



1 Top Dividend Stud With Your TFSA's Name on it

Description

Your TFSA (Tax-Free Savings Account) was meant for your best long-term ideas. What it isn't for is speculating on dangerously volatile penny stocks or hoarding excessive amounts of cash in this rock-bottom interest rate environment. Indeed, playing it too aggressively or defensively could have drastic consequences on your TFSA's wealth-creation potential.

Since many Canadians are inclined to hoard cash in those dreadful low-rate, "high-interest" TFSA savings accounts, I'd argue that it's far better to put the money to work today on some of the modestly valued dividend stocks that will [pay you while you wait](#).

After a hot start, the stock market could slow down or even pull back north of 10%. Still, it's worth remembering that inflation is still out there, and it's now taking a larger bite out of your hard-earned savings. While the top dividend studs may face a bump in the road over the near term, odds are, you'll be ahead with common stocks over cash three years down the road, especially if inflation sticks around for a while longer.

The greatest risk for [younger](#) TFSA investors is staying too heavy in cash. There's a difference between playing it defensively and being a "wallflower" that will feel a bigger hit to the chin amid higher inflation.

A dividend stud with your TFSA's name on it

In this piece, we'll have a look at a name that's fallen under modest pressure and is worth buying if you're looking for a solid idea with a favourable risk/reward for your TFSA. Without further ado, consider **Quebecor** ([TSX:QBR.B](#)), which sports a dividend yield of 3.6%.

Quebecor: A worthy competitor of the Big Three

Quebecor is an underrated Canadian telecom that plans to bring the fight to Canada's Big Three telecom incumbents, which are poised to benefit from the return of the triopoly. Indeed, the federal

government desperately wants to foster competition in the scene. But after Shaw Communications was scooped up by a competitor, it seems as though hopes of a fourth major competitor in the scene have faded.

After making a big splash at the spectrum auction, though, Quebecor is signaling that it's more than willing to make a strategic pivot to become that fourth major Canadian carrier. Undoubtedly, Quebecor is poised to move into uncharted waters. The firm's expertise is within the province of Quebec, and due to a large number of media assets, investors don't seem excited about Quebecor's growth plans.

Bottom line

With Quebecor stock now in flatline mode, I think investors have a lot to gain by picking up a few shares here. The dividend is on some pretty solid footing. If Quebecor's voyage to new provinces pays off, the dividend could be in a spot to grow at a rate higher than its peers. Of course, Quebecor has a great deal of media assets, which are viewed as less desirable by growth-savvy investors. Still, the valuation is way too depressed here. I think the name is worthy of stashing in a TFSA for years at a time.

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