



TSX Stocks: A Canadian Name to Buy and Watch Now

Description

TSX stocks are heading into November with a bit of [strength](#) after shaking off a turbulent September and October. Still, investors worried about stretched valuations may wish to play it prudently with some of the many value options that still exist, even amid froth in other areas of the market. Indeed, when pundits say valuations are stretched, they may be referring to pockets of overvaluation, rather than broader markets as a whole. While the **S&P 500** may be a tad on the [pricy](#) side, the TSX Index seems chock-full of bargains after not having surged nearly to the same extent over the years.

Nobody likes waiting for prolonged periods with less than timely TSX stocks, but for those with the patience to tune out, there are a wealth of options out there with a better stage set in front of them, even as broader markets move into a more challenging 2022.

Playing it contrarian isn't easy, but it's a strategy that could pay off long-term

It's not easy to go against the grain. After all, nobody wants to feel the full force of a sell-off that others, like passive investors or those overweight in specific sectors favourable at any time, may not notice. Indeed, it makes less sense to many market newcomers to move into ground zero of an earthquake while most others steer clear, barely noticing what they feel as subtle rumbles.

For those with multi-year investment horizons seeking superior risk-adjusted returns, though, short-term pain may very well accompany long-term gain. Indeed, Charlie Munger was proven wrong over the near term when his big bet on **Alibaba** went south this year. How did he respond after Alibaba went on to plunge further into the abyss, eventually shedding half its value from peak levels? Munger bought more, probably without hesitation given the man put in more than his fair share of due diligence well before his initial purchase.

If you, like Munger, see yourself buying more of a certain stock should it continue tumbling, you may have what it takes to be a true contrarian and tilt the long-term risk/reward in your favour. And if you actually relish the opportunity to buy more shares of a company whose shares you deem undervalued,

you may be in a spot to surprise yourself on the returns front over the long haul.

In this day and age, investing may be easy. But investing in a way that tilts the odds in your favour over the long run has become harder, as some of the greatest bargains offered by Mr. Market can require one to adopt a thesis that goes against popular opinion. That's not easy to do, even for experienced investors fearful of being caught on the wrong side of a trade.

A contrarian stock full of growth potential

Restaurant Brands International ([TSX:QSR](#))([NYSE:QSR](#)) has become quite the laggard in the fast-food space over 2021. The company revealed a tough quarter weighed down by the great labour shortage. Still, I think investors are losing sight of the longer-term growth story. Restaurant Brands' trio has enormous global growth potential. And while COVID pressures may weigh for an unknown number of quarters, the company is making the right investments to catch up to its more modernized peers.

Moreover, the company also has the means to take advantage of M&A opportunities as they present themselves. For now, though, QSR has its plate full, as it looks to make up for lost time in 2022. Specifically, I'd look for Popeyes Louisiana Kitchen to begin ramping up its expansion into the fast-growing Chinese market.

Undoubtedly, China is a major growth catalyst for many of today's fast-food firms. Yet, many forget that Restaurant Brands is one of few incredibly scalable firms that can seize growth to be had from the market.

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