2 TSX Bargains to Buy for Passive Income in July 2022

### Description

There are a growing number of TSX bargains after the Canadian stock market's latest slip into correction territory. Indeed, 2022 has been a year full of dire forecasts and grim predictions. Many pundits are upping their recession risks, and the Bank of Canada seems to be falling further behind the curve.



Recently, Canada unveiled its nearly $9 billion affordability plan. Indeed, such a plan is no substitute for sound monetary policy. At the end of the day, it's higher rates, not fiscal policy, that will help drag inflation back to pre-pandemic norms. If anything, such spending may make things worse for Canadians, who now struggle to cope with much higher prices at the local grocery store.

Though a reluctance to pick it up with rate hikes could mean higher inflation for longer, I think investors essentially have a green light to load up on their favourite stocks. The U.S. Fed's fast and furious rate hikes could propel the U.S. economy into recession. In Canada, I'd pin the odds at slightly lower.

Consider well-run, low-cost firms that can fare well once the economic tides begin to fade ever so slightly. While a recession seems less likely, I would encourage investors to be prepared for anything, including a negative surprise that includes a crash-landing by the Fed. Indeed, such a landing would send shockwaves through the world economy, and in such a scenario, the TSX Index is unlikely to be spared.

Consider fast-food juggernaut **Restaurant Brands International** (TSX:QSR)(NYSE:QSR) and number six of the Big Six banks, **National Bank of Canada** (TSX:NA).

## Restaurant Brands International

Restaurant Brands is the firm behind legendary icon Tim Hortons, Burger King, Popeyes Louisiana Kitchen, and Firehouse Subs. The company has really underperformed its fast-food peers in recent years. Though management hasn't been up to the task, the brands are strong enough such that they will live to see better days, perhaps under new leadership. Billionaire Bill Ackman still believes in the firm, and I think Canadians should give the basket of quality fast-food plays a second look as we head into a potential downturn.

When times get tough, and money is harder to come by, fast food tends to fare quite well, as consumers switch from pricey dining to grabbing a Whopper from the local Burger King. Tim Hortons has its own woes, but I think the Justin Bieber partnership could help spark sales, even if 2022 continues to be a drag on consumer balance sheets.

With a rich dividend yield of 4.52%, QSR stock is one of the highest-quality, passive-income plays today for Canadian investors seeking a bargain.

## National Bank of Canada

National Bank of Canada is Canada's sixth-largest bank and quite possibly its most agile. The firm did away with trading commissions a while ago. One has to think that its five bigger brothers will follow suit. With the willingness to disrupt the status quo, I view National Bank as one of the most agile and tech-savvy banks, as it looks to expand into new provinces.

Sure, National may be smaller, but what it lacks in size, it makes up for in solid management. Further, the stock is cheap at 9.1 times trailing earnings, with the catalyst of higher rates on the horizon. The 4.16% dividend yield is also very bountiful.



**CATEGORY**

1. Investing

**TICKERS GLOBAL**

1. NYSE:QSR (Restaurant Brands International Inc.)
2. TSX:NA (National Bank of Canada)
3. TSX:QSR (Restaurant Brands International Inc.)

**PARTNER-FEEDS**

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

**PP NOTIFY USER**

1. joefrenette
2. kduncombe

**Category**

1. Investing

**Date**
2025/08/22
**Date Created**
2022/06/21
**Author**
joefrenette