1 “Busted” Canadian Stock to Buy and Hold for Life

Description

There are many “busted” Canadian stocks with businesses that are anything but. It’s these such names that are great buys right now for long-term investors willing to hold on for years, if not decades at a time. Ideally, a forever holding period would be best. But, of course, even the great Warren Buffett can’t hang onto his favourite names forever. In any case, here are two beaten-up Canadian stocks that investors should feel inclined to buy and hold for as long as they possibly can, perhaps even for life.

Undoubtedly, the markets have been quite turbulent. If you’re an active checker of the broader indices, you may not view a 3-5% pullback as anything worth pounding the table on. Indeed, it’s a mild dip. But under the hoods, there are so many names that are in bear market territory, down by at least 20% from their highs. It’s these such names that are definitely worth picking up, regardless of where Mr. Market pushes common stocks for the holiday season. Such names that have sold off under their own power, with minimal to zero participation in the broader rally over the past year and a half may exhibit a lower degree of correlation to the TSX Index moving forward.

So, if you’re looking to take a step back into the value trade, consider a name like **Restaurant Brands International** (TSX:QSR)(NYSE:QSR). The firm behind a trio of great fast-food chains simply doesn’t get the magnitude of respect it rightfully deserves.

The unique play finds itself at the intersection between growth and value. It also has an ample amount of reopening upside. Such a name could be key to beating the markets going into year-end and going through 2022. Let’s have a closer look.

Restaurant Brands

Restaurant Brands stock may very well be one of the least-loved names in fast food these days.

While Popeyes Louisiana Kitchen, one of QSR’s hottest brands, has been incredibly strong, even though the worst of last year’s COVID lockdowns, it only contributes a modest slice of the overall pie versus QSR’s two biggest brands in flame-grilled whopper maker Burger King and Canadian icon Tim Hortons. Still, it’s an absolute mistake to discount Popeyes because of its smaller share of revenues today. In 10, 20, even 30 years, Popeyes could have the potential to grow to become one of the most dominant behemoths in the hottest fast-food sub-industry: chicken.

The chicken wars are nothing new. Arguably, Popeyes is the perfect chain to win such a war. Regardless, investors would rather focus on sluggish comps at Tim Hortons and mild results at Burger King. Off around 27% from its high, QSR is an absolute bargain here for long-term thinkers. In due time, QSR will be hot again, likely on the back of magnificent quarters that will become impossible to ignore any longer.

For now, QSR stock is likely to sag, as most Canadians have the name outside of their radars. As favourable year-over-year comps approach, though, I think it’s a mistake to not be a buyer ahead of time. In short, you can’t beat the power of a good brand — or, in the case of QSR, three legendary brands.

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