



## 2 Canadian Dividend Stocks Likely to Outperform Through 2021

### Description

Don't let the slew of [market crash and correction warnings](#) deter you from buying cheap Canadian dividend stocks that exist today. Even if we are on the cusp of a painful stock market correction, many undervalued TSX plays are more than capable of holding their own, outperforming the rest of the pack for the rest of 2021.

At this juncture, I think great Canadian value stocks are the way to go. Although the rate scare seems to have been left behind in the first quarter of 2021, investors would be wise to not let their guards down, as a continued rotation out of growth and into value could continue to be a major theme for the year.

The bond market, like the stock market, is impossible to predict over the near term. While I wouldn't dump growth for value, I would position my portfolio in a way such that it would be in a spot to do relatively well, regardless of whether we're in for another round of growth-to-value rotations or if we'll be in for a rotation reversal. In any case, rotations and reversals should pave the way for ample volatility. But for self-guided investors, volatility is nothing more than an opportunity to take advantage of a Mr. Market who may be inclined to be less efficient with his pricing of certain stocks.

Without further ado, here are two cheap Canadian stocks that are likely to outperform the TSX for the rest of 2021. Both names are at the intersection between (profitable) growth and value, making them ideal candidates to buy, as story stocks take a backseat to profitable companies with stellar fundamentals.

### Restaurant Brands International

**Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)) is a fast-food behemoth that has a lot to gain in a complete return to normalcy. The company recently clocked in some pretty exceptional results despite ongoing pandemic pressures.

Quarterly adjusted EPS numbers came in at US\$0.55, beating the Street consensus by a nickel. Revenues were clocked in at US\$1.26 billion, up from the US\$1.225 billion posted over the same

timeframe a year prior and beating analyst expectations of US\$1.25 billion. Burger King did the heavy lifting for the quarter, as Tim Hortons continued dragging its feet, with comps falling 2.3% on the quarter — better than the -10.3% in comps delivered last year.

I think the mild beat is just a sign of things to come from the [dominant](#) fast-food kingpin. With the end of the pandemic in sight and ongoing restaurant modernization efforts, which should bolster sales post-COVID, I think investors ought to punch their ticket into the name while it's still cheap at 6.3 times sales.

## Enbridge

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is a pipeline kingpin that could have ample upside if we're in for a continued return to value. Despite being in one of the least-attractive industries out there, the midstream player is still gushing with cash, and that's not about to change anytime soon, even as [green energy](#) tailwinds continue over the next decade and beyond.

Fellow Fool contributor Amy Legate-Wolfe recently stated that Enbridge stock is the best dividend stock that the country has to offer. The 7.1% yield is no illusion. It's backed by real cash flows and a magnificent management team who's willing to swim to great lengths to keep it intact.

Legate-Wolfe shed light on the fact that the firm is spending billions on growth projects that will literally help the company pay massive dividends for decades to come. I think Legate-Wolfe is right on the money. Enbridge is one of the better options for Canadian investors seeking big quarterly income.

The stock is unfairly in the doghouse because of its rancid industry, which, I believe, will regain the respect of investors if we are due for a continuation of the rotation into value that we witnessed in the first quarter.

### CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:ENB (Enbridge Inc.)
2. NYSE:QSR (Restaurant Brands International Inc.)
3. TSX:ENB (Enbridge Inc.)
4. TSX:QSR (Restaurant Brands International Inc.)

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