Here’s My Top Value Stock to Buy Right Now

Description

Market volatility continues to be stomach churning, with the broader markets finishing last week with a boom. Indeed, volatility goes both ways, making it very difficult for buyers and sellers. Though last week’s consumer price index report could be the start of a sustained move higher, recent hawkish chatter from Federal Reserve members may take a bit of steam out of the rally.

Undoubtedly, inflation and earnings are the name of the game going into the new year. Amid such overwhelming amounts of volatility, investors may freeze and not buy what they told themselves they would have.

Indeed, when you’ve got stocks going up or down 5-10% in a single day, it’s really easy to chase or be squeezed out of a position. Instead of looking at the many names that are experiencing big action on any given day or week, it’s a far better idea to narrow your focus. Look at the stocks in your portfolio or the names on your radar. If they’re at an attractive level, seek to nibble your way into a position.

In this piece, we’ll have a look at my top value stock to buy right now, regardless of what markets end up doing in response to last week’s strong finish. Consider **Restaurant Brands International** (TSX:QSR), a fast-food firm behind such names as Popeyes Louisiana Kitchen, Tim Hortons, Burger King, and Firehouse Subs. The stock has been on a wild ride over the past year, plunging as low as $62 and change per share this summer before a huge recovery to around $80.

Since the year’s lows, the stock is up nearly 30%. Even with a recession looming, I think QSR stock will continue to run toward new highs, as it looks to improve its competitiveness via past investments in store modernization.

Restaurant Brands: A fast-food underdog that could rise up

Restaurant Brands may not be the most attractive story in quick-serve restaurants these days. Tim Hortons and Burger King have lost a bit of their lustre over the years. Still, there’s no stopping the power of a great brand.

With various turnaround initiatives in place, I think Burger King and Tim Hortons can become top dogs again. Indeed, it's been a long time since the two legendary banners made a splash amid rising competition in fast food. Still, just look at the success of Popeyes and its expansion since Restaurant Brands took over the chain. It's hard to believe that the Tim Hortons owner is the same firm behind Popeyes and its legendary chicken sandwich.

Indeed, chicken is different from a café and bake shop. Regardless, I'd not bet against QSR, as it looks to beef up Burger King while bringing the heat back to Tim Hortons.

As the economy normalizes, Tim Hortons has a lot to gain. The company has been exploring new lunch and dinner options, while continuing to bet on the experiential factor. Such efforts could help even the playing field in a recession year.

QSR stock: Expect more gains to come

Just over a week ago, QSR topped sales estimates, thanks to strength in Burger King and Tim Hortons. I expect more strength to come, as the firm looks to recover in a recession year. The stock trades at 19.4 times trailing price to earnings, with a 3.65% dividend yield. That's too cheap for the recession resilience you're getting and the power of the brands that have already begun their transformation.

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