



TFSA Investors: 2 Dividends to Invest \$6,000 in Right Now!

Description

If you've yet to invest your 2020 TFSA contribution, now is looking like the perfect time to put it to work, as there are plenty of battered bargains out there that allow one to pay a dime to get a dollar, so to speak.

And while the market may be overdue for a correction, there exist significant bargains that have been so beaten up that they're less likely to follow the broader moves made in the market moving forward. In essence, their betas are likely to continue to fall as they look to stage a recovery over the year ahead.

While there are many opportunities to invest your contribution right now, **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)) and **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)) currently stand out to me as the bargains that are least likely to remain as undervalued as they are currently. They're the timeliest of bets with what I see as a highly favourable risk/reward trade-off.

Without further ado, let's take a closer look at each to see which may be a more suitable bet with your TFSA.

Restaurant Brands International

Restaurant Brands stock is in [a terrible spot](#) right now, with shares currently down 22% from its August 2019 all-time high. For those unfamiliar with the company, it's behind fast-food brands Tim Hortons, Burger King, and Popeyes.

The future of Tim Hortons is up in the air following the announcement that its president, Alex Macedo, will be leaving his spot in March. Tim Hortons has still yet to live up to its full potential, and with many fed-up Canadians taking their business to the competition (which has become fiercer with the morning crowd of late), many may find it tough to justify an investment in Restaurant Brands, a company with only one of its two main growth pillars that are holding up the fort.

Burger King has done a lot of the heavy lifting, while Tim's has dragged in any given quarter. And while there are no simple solutions for the underperformance at Tim's, I think the brand is more than capable

of posting a turnaround for the ages. A new president with a new vision and the next thing you know, Tim's and Burger King could both be firing at full capacity, and the stock could take off like a bat out of heck.

For now, [the future remains uncertain](#), but as a result, QSR stock trades at a ridiculously cheap 16.2 times next year's expected earnings given its double-digit growth rate and Tim's turnaround potential. The turnaround won't happen overnight, but you can collect a growing 3.2%-yielding dividend while you wait.

Nutrien

Nutrien is another dud that's flirting with 52-week lows. Like Restaurant Brands, Nutrien is severely undervalued but begs for investor patience, as a turnaround may still be more than a year off.

The company formed from the merger between Potash Corp. and Agrium is the largest potash producer and the third-largest nitrogen producer on the planet. With a robust retail business, I see Nutrien as a company that can not only survive the continued weak demand for agricultural commodities but one that can still deliver adequate returns to investors.

Investing in battered commodity plays is not for impatient investors. Whether we're talking potash, oil, or uranium, it's tough to pinpoint where prices will head next given the numerous variables that impact global demand and exogenous factors that could dictate prices at any moment.

As a result, many investors shun commodities. Buy and pray is not an effective strategy when it comes to battered commodity plays, as commodities can remain lower for prolonged periods of time, leaving stocks that need higher prices to rally in the dirt.

Nutrien has a healthy balance sheet and has been making intriguing acquisitions to bolster its retail business, which will buoy Nutrien stock as the tides continue to go out. While Nutrien stock could continue to trend lower amid weak potash prices, I see the dividend as healthy given Nutrien still generates ample amounts of cash flow.

At the time of writing, Nutrien sports a 4.2% dividend yield with shares that are hovering just above a long-term level of support at around \$56. The stock is technically sound, and with shares at 1.06 times book, now is the time to load up on the overly battered name.

CATEGORY

1. Dividend Stocks
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1. Editor's Choice

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1. NYSE:NTR (Nutrien)

2. NYSE:QSR (Restaurant Brands International Inc.)
3. TSX:NTR (Nutrien)
4. TSX:QSR (Restaurant Brands International Inc.)

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Date

2025/08/25

Date Created

2020/01/31

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