1 Incredible TSX Value Stock That Could Run Into Year-End

Description

We avoided a correction that cut itself short at around 5%. Still, that doesn't mean we're out of the woods as we head deeper into earnings season. Undoubtedly, there are many things that can still go wrong, and next thing you know, we could find ourselves right back to where we were just a few weeks ago, before the big relief rally off those multi-month lows.

Undoubtedly, negative surprises are still possible, especially a shocker from the U.S. Federal Reserve. As such, investors should remain confident with their value stocks, which look well-equipped to deal with any sort of market "weather" that may be in the cards between now and year's end.

Indeed, a lot of value has been neglected. Although markets, as a whole, may still seem a tad frothy, with bubbly pockets in certain areas of the market (think Bitcoin), there are many dirt-cheap **TSX** value stocks that have stealthily been punished for no good reason. Indeed, Mr. Market has been less than efficient with his pricing of stocks amid 2021's considerable rolling corrections and mild dips.

Restaurant Brands sags into the fourth quarter

After an underwhelming, but not dreadful earnings report, **Restaurant Brands International** (TSX:QSR)(NYSE:QSR) is such a powerful name that many Canadians have given up on. The stock has vastly underperformed the TSX Index and its industry peers. Burger King hasn't lived up to its full potential amid ongoing labour disruptions, and Tim Hortons can't seem to generate a meaningful turnaround — not with continued COVID headwinds that continue to dampen sales across the board.

Still, Popeyes Louisiana Kitchen is a powerful brand that could help QSR roar out of the gate when the time comes. In the meantime, the stock is a serious laggard — prompting many investors to wonder why they're hanging onto the stock after many years of weak returns. Maybe it's the dividend, which remains on solid footing, or the potential reopening upside, whenever it may come.

Could activist investor Bill Ackman get more active in 2022?

Billionaire Bill Ackman is still confident in the company, with a sizeable stake as of his latest 13F filing. But how could such a powerful trio of legendary fast-food brands have such a sagging stock? Management hasn't done a magnificent job, to say the least. 3G Capital is the firm behind Restaurant Brands. It's also the firm behind Kraft Heinz, which was a colossal flop of an investment for Warren Buffett. While management has failed to deliver on the returns front for investors, especially after another COVID-plagued year, I do think that there's incredible value to be had, especially if Ackman, an activist investor, gets more involved.

Ackman is a profoundly successful restaurant investor. He can turn the ship around if he wanted to, and I think he may if QSR continues to sag into year-end. There's so much potential in QSR's trio of brands. Under the right leadership, there's really no telling how much upside QSR's beaten-down share has.

After a colossal flop, down 5% on Monday, QSR stock is now down a grand total of just over 30% from its 2019 high. While the finger can be pointed at the horrid industry conditions, there's no denying that QSR's peers have had less issue adapting to the new normal with digital and delivery strength in particular.

Yes, QSR was up against in the latest quarter. It felt the full impact of the Great Resignation. But so did its peers, many of which have stocks that are just stellar right now. In due time, I think QSR will get its head out of the dirt, but until then, investors should continue accumulating shares as they represent one of the best bargains in the space these days.

The bottom line on the top TSX value stock

I think the stock is way too cheap here and the stage is set for a vast relief rally going into year-end, with the mediocre Q3 2021 results out of the way.

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Date
2025/07/30
Date Created
2021/10/26
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