TFSA Investors: It's the Perfect Time to Invest Your 2020 Contribution

Description

The markets may be at all-time highs, but that doesn't mean we're overdue for a crash, nor does it mean you should wait for the perfect opportunity to put your 2020 TFSA contribution to work.

As you may know, a scenario where everything is perfect seldom occurs when we expect them to, whether we're talking investments or anything else in life. As **Nike's** slogan goes, sometimes you've got to "Just Do It" with regards to putting your TFSA contribution to work.

For those with no desire to time the markets, it's a good idea to adopt a systematic approach to investing. Timing the absolute bottom is virtually impossible, and by doing so, you risk missing out on some substantial upside by waiting for the perfect opportunity, which may never arrive.

In a way, upside risk is arguably just as bad as downside risk, especially if you're a young investor who can afford to take said risks. The markets have been roaring, and they could continue surging through the year until you've got another $6,000 contribution to put to work.

It may be prudent to be cautiously optimistic at these heights now that most investors on the Street have been getting greedy. And while stocks could take a collective dive sometime soon, there remain plenty of out-of-favour names (like those on the 52-week low list) that are have been so beaten up that they're less likely to follow in the broader market's footsteps. Such battered, lowly correlated stocks are terrific plays to put your money to work if you're in the belief that the markets are a tad on the frothy side.

Consider shares of **Restaurant Brands International** (TSX:QSR)(NYSE:QSR), which have been unfairly punished over the last few months thanks to a "perfect storm" of adverse events.

The fast-food sector has sold off violently, and thanks to a few company-specific issues, most notably slowed comps at Tim Hortons and a potential management shake-up (Tim's president Alex Macedo will be leaving soon following significant share sales by 3G Capital last year), Restaurant Brands now finds itself in a bear market.

I ultimately believe that QSR is just experiencing a brief bear market moment and will not be on the sustained downward move through 2020. Why? The stock is just too cheap given the capital-light business model and the encouraging Chinese growth prospects (both with Tims and Popeyes).

QSR may be a higher-beta play, but given beta is a measurement of the past, and the stock has fallen while the broader markets have risen, I'd look to the stock's beta to drop as the stock looks to recover, possibly at a time when the indices run out of momentum.

Restaurant Brands stock trades at a mere 16.4 times next year's expected earnings multiple, which is far too cheap given the calibre of low-risk growth that you're getting from the name.

Foolish takeaway

The perfect time to act with your 2020 TFSA contribution is now! A stock like Restaurant Brands is a bargain at this juncture and is more likely to appreciate given its margin of safety, regardless of where the broader markets head next.

Stay hungry. Stay Foolish.

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