opportunities are [hiding in plain sight](#).

This is particularly true for the Canadian darlings that are listed on the TSX, as they don't nearly receive the same amount of coverage relative to U.S. companies that are constantly in the international spotlight of the mainstream financial media. For many international investors, Canadians included, U.S. stocks are the most discussed, leaving many wonderful Canadian businesses left in the cold.

Of course, there are a few exceptions — most notably, marijuana stocks — but largely, the best opportunities are the stocks that we know of but just haven't heard in a while because they may not have had any news that's deemed as incredibly remarkable.

**TFI International** ([TSX:TFII](#)) is one of the under-the-radar stocks that many Fools have probably heard of but forgot about, as other more remarkable names took precedence. For those unfamiliar with the company, TFI is in the business of trucking — moving goods across North America from point A to point B, covering the “hard-to-get-to” areas that the rails don't run through.

Truckers are a boring but necessary business. And although the volume of goods flowing across the continent is relatively sensitive to the state of the economy, TFI is a business that will be ready to go, acting as the “blood vessels” of North America, once the economic heartbeat gets going again, as it always does after economic shocks.

Earlier in the year, fellow Fool [Will Ashworth commented](#) on TFI, highlighting the fact that an analyst named Nav Malik named the stock as one of his three top picks for the year. Ashworth noted that not all analysts on the Street were wearing the same rose-coloured glasses, however, with some analysts concerned over the overall state of the economy.

Undoubtedly, TFI is an economically sensitive name, but when you consider the remarkable operational improvements made over the past year, and the reasonably depressed valuation relative to the magnitude of forward-looking growth, I think TFI is one of the few cyclical names that'd be a great supplement to an already balanced portfolio.

The stock trades at 10.4 times forward earnings, which is considerably lower than the company's five-year historical average P/E of 28.9. Given the volume prop-up that may be up ahead and the cautious vibe on the Street with regards to the macro picture, I think TFI is a bargain with the stock down 21% from its high.

## Foolish takeaway on TFI

In a down market, the company will fall hard, but given the considerable progress made behind the scenes (impressive 23.2% TTM ROE), I think investors are underestimating the company's ability to land on its feet.

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### TICKERS GLOBAL

1. TSX:TFII (TFI International)

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