Passive Income: 1 High-Yield TSX Dividend Stock to Buy in July

### Description

Canadian investors may be enticed to swap their loonies for U.S. greenbacks while the rate is still favourable at north of US$0.80. Undoubtedly, Canadians need to venture south of the border to access "essential nutrients" for one's portfolio that aren't available on the **TSX**.



The TSX Index is chock-full of energy, materials, and financial plays, which, while top performers in the first half of 2021, may not be in the second half, as the commodity price rally looks to take a bit of a breather. Moreover, the U.S. market has a wider selection of tech, consumer staples, and many other plays that are either few and far between or non-existent in Canada.

## Canadian investors don't have to venture far for bargains

Canadians venturing south for stocks should be careful this July, though. Valuations across select names are getting a tad on the frothy side — so much so such that **Bank of America** told investors that there appear to be better valuations to be had over in Canada. I couldn't agree more. And while the exchange rate is favourable, I think it's wiser to think domestic with your next stock purchases, given many TSX stocks out there seem too cheap to ignore.

So, where should one look for value? Energy stocks and financials are a great place to look. Plays within both industries are at the intersection between momentum and value, which would appease most investors. In addition, many reopening plays have gone to sleep.

With the COVID-19 pandemic's end coming closer into sight, I'd argue that such "hungover" reopening plays are even buys here, given their high-upside potential in a bull-case scenario that sees things sustain a move into normalcy.

One play that strikes me as reeking of value is **Restaurant Brands International** (TSX:QSR)( NYSE:QSR), a high-yield dividend stock that looks as cheap as it is bountiful with its 3.3% yield.

## Restaurant Brands: An underdog that could turn into a top dog

# in the second half of 2021

Restaurant Brands is a fast-food powerhouse with three of the most powerful brands out there in Burger King, Tim Hortons, and Popeyes. The stock has failed to pick up any meaningful traction for around a year now. Most recently, shares corrected by 8% on no meaningful news. Undoubtedly, dining room closures have hurt Restaurant Brands more than most other fast-food players. Tim Hortons is a brand that really took a hit on the chin.

As the economy reopens and Restaurant Brands's management looks to get all three brands heading in the right direction, the upside in QSR stock could have the potential to be sizeable. Shares are still off 24% from their all-time high of $104 — a level that could be hit if all goes well and the world conquers COVID-19.

And if things go wrong? Restaurant Brands is resilient enough to do well with its delivery and restaurant modernization initiatives. Across all banners, QSR has shown signs of adapting to the times. And that makes the dividend stock a buy, regardless of when or how this pandemic ends.

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