Your Money Would Have Multiplied By 350% Had You Bought This Stock 4 Years Ago

Description

Canada's flagship carrier, **Air Canada** (TSX:AC)(TSX:AC.B) is one of top-performing stocks in 2019. Not only is the 172-year old airline company flying high, but it's also exhibiting the characteristics of a growth stock.

How fortunate are the investors in Air Canada? Had you taken a position in 2015 and still holding the stock today, your money would have grown by 356%. A bigger surprise is in store. The stock is looking to post incredible new highs in 2020.

Chronological performance

Back in November 23, 2015, you could've purchase Air Canada for $10.90 per share. After a year, the gain was a modest 31%. The following year, the airline stock was trading for $24.93, or growth of 128.7% in two years. Investors were hoping for another magnificent leap in 2018.

Unfortunately, there were spikes and dips in the following months, which saw the price settle at $26.17 on November 23, 2018, or a gain of only 4.9%. Positive things began to unfold in 2019, the beginning of Air Canada's impressive surge.

By the end of the first quarter, the price rose by 23% to 32.21. At the halfway mark of 2019, the stock has gone up to $39.69 or a 23.22% quarter to quarter increase.

In the third quarter ended September 30, 2019, Air Canada has risen higher to $43.21.As of this writing, the stock is trading at $49.75 and the gains thus far this year is 91.64%.

Analysts are recommending a "buy" rating for the stock. The potential upside ranges between 14% and 30%.

On September 26, 2019, the **TSX** released the inaugural list or first edition of the TSX30, which gives recognition to the 30 top-performing Canadian stocks — and rightly so. Air Canada is part of the latest recognition program after recording a three-year return of 346%, enough to place the company in seventh place.

Long runway for growth

The TSX30 introduces to regular investors the growth companies in various industries. Usually, you can find growth stocks in the technology sector only. Google parent **Alphabet** and **Shopify** are quintessential examples of growth companies.

While Air Canada may be old in terms of corporate existence, it has a long runway for growth. This $13.49 billion company is still growing revenues, cash flows, and profits.

The grounding of the **Boeing** 737 MAX last March disrupted operations, but it did not result in losses. On the contrary, the company is on course to end the year with $18.81 billion revenue, with a corresponding net income of $1.13 billion.

Investment-grade status

According to Deputy Chief Executive and Chief Financial Officer of Air Canada Michael Rousseau, the company's financial profile is getting stronger. It is working to reduce leverage and strengthen flexibility through the ongoing transformation.

Standard & Poor and Moody's Investors Service have upgraded Air Canada's rating due to lower financial risk. The acknowledgment of Air Canada's financial resiliency by these rating agencies advances the company to one level below its goal of attaining investment-grade status.

Don't wait for the upgrade. Buy the stock before Air Canada becomes a pricey, premium stock.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:AC (Air Canada)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Investing

Date

2025/07/05
Date Created
2019/11/25
Author
cliew