



## Air Canada (TSX:AC) Stock Is a Great Contrarian Buy Right Now

### Description

Value for money is everywhere that investors look right now. Canadians are looking for silver linings in the current economic landscape, and cheap stocks definitely fit the bill. For contrarian and value investors, there has never been a better time to start buying discounted stocks. The global economy is effectively being reset or going into hibernation, depending on your point of view.

### It's time to get in at the ground level

The markets always recover. It's one of the basic tenets of investing. And big names like **Air Canada** ([TSX:AC](#))(TSX:AC.B) and **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) will rally alongside the TSX when the current hibernation period is over. In fact, they will likely outperform the country's largest stock exchange. The relief rally will be tremendous when it happens, though it will likely come in stages.

Until then, some great stocks are ridiculously cheap. They could be about to get cheaper. A potential economic depression is starting to get baked in, just like the idea of recession is now baked in. But every setback will see a selloff. It is a highly [event-driven market](#).

Billionaires such as Warren Buffett like airline stocks right now. This side of the border, Air Canada is a smart contrarian play.

The world will eventually return to something resembling normality. Borders will open, tourism will gradually recover, and the airlines will start the long-haul flight back to profitability. When this happens, Air Canada will begin to appreciate. As the nation's best airline stock, Air Canada will enrich a portfolio in the long term. Shorter term, Air Canada could also benefit from an airline-protection scheme.

### Oil is a contrarian hotbed right now

Now, let's take a look at the contrarian thesis for buying stocks in the oil sector. Enbridge is a wide-moat name to buy and hold for years. It's one of the sturdiest names on the TSX, yet the outlook for oil is bleak. Even Jim Cramer has turned bearish.

Yes, there has been some progress made on ending the oil price war. However, nothing can be done on the producers' side of things to change the lack of demand. Supply will have to be drastically reduced in the short term.

Enbridge stands out because of its massive Mainline pipeline economic moat. The fact that Enbridge is holding all the aces right now makes it a rare buy in a sector full of falling knives. Contrarian investors looking to build a position can [start buying incrementally](#). Meanwhile, investors can add Enbridge to a watch list of wished-for stocks if the price is still too rich for their tastes.

## The bottom line

The knives are still falling. However, there's a solid way to play the current market. Contrarian investors can slowly build positions by snapping up discrete packets of shares on the way down. Don't back up the truck on Enbridge and Air Canada just yet — timing this market is impossible.

With the bottom nowhere near, investors should massage their portfolios, slowly building as the current situation unfolds.

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### POST TAG

1. air canada
2. bear market
3. enbridge
4. market crash
5. oil

### TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:AC (Air Canada)
3. TSX:ENB (Enbridge Inc.)

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