



## Buy Alert: 2 Canadian Aviation Stocks Hitting All-Time Highs

### Description

Two Canadian aerospace stocks are riding high on market turbulence at the moment: Both **Air Canada** ([TSX:AC](#))([TSX:AC.B](#)) and **Héroux-Devtek** ([TSX:HRX](#)) are hitting all-time highs, garnering buy signals and delighting aviation investors. Let's take a look at these two heroic tickers and see whether it's the right time to buy a ticket for a flight to prosperity.

### Air Canada

Hitting \$41.73 a share, Air Canada is [the number one aviation stock to go for if market share is your thing](#). Taking a seat among the world's top 20 biggest carriers, Air Canada boasts a young, fuel-efficient fleet numbering over 400 aircraft, serving over 200 airports. In short, if you want to invest in a Canadian airline, this is the one to go for.

And it seems a lot of other folk have been thinking the same way, too, pushing Air Canada's share price to a record high. As a defensive play, it has a lot going for it and can satisfy an investor looking to add infrastructure or transportation to a portfolio.

One of the factors driving the stratospheric flight of Air Canada's share price is the recently approved acquisition of Air Transat for a cool \$520 million. This will help Air Canada to streamline some of its transatlantic routes, among other strategic synergies and instantly swap out a few Boeing 737 Max stand-ins for Air Transat's fleet of Airbus craft.

Shareholders can expect to see Air Canada take advantage of their position and hike ticket prices, improving its bottom line and offering greater returns to anyone invested for the long term. In the short term, there's some room yet for capital gains, though the consensus seems to be that airline fans should wait for a dip before getting invested.

### Héroux-Devtek

Selling at \$19.95 a share, this star aviation company has a focus on parts and partnerships that helps

it to spread risk across a multitude of projects and markets. Héroux-Devtek is soaring on “war investment,” with a global trend in military spending driving up aerospace stocks such as **Bombardier** and **Lockheed Martin**.

Having [ascended past its 52-week high](#) to new altitudes, Héroux-Devtek’s most recent quarter saw total sales up by nearly 40%, while defence sales in particular were up nearly 44%.

The company also just snapped up Montreal’s Alta Precision, a manufacturer of high-precision landing gear components, for \$23 million. Along with the acquisition of CESA, Beaver, and Tekalia, this helps Héroux-Devtek solidify its position as a market leader.

As Martin Brassard, president & CEO of Héroux-Devtek, put it, “The acquisition of Alta Precision Inc. expands our portfolio of commercial products by providing both access to new programs and additional content on existing platforms. It also comes with the backlog and manufacturing capacity necessary to grow the existing business.”

## The bottom line

The defensive play would have to be Air Canada if you go by market cap alone: Air Canada has a capitalization of more than \$11 billion compared to Héroux-Devtek’s much smaller \$725.426 million. However, if diversification is your thing, and you’d rather bet on a smaller company with room to maneuver in a highly competitive field, Héroux-Devtek might be the better choice.

### CATEGORY

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2. Stocks for Beginners

### TICKERS GLOBAL

1. TSX:AC (Air Canada)
2. TSX:HRX (Héroux-Devtek)

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