1 Top TSX Dividend Stock for Market Bulls to Buy in March

Description

Down 9% last week, **Restaurant Brands** (TSX:QSR)(NYSE:QSR) is a bargain hunter's dream stock at the moment. While the coronavirus is hitting just about every business's bottom line heading into March, and the rest of 2020 already looks like a write-off, Restaurant Brands packs a mouthwatering mix of growth, passive income, defensive consumer staples safety, and a large bite of the market share.

As the fifth-largest publicly listed North American fast-food business, Restaurant Brands is great value for money right now and a fine example of a beaten-up, quality company. The owner of Tim Hortons, Burger King, and Popeyes, Restaurant Brands is a standout buy for investors looking to bulk up a TFSA, RRSP, or other long-term savings plan with dependably defensive stocks.

Unusual ads, but a great buy

Burger King is betting that hungry patrons will find its moldy Whopper ad appealing on some level. The home of the cardboard crown tweeted, "The beauty of real food is that it gets ugly. That's why we are rolling out a whopper free from artificial preservatives. Coming by the end of 2020 to all restaurants in the U.S." It's a bold campaign and one that has certainly got people talking.

But why buy consumer staples stocks at the moment? For one thing, investors may be undermining the seriousness of the current sell-off. A Fed rate cut may be about to bring some support, and a temporary boost to U.S. stocks as a result — perhaps to the TSX as well. A Canadian rate cut could follow, further boosting the markets. However, rate cuts are a last reserve, and a potential recession could outrun them.

Looming behind such stimuli, there also lurks the dangerous prospect of negative interest rates. Too many rate cuts eventually undermine a country's banking and its economy as a whole, destabilizing pensions as well as insurance funds. Holding solidly defensive stocks is therefore a must for any personal investment portfolio. And stocks don't come much more defensive than food stocks.

Appetite for risk

Even if you have to pull a Ray Dalio and borrow in this market, if your due diligence is there and your instincts are correct, anyone can make money during a downturn. The billionaire famously “went broke” and “had to borrow $4,000 from my dad.” While that may not be the best advice for every investor, having a certain amount of debt is normal and shouldn’t deter one from snapping up stocks.

Seeing Restaurant Brands trading lower at the start of the week — down by 8% over the preceding five days — shows that the sell-off isn’t going to let up any time soon. Snapping up discounted shares incrementally is a strong play right now, as the market has not yet bottomed out on coronavirus worries. Therefore, investors buying shares in this fast-food dividend stock could buy half now and half on further weakness.

The bottom line

Investors should buy Restaurant Brands stock in March for its 3.5% dividend yield, strong market share, and its classic defensive qualities as a consumer staples growth play.

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