



## 2 Canadian Aerospace Stocks With Wildly Different Price Trends

### Description

Down 38% in the last five days of trading, **Bombardier** ([TSX:BBD.B](#)) is tanking hard at the time of writing. But should value investors snap up shares in the troubled aviator or avoid a potential falling knife? Meanwhile, another stock in the aerospace sector has been hitting new heights and looks biased towards the upside for the near future. It's time to review the data for these two Canadian stocks.

### A tale of two defence stocks

It's been quite the month for defence investors — and defensive investors as well. With [geopolitical tensions driving up share prices](#) in both gold and defence stocks in the first couple of weeks of the new year, investors may be wondering whether it's time to grab discounted aviators or buckle up for a rough ride with safe-haven assets if uncertainty lingers.

Bombardier bombed after a profits warning at the end of last week, but is it a buy? The value-conscious investor may want to snap up shares on weakness, though the share price is still in free fall and hardcore bargain hunters may want to hold out. Indeed, its multi-million-dollar joint venture for high-speed rail development in China could still bring out the bulls.

What's behind the nearly 40% Bombardier stock wipeout? Having lost more than 60% of its total value since 2018, a 32% drop signalled Bombardier's worst-ever day on the TSX, precipitated by revised earnings expectations. The company now expects its 2019 revenue to be significantly lower than previously signaled — a development that comes among uncertainty with regards to its Airbus relationship.

### A heroic stock for high growth

On the other end of the scale, **Héroux-Devtek** ([TSX:HRX](#)) defied a hard week to break new ground and [soar to a 52-week high](#). Apart from two protracted pre-2010s dips, Héroux-Devtek stock has been on a reliably positive trend. A growth stock in the aerospace sector is no easy thing to find, with some

big names in aviation following downward trajectories of late.

Aviation investing have been far from plain sailing of late, with key stocks in the aerospace sector experiencing significant turbulence. Héroux-Devtek bucks the trend, though, and could have more upside to come. Compared with Bombardier's earnings guidance wobble and disastrous market performance, Héroux-Devtek is looking decidedly heroic.

A strong play for the aviation buff, Héroux-Devtek is a little more defensive than most stocks in this space, with its position as a manufacturer of essential parts lending elements of ubiquity and maneuverability to its business model. The mix of commercial and defence business helps strengthen the case for buying and holding Héroux-Devtek shares in a long-term TSX portfolio.

## The bottom line

Confidence in Bombardier is at a low ebb right now, though its massively discounted ticket price combined with the potential for a rail comeback means that bullish investors have a couple of reasons to take a contrarian position.

Héroux-Devtek is trending higher and could offer new aerospace investors the surest route to upside in a relatively short timeframe, making its stock a solid buy.

### CATEGORY

1. Investing
2. Stocks for Beginners

### TICKERS GLOBAL

1. TSX:BBD.B (Bombardier)
2. TSX:HRX (Héroux-Devtek)

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