The Best High-Yield Canadian Stock I'd Buy Right Now

Description

After another big bounce for Canadian stocks on Tuesday, the bearish analysts who were so sure a 10% correction would strike are now re-evaluating their near-term forecasts. Undoubtedly, if you flinched at the 5-6% pullback and didn't do any buying, you're probably thinking about uncovering some catch-up trades that haven't bounced back to the same extent as broader markets.

Indeed, a correction is looking less likely for this year. In any case, investors also shouldn't look to deploy too much cash on the sidelines, as corrections tend to be unpredictable in nature. They tend to strike when there are too many complacent bulls, not when a considerable number of pundits are calling for it, warning investors of a plunge ahead. This goes to show that nobody can time markets, and that it's a waste of effort to attempt doing so. When in doubt, be a cautious bull. By being bullish, the odds will be on your side, especially over a long-term time horizon! Sure, the bears calling for a big plunge may sound smarter and more prudent, but the odds are on the bull's side, given that common stocks tend to go up with time!

In this piece, we'll check out one of the best cheap Canadian stocks that I think make for a great catch-up trade if you're looking for an opportunity, as this "half correction" comes to an end. The bottom and the best of bargains may be out of reach. Still, there are many value opportunities today that set up good going into year's end. Consider **Restaurant Brands International** (TSX:QSR)(NYSE:QSR) — a name that's near its 2021 lows.

Restaurant Brands International: A Canadian stock that's a high-yield bargain!

Restaurant Brands is the Canadian dividend stud we all know and love. It's best-known for being the firm behind Tim Hortons and Burger King. Although its third chain, Popeyes Louisiana Kitchen, has garnered significant momentum over the past few years.

Undoubtedly, Popeyes is a growth driver with a world of expansion opportunities in one of the hottest food categories out there: chicken. In burgers, Burger King is no slouch. It has all the tools it needs to shine ahead of the great economic reopening. Finally, Tim Hortons, arguably the weakest link of the QSR trio, has immense bounce-back potential. I think the iconic Canadian chain will be full of surprises, given most investors have counted the chain out after years of sluggish comps and questionable results.

The stock is down 13% from its 52-week high and 28% off its 2019 all-time high for no good reason. It's been uneventful for QSR, but at the end of the day, I think earnings and an improving environment post-COVID will be a massive boon on the stock. Shares look dirt cheap, and for those with the patience, the stock could deliver solid risk-adjusted returns at these depths. In time, the pandemic will end, dining rooms will reopen, and it's going to be tough to stop QSR as it looks to return to its former glory.

My takeaway? Buy QSR while it's depressed and in bear market territory. There's a juicy dividend of around 3.3% to collect while you wait for the tides to turn and for management's modernization efforts to finally pay off in the form of surging earnings.

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