



Better Buy: New iPhone SE vs. Air Canada Stock

Description

Global tech giant **Apple** ([NASDAQ:AAPL](#)) unveiled its second iteration of the long-awaited iPhone SE on Wednesday. Budget-conscious iOS enthusiasts will love the latest and most affordable iPhone model; it affords them an opportunity to upgrade from an old 4-inch predecessor and treat themselves to a brand new premium device during stressful times that ravaged **Air Canada** ([TSX:AC](#))(TSX:AC.B) stock.

The new 2020 iPhone SE is a [feature-packed and super-powerful](#) mobile device. It features a 4.7-inch Retina HD display with True Tone technology and retains the iconic Apple home button that consumers have loved for over a decade.

Although it's almost identical to the old iPhone 8, the new Apple mobile device is a significant upgrade to the old 2017 flagship.

There's a beast of a chipset inside the new low-cost device. The latest and most affordable iPhone spots the same A13 Bionic chipset found in the current premium-priced flagships; the iPhone 11 and 11 Pro, enabling Apple to add the latest premium functions to the new device. The functional gap between the new affordable iOS mobile phone and the existing high-end flagships has narrowed.

Haptic feedback, touch ID, 4K video with stereo sound recording and advanced image processing are some of the capabilities in the most affordable iPhone, and water and dust resistance will extend the device's lifespan.

However, the device is facing an unfamiliar competition for my dollar. Can it outlast and outdo its strong competitor today?

New iPhone SE meets unfamiliar competition

Apple Canada prices the new iPhone SE at \$599 for the 64 Gig model, \$669 for the 128 Gig model and you will have to fork out \$809 if you want to the 256 Gig model when pre-orders open on Friday, April 17.

It feels nice to treat myself with a new gadget here and there, but as an investing enthusiast, the latest Apple offering got me thinking about comparing the potential satisfaction from consumption today to the potential gratification that added financial freedom could provide in a few years from now.

The latest iPhone SE debuts post a severe market crash in 2020. The global economy is being ravaged by the COVID-19 pandemic and shares in high-quality stocks are selling cheaply today.

Imagine you'd bought Apple stock back in 2007 instead of buying the first premium iPhone for US\$600. The portfolio position could have grown to US\$14,500 today.

This includes holding through a 58% draw-down during the 2008-9 great recession. The small investment could buy far too many upgraded premium iOS gadgets today.

It can be greatly rewarding to delay instant gratification while cultivating investing habits that could help out in our quest for financial freedom.

What else could you buy with \$809 today?

Air Canada ([TSX:AC](#))(TSX.AC.B) stock is heavily beaten down right now. Airplanes are mostly grounded worldwide, and travel, tourism and hospitality stocks got crashed when world governments announced travel restrictions and social distancing protocols to manage the spread of the novel coronavirus.

Air Canada stock price fell by 75% between mid-February and late March to trade at multi-year lows. Investors panicked over the sudden and catastrophic losses in business, operating cash flow and profitability in the airline operator.

Airlines are known to be highly cyclical stocks which often require government bailouts during economic recessions. However, this time around, [Air Canada was much more liquid and better](#) placed to survive a "normal" economic downturn. It just wasn't prepared for a pandemic economy.

Uncertainty remains over the possible duration of lockdowns as the world battles the COVID-19 pandemic. However, there's better resilience and great promise in Canada's largest airline operator right now.

Better liquidity, persistently cheap oil and increasingly efficient plane models from manufacturers could help widen airline margins in the future.

This is a once-in-a-long-while best time for retail investors to buy beaten-down Air Canada stock for outsized returns as normalcy returns, economies rebound and asset prices recover post the 2020 recession.

If Air Canada isn't a compelling value proposition today, there are many other investment options that Fool analysts are confident about today — check them out for free.

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1. TSX:AC (Air Canada)

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