



1 Dirt-Cheap Stock for a Long-Term-Focused TFSA Retirement Fund

Description

Your TFSA (Tax-Free Savings Account) retirement fund may be in dire shape after the brutal market selloff we've endured over the past four-and-a-half months. Nobody knows when it will end, but with so much chatter about a coming recession (could it strike as soon as this year?) and more Fed rate hikes, it seems downright reckless to deploy more cash into the fallen darlings on the TSX Index.

Indeed, it's times like these — when greed and euphoria have been replaced by fear — that stocks tend to offer the best bang for investors' bucks. It was easy, even fun, to buy shares of any company just over a year ago.

TFSA investors: It's a tough time to be a buyer

These days, it's downright [painful](#) to even think about hitting that same buy button that used to cause euphoria. Stocks are nosediving, and it's unclear if the current bull, as we know it, will survive the volatility storm. Regardless, everything is thinking with a mindset aiming at reducing risk. A recession seems partially priced in, perhaps with a more bearish bias that sees a hard landing due to central bank rate hikes.

Higher rates bode worse for unprofitable growth companies that have to spend so much money on R&D and other initiatives to power the top line. With a recession thrown into the mix, the outlook looks grim.

As an investor, you can pick your spots, and you don't need to reach for fallen knives with both hands. You can stick with the value stocks you're comfortable with, and in this piece, we'll have a closer look at two that may be great buys for a long-term-focused TFSA retirement fund.

Spin Master

Spin Master ([TSX:TOY](#)) stock has been [stuck](#) in a pretty wide consolidation channel for over a year now. Indeed, the name has come a long way since the ugly depths of 2020. Still, shares look cheap

relative to the solid fundamentals and the still-robust growth story.

During the pandemic, the digital games segment fared well. With an extensive portfolio of great brands, I would not be surprised if the company can continue creating new, engaging apps to bolster the digital games business. It's not just digital games that make Spin exciting. The firm has a pipeline full of intriguing toy products, some of which could have blockbuster potential come the holiday season.

Indeed, TOY stock may be a very seasonal name, but it may be severely discounted by investors. The balance sheet is in pristine shape, opening up the door to cheap M&A opportunities should a coming recession cause havoc in the industry. Though recession fears are rising, I think that the swollen savings piles of Canadians could pave the way for a solid holiday season this year.

Undoubtedly, a lot of stockpiled savings remain from the pandemic. And if the economy isn't nearly as ugly as we believe, I'd look for such savings to be spent on discretionary items. At 15 times trailing earnings, TOY stock looks to be a screaming bargain right here.

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