Forget Bitcoin and Gold: Grow a TFSA With This TSX Dividend Heavyweight!

Description

Forget about loading up on Bitcoin and gold with your Tax-Free Savings Account (TFSA) for a moment. I know both speculative assets have been making the headlines in recent months, as the U.S. dollar continued its tumble. With President-Elect Joe Biden ready and willing to bring forth even more stimulus, the appetite for wealth preservation assets such as gold and the so-called "millennial gold" could continue to hold strong in 2021.

Looking for investments better than Bitcoin and gold

With the speculative frenzy behind both assets, though, long-term investors should be wary over the potential for busts that could follow each asset's 2020 boom. With Bitcoin, which could implode like a paper bag at any moment, investors seeking a good night's sleep would be better off in good, old-fashioned dividend heavyweights at a discount. No, they won't make you rich over a concise time frame as Bitcoin would, but at least you'll be able to fight off a potential uncheck rise in the rate of inflation as you look to grow your wealth over the long haul.

In the investment game, sometimes slow and steady wins the race. And in this piece, we'll have a look at one of my favourite dividend heavyweights on the **TSX** in **Restaurant Brands International** (TSX:QSR)(NYSE:QSR). Restaurant Brands is the firm behind Tim Hortons, Burger King, and Popeyes Louisiana Kitchen, the former of which has been the biggest drag on QSR stock in recent years.

The weakness at Tim Hortons won't last forever

Heading into the COVID-19 crisis, the woes at Tim Hortons were apparent. Management had struggled to really find a spot with Canadian consumers, with eyebrow-raising menu additions like **Beyond Meat** Burgers, among other additions that didn't really move the needle for shares of QSR. To COVID-19 pandemic only served to act as salt in the wounds of the iconic Canadian restaurant chain, as shut-in Canadians skipped on their daily double-doubles, doughnuts, and breakfast sandwiches.

Popeyes is winning the fried chicken wars

Burger King had been doing quite well, but Popeyes Louisiana Kitchen, the latest addition to the QSR trio, has been a force to be reckoned with amid the pandemic. Popeyes legendary chicken sandwich sold like hotcakes and was the envy of many fast-food firms who scrambled to reinvent their own chicken sandwich offerings to cash in on the craze.

There's no question that Popeyes raised the bar for chicken sandwiches. The groundbreaking product wasn't just a profound success for Popeyes; it shook up the industry and kept the company going strong amid the horrific pandemic.

Today, many fast-food firms are reinventing their own chicken sandwiches in an attempt to uncrown Popeyes. While **Yum Brands** KFC's "famous" chicken sandwich may rise to the challenge, initial reviews still seem to favour Popeyes, although reviews for KFC's offering have been quite favourable versus their other chicken sandwich offerings.

There's no question that Popeyes is one of the hotter fast-food firms these days. Given that Popeyes isn't as big of a needle-mover as QSR's other two brands, however, QSR stock has remained depressed, primarily because of tremendous weakness at Tim Hortons, a brand that's most exposed to the lockdowns.

A dividend heavyweight with post-pandemic upside

With the pandemic's end in sight, you can't rule out a major turnaround brewing at Tim Hortons. And with Popeyes as a compelling long-term growth lever, QSR is one of the few TSX stocks that's too cheap to ignore here.

The market may be frothy, but QSR stock looks absurdly undervalued for those looking to get a reopening trade without having to spend a fortune. You'll get three strong restaurant brands from the name and a 3.3%-yielding dividend that's slated to grow at an above-average rate over the long run.

Dividend heavyweights beat Bitcoin and gold over the long run

Unlike gold and Bitcoin, both of which are unproductive assets that generate nothing over time, QSR stock will fatten your wallet with bountiful dividends while also giving you a shot at huge capital gains over time. For TFSA investors looking to make the most of their next $6,000 contribution, dividend heavyweights are a far better bet for the long term.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. TSX:QSR (Restaurant Brands International Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

Date
2025/08/22
Date Created
2021/01/15
Author
joefrenette