
# A Dividend Stock to Buy With Your Next $6,000 TFSA Contribution

## Description

Tax-Free Savings Account (TFSA) top-up time is right around the corner, which means you should start thinking of what to buy with your next $6,000 contribution that the Canada Revenue Agency (CRA) won't be able to touch (unless of course, you're a seasoned trader who's made a killing within the account).



At the time of writing, the TSX Index is hitting a new all-time high. And with various so-called pundits on television calling for a quick reversal of fortune, many Canadians find it tough to justify buying equities with their $6,000 contributions this time around. You're supposed to buy low and sell high, after all.

Yes, the markets are at all-time highs, and we're headed into a U.S. election year that's sure to be full of turbulence. But does that mean stocks are overvalued, given the uncertainty and the magnitude of risks that could be on the horizon?

In aggregate, it's a possibility that stocks are overvalued. Still, for those so-called pundits who claim there's *nothing* to buy, it's likely they haven't bothered to look in the right places because there are still ample bargains heading into the holiday season.

And unless we get a massive Santa Claus rally, I think the bargains will still be around in January, when you go on the hunt for things to buy with your next TFSA contribution.

Consider shares of **Restaurant Brands International** (TSX:QSR)(NYSE:QSR), which have been in the doghouse since August thanks in part to a series of share sales by the managers running the show at 3G Capital.

There's no question that the insider sales were a cause for concern. But in prior pieces, I noted that the pessimism was overblown and that such sales weren't necessarily a sign that something ominous was around the corner.

Sometimes there is nothing to fear but fear itself.

I speculated on the potential reasons as to why 3G Capital was ditching so many shares. Some of them stood out to me as a positive in the grander scheme of things.

Two of the possible positive reasons for the share sale were a potential gear-up for another acquisition (perhaps in the realm of pizza with **Papa John's**) or the beginning of what could be a minor management shake-up. That could see the legendary activist investor Bill Ackman take on a more "active" stance at the company for which he owns so many shares through his hedge fund Pershing Square Holdings.

Either scenario could give Restaurant Brands a much-needed boost, as the company continues to move into new markets with Tim Hortons and Popeye's. Given that Tim Hortons' same-store sales growth (SSSG) comps have been rather sluggish of late, more involvement by Ackman, I believe, would only be perceived as extremely positive as he has what it takes to whip the Canadian icon back into shape.

Ackman knows how to get companies living up to their full potential and with Restaurant Brands, I see a wonderful business that could be so much more under the supervision of a man like Bill Ackman.

Even if no additional acquisitions or a management shakeup ends up happening, Restaurant Brands still has a dirt-cheap stock after the recent dip.

The stock trades at 16.8 times next year's expected earnings, which is way too low for a business that can sustainably grow its net income by a high double-digit rate. To add the cherry on top of the sundae, there's the 3% dividend yield, which can grow in conjunction with earnings.



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