TSX Market Crash: 1 Heavyweight Dividend Champ I'm Buying on the Next Dip

Description

If you're like many market strategists, you've probably grown quite skeptical over the sustainability of the recent relief rally that followed the TSX market crash back in February and March.

While the stock market (which is in decent shape, just a few percentage points away from pre-pandemic heights) has divorced the economy (in far horrid shape), the fundamentals aren't looking that much better than they were a few months ago. The economy may be reopening, and things inching closer towards normalcy, but there's no telling how long (or how successful) this reopening will be, or how many further government-mandated lockdowns there could be in this pandemic.

Without a vaccine, even the near-term future is clouded in a haze of uncertainty. As a result, it's tough to gauge value with some of the harder-hit stocks out there. Some of the harder-hit stocks out there deserve to sell off violently, and they may not be undervalued at all.

On the flip side, there are stocks that may be trading multitudes below their intrinsic value because of fear and a lack of understanding about the longer-term impact on affected industries. It's these such stocks that could be trading as much as 50% off, implying an upside correction of 100% once investors discover the stock's intrinsic value, as the clouds of uncertainty gradually fade away.

A dividend-growth king to buy in the next TSX market crash

Consider shares of **Restaurant Brands International** (TSX:QSR)(NYSE:QSR), a name that I've been buying aggressively on the way down. The fast-food kingpin collapsed over 60% from peak to trough, and the selling proved to be overblown beyond proportion, as shares nearly doubled off its March bottoms in just a matter of months.

The inability to rake in sales from dining in undoubtedly hit the fast-food giant's numbers. But the stock was priced as though it was on its way out, which made no sense given the firm's deep pockets and liquidity position that was more than enough to make it out of the crisis in one piece.

Over the near to intermediate term, Restaurant Brands will be ridiculously volatile based on new relating to the coronavirus. Future quarters will be impacted, but if you consider yourself a long-term investor, every pullback in the stock makes it a must-buy, as the long-term story is not only intact, but it may stand to be even more attractive coming out of this pandemic.

Restaurant Brands could grow

Many dine-in-focused mom-and-pop restaurants are under an unfathomable amount of pressure amid coronavirus lockdowns. Many went under, and if another outbreak hits us, many more could stand to fold.

Once we rise out of this pandemic, as a survivor of the coronavirus onslaught, an established behemoth like Restaurant Brands will have less competition in various markets and will stand to win over the business that would have went to a small restaurant that was a victim of coronavirus shutdowns.

The coronavirus won't only wipe out a tonne of players in the restaurant scene. It's paving the way for a recession, an environment that an "inferior" fast-food kingpin like Restaurant Brands stands to thrive in.

Foolish takeaway

Restaurant Brands will come out of this pandemic strong, and those seeking a chance to pay less to get more ought to seize the opportunity to buy the stock on a dip come the next TSX market crash.

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Date
2025/08/23
Date Created
2020/06/15
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