Foolish Beginners: 1 Stock Pick to Buy Now for a $6,000 TFSA

Description

Beginner investors looking to make their first ever TFSA (Tax-Free Savings Account) contributions of $6,000 should do so rather than waiting for the market's next move. Indeed, there are plenty of risks still on the table, even though it seems like this market has shrugged off recession fears and worries that rates could rise considerably faster and higher than originally thought.

At the end of the day, you don't want to fight the Federal Reserve (the Fed) or the Bank of Canada (BoC). Instead of chasing or waiting for the perfect moment, it's a wise idea to be a buyer now and gradually over time, so you can average out a pretty decent cost basis. Dollar-cost averaging (DCA) is nothing new. It's a way to help yourself get used to the downs that tend to surprise many market newcomers.

TFSA Investors: Tune out the short-term noise by playing the long-term game

Remember, by investing for the long run, you're committing to being there through up days and down. Trying to avoid the slides in markets is not a good endeavour. Holding through bumps in the road and topping up during the hardest of times tends to be a better strategy. The buyer's mindset is hard to achieve through bear markets and corrections unless you gain the experience of bathing in the bloodbath on Wall or Bay Street. It's not easy, but it can be learned through experience.

Indeed, the 2020 stock market meltdown and 2022 sell-off are fresh in the minds of many beginner investors. Though the rough start to the decade is off-putting for many new TFSA investors, I'd argue that it's far better to view the rough patches as a fresh slate for new capital before the next bull market has a chance to charge.

Once the next bull has its run, you're going to want to run with that bull and not be left behind at the gate, waiting for the next so-called "perfect" time. At the end of the day, there's no "perfect" time to be an investor. You've got to find yourself a time where the risk/reward is solid and be ready to average in and willing to get your feet wet.

BAM rallies ahead of big changes

Currently, I'm a fan of **Brookfield Asset Management** (TSX:BAM.A)(NYSE:BAM) stock, which recently came off some stellar quarterly results that saw profits dip 39% as a result of various factors, including elevated interest expenses. Despite the weakness, shares have held their own incredibly well, thanks in part to a looming spin-off and robust revenues.

In a prior piece, I highlighted the potential for Brookfield to unlock value via the spinning off of its flagship asset management business. Undoubtedly, Brookfield is a tad heavy on assets versus some of its peers in the alternative asset space. Yesterday, management shed more light on a potential transition that'd see today's Brookfield spin-off into two entities: Brookfield Asset Management and Brookfield Corp.

Indeed, investors and the rest of the market look excited about the move that will see former Bank of Canada governor Mark Carney take a seat at the newly formed firm.

Bottom line

Post-spin-off, Brookfield's new asset-management firm will be asset-light and could find itself commanding a premium multiple. In any case, Brookfield stock is out of its rut and could have room to run before its most significant transition to date.

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