



Have \$5,000 in TFSA Cash to Invest? 2 Stocks to Fatten Up Your Wallet

Description

If you're like many Canadians who've yet to [invest](#) their 2020 TFSA contribution, now is as good a time as any. And suppose you're waiting for the perfect time before contributing an amount. In that case, you may be leaving a tonne of profit on the table, as there's an abundance of opportunities on the **TSX Index**, even in the face of massive fourth-quarter uncertainties.

So, if you've got \$5,000 or more just collecting dust in those low-interest savings accounts, consider loading up on shares of battered fast-food firms to [fatten up your TFSA](#) over the next decade and beyond.

Restaurants have taken a right hook to the chin amid the COVID crisis. There's no question that dining room closures have weighed heavily on the top and bottom lines of eateries across the board. Although lost sales are viewed as unrecoverable by many people, I think there will be pent-up demand for eating out once this crisis draws to a close, as many become sick and tired of eating home cooking.

Just this week, **McDonald's** stock got a significant upgrade by analysts at **Bank of America** who noted that consumers are likely becoming "tired of their own cooking."

I think the upgrade applies to the broader fast-food industry and think Canadians should look to initiate positions in names like **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)) and **Pizza Pizza Royalty** ([TSX:PZA](#)) before they have a chance to soar above and beyond their respective pre-pandemic highs once pent-up demand for eating out can be met in a post-COVID environment.

Many restaurant stocks have sold off viciously (crashed exceeding 50%), only to bounce back to their all-time highs in an abrupt fashion. I think the same trajectory is likely for some of Canada's beaten-up fast-food plays.

Restaurant Brands International

Restaurant Brands is the legendary fast-food firm behind Tim Hortons, Popeyes Louisiana Kitchen, and Burger King. The company had had its fair share of troubles well before the pandemic struck.

Restaurant Brands's management had not done a great job of creating value from the Tim Hortons brand, which had been lagging on the comps front. Sluggish Tims numbers had tended to offset strength in Burger King. And fried chicken sensation Popeyes was starting to make noise late last year with its legendary chicken sandwich.

Having tried the new chicken sandwich during its recent rollout in Canada, I can tell you it's the real deal and is the perfect weapon to win the chicken sandwich wars.

Once this pandemic ends, Popeyes will be in a spot to do some heavier lifting for Restaurant Brands. While strength at Popeyes won't be able to offset weak performance at Tims anytime soon, I think Restaurant Brands is capable of brewing a turnaround at Tims. Once it does, the company could finally see all three of its brands firing on all cylinders, which could easily send shares past the \$100 mark.

Pizza Pizza

Pizza Pizza is a fast-food delivery play that's held its own quite well during the pandemic thanks to its solid delivery infrastructure. Like Restaurant Brands, Pizza Pizza offers an industry-leading value proposition with its low-cost menu items. The greater value proposition will allow Pizza Pizza and QSR to thrive in a recessionary environment that will likely outlast the pandemic.

Moreover, if a second or third wave of COVID cases hits, Pizza Pizza is in a spot to outperform its peers due to its delivery-focused advantage.

"As long as social-distancing practices are in place, contactless delivery will likely remain in high demand, and that bodes well for Pizza Pizza's business." I wrote. "When you're on a strict budget, and it's too risky to go to a restaurant, cheap pizza is the way to go."

Foolish takeaway

People are getting sick of home cooking. The longer this pandemic drags on, they'll also be likely to get sick of ordering pizza from the local Pizza Pizza or Pizza 73. So, as a post-pandemic play, Restaurant Brands looks like a far better bet at this juncture. If you seek a greater yield, though, Pizza Pizza may be the horse to bet on, with its 7.1% yield that's nearly double that of Restaurant Brands's.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. TSX:PZA (Pizza Pizza Royalty Corp.)

3. TSX:QSR (Restaurant Brands International Inc.)

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