



## This Tiny Airline Stock Is Poised to Profit Massively in Q1!

### Description

Airline stocks were among the equities hit the hardest in the March 2020 stock market crash. Faced with a virtual shutdown of international travel, the airlines saw up to 90% of their flights cancelled. Investors promptly headed for the exits, faced with the prospects of unprecedented revenue declines.

Since then, investors have been piling back into airline stocks, anticipating the eventual recovery. However, the actual prospects of such a recovery remain highly uncertain. To date, nobody knows exactly how long COVID-19 lockdowns will last. Further, even after lockdowns are eased locally, international travel will likely be restricted.

Recently, the Business Development Bank of Canada (BDC) announced that it expected businesses to begin re-opening in May — with the caveat that non-essential travel would be closed longer than most business activities. If things unfold as the BDC expects, then **Air Canada** flights [could be grounded](#) longer than some investors think.

Despite that, there are some airline stocks that could be worth looking at — specifically, airlines that ship goods rather than people. Cargo airlines ship vital products, making them essential services. As a result, they're not facing any of the problems currently plaguing passenger airlines.

In this article, I'll explore a cargo airline that is actually doing better in today's economy than ever before.

### CargoJet

**CargoJet** ([TSX:CJT](#)) is a cargo airline based out of Hamilton, Ontario. It mainly ships goods around Canada but operates some international routes as well. The company ships over 1,300,000 pounds of overnight cargo each night. Its stock has soared over the past decade, thanks to strong demand for its services.

Incredibly, CargoJet is doing even better than usual in today's economy. Thanks to an increase in shipments, the company is ramping up its operations. In a recent press release, the company

announced that it needed government help — to cope with the uptick in business. Unlike other airlines, which are struggling from lost revenue, CargoJet is struggling to keep up with demand.

## Why CargoJet's shipments are surging

The main reason for CargoJet's surge in new business seems to be increased [e-commerce shipments](#). In the COVID-19 era, many customers are ordering products online that they'd normally buy in store. CargoJet delivers many online orders and has thus been a beneficiary of the increase in shipments.

Another reason for the surge is increased demand for healthcare products and essential supplies. In this environment, such products are needed more than ever, and airlines like CargoJet get them to their destinations.

## Could the surge continue after lockdowns are eased?

The big question mark hanging over CargoJet is whether its business surge will continue after COVID-19 lockdowns end. As previously stated, the increased volume has been due to temporarily increased demand for certain products in the COVID-19 era. That will simmer down sooner or later.

However, CargoJet has grown its business steadily over the years, and that trend should continue long term, even if business dips after the current crisis.

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2. TSX:CJT (Cargojet Inc.)

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