TFSA Investors: This Little-Known Dividend Stock Is a Top Buy for a Recession

Description

It's hard to find anybody on the Street who's remotely bullish these days. As the last bulls turn into bears, beginner investors need to find it within themselves to stay contrarian. It's hard to be one of the last folks who's optimistic with all the negatives that have plagued the economy of late. Rates are headed higher, perhaps much higher (near 4%?) over the next few years. Inflation continues to be stubborn, with U.S. CPI creeping up to 8.6% in the last month. At this juncture, it seems like the only way to fight inflation effectively is to sacrifice the economy's recovery out of the 2020 funk. Could yet another recession be headed to an economy near you?

Many market strategists think a recession could be on the horizon, while others expect earnings to persevere through further rate hikes. Some of the bigger bears out there think we're already in the early innings of a recession. There's no question that the consumer has changed the way they've spent their money since the upbeat days of 2021. Inflation is hurting many consumers, and a recession may very well be a self-fulfilling prophecy, as many buy into the doom-and-gloom sentiment.

Though the rest of 2022 could be full of pain, investors should stay the course, even if they expect to take a further beating. Like it or not, the biggest recovery days tend to follow the worst down days. Indeed, some of the best single-day pops were immediately after the carnage of the 2008 and 2020 stock market crashes. If you missed just a few recovery days, your long-term returns suffered. That's why it's so important to stay on the roller-coaster ride. Why ride the downs if you're not going to ride the ups?

Finally, don't buy into the near-term forecasts. There's a 50/50 shot that the bulls or bears will be right about tomorrow, next week, or next month. However, in the truly long term, the odds are heavily in favour of the bulls. For those with +10-year horizons, fortune really does favour the bull.

At the end of the day, Fools are all about the long run. Near-term ups and downs are either noise or opportunities to deploy more capital in sound long-term investments.

In this piece, we'll look at a less-volatile stock I'd stash in a TFSA (Tax-Free Savings Account) for the next decade and beyond.

Quebecor: A cheap dividend stock that's little known

Consider shares of underrated and undervalued telecom **Quebecor** (TSX:QBR.B), which recently entered an agreement to acquire Freedom Mobile in a deal worth $2.85 billion. Indeed, many Canadians are not familiar with the Quebecois media and telecom firm. With ambitions to grow outside Quebec, the firm's growth profile seems to be improving. Though Quebec is a large market that still needs plenty of telecom upgrades, Freedom gives Quebecor a foundation to become a fourth major player in Canada's national telecom scene.

Freedom is far from perfect. It's behind in the 5G rollout. That said, the deal, I believe, was relatively cheap for Quebecor and serves as a great starting point for a firm that could be player number four in Canada's Big Four telecom scene.

Quebecor's national expansion won't be without risk. However, with such a proven management team, I'd be more than willing to give them the benefit of the doubt, as they look to disrupt the Big Three triopoly. The $6.6 billion firm trades at less than 12 times forward earnings, with a handsome 4.4% dividend yield, making it one of the safest (and least-correlated) defensive dividend stocks out there today.

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