



1 Timely Dividend Stock That's Perfect for Your TFSA

Description

The stock market breathed a huge sigh of relief on Tuesday, with the S&P 500 surging 2.5%, recovering some of the losses posted in the prior brutal week. Indeed, many TFSA investors are likely skeptical over the bounce, given how many “fake-out” rallies we’ve had thus far in 2022. Undoubtedly, many are likely to dismiss this modest relief rally as something sustainable, given the negative trajectory.

Bear markets are brutal, and many will continue to doubt rallies until well after the fact. While many talking heads on TV may claim to know that Tuesday’s rally is yet another bull trap, I’d argue that Canadian TFSA investors should continue dollar-cost averaging (DCA) in the market.

Whether or not Tuesday’s rally was the start of a recovery is a giant question mark. Regardless, investors should focus on buying shares of companies below their intrinsic value (what Warren Buffett strives to do) rather than paying too much merit to an expert’s opinion on where they see markets heading over a brief timespan.

Stop looking to “experts” for a market bottom: Buy value stocks while they’re down and out

There wasn’t any material good news that came in on Tuesday. Inflation is still scorching, the Fed is still contemplating a potential 75-bps hike in July, and the Ukraine-Russia crisis is still ongoing. Further, the pandemic has yet to go endemic and could cause further global supply-chain issues at some point over the coming months. So, why the optimism?

Things were just so incredibly oversold that there didn’t need to be good news to move the needle higher. Sometimes markets can trend higher when the sellers become exhausted, and I think that’s what we witnessed on Tuesday, as markets surged, even as bonds slipped, bringing the 10-year note yield slightly higher.

It’s big up days like Tuesday that should discourage timing of markets, even when there’s a never-

ending stream of bad news.

In this piece, we'll look at one of the [cheapest](#) TFSA-worthy Canadian stocks that may be a great pickup for the second half of 2022.

Restaurant Brands International

Restaurant Brands International ([TSX:QSR](#))([NYSE:QSR](#)) is a fast-food firm built for good times and bad, thanks to the defensive (or inferior) nature of fast food. The company has been stuck in a rut for so long, with a valuation multiple that doesn't do justice to the three powerful brands under the QSR umbrella. Tim Hortons, Burger King, and Popeyes Louisiana Kitchen are legendary brands in the fast-food space. Firehouse Subs, the latest addition to the portfolio, is also an intriguing banner that could pay off.

The company gets a lot of flack for underperformance over at Tim Hortons. Still, many don't give credit for what QSR did to Popeyes. The fried-chicken firm is a force to be reckoned with and still has plenty of big growth days left in the tank.

Though QSR has a world of expansion opportunities with its four existing brands, don't be shocked if the firm acquires a fifth in the face of a recession. Given minimal overlap across QSR's brands, I suspect a pizza play could be the next M&A move for a firm that's not yet done wheeling and dealing.

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