2 Top Stocks to Buy Instead of Air Canada (TSX:AC)

## Description

There has been a lot of back and forth about whether **Air Canada** (TSX:AC) is a buy right now. Granted, the stock is at lows not seen since 2017. And the company is still quite strong at this point. Although its recent earnings reported a loss of $1.05 billion, the company has $6 billion in cash and investments to fall back on.



This is on top of any government aid it might receive. However, there are a few top stocks out there that might prove a far better investment.

The main problem with Air Canada is the unknown. While other top stocks might rebound quickly after the pandemic, Air Canada continues to bleed cash every single day it doesn't have planes in the air. There are no other options for the company to make money, which means it could take years for it to get back to any solid prices, never mind pre-crash prices.

So with that in mind, here are some other top stocks that could come back a lot sooner than Air Canada.

# Pembina

If there's one industry that should do far better than airlines, it's pipelines. Sure, the energy sector is struggling right now just like Air Canada's. Energy companies were already doing poorly before the pandemic, and COVID-19 just magnified it. What these top stocks need are solutions to the current oil and gas glut. The solution: pipelines.

Now there *are* a lot of choices out there when it comes to pipelines, but **Pembina Pipeline Corp.** (TSX:PPL)(NYSE:PBA) is the top choice among these top stocks. Pembina has a few things going for it. First and foremost, is its dividend.

The company offers a 7.92% dividend yield as of writing, given out to investors each and every month. While the company has kept it steady during the pandemic, it hasn't slashed it. This likely won't happen either for a few reasons.

First, the company has a solid future ahead. Pembina has $5.6 billion set aside in growth projects to bring in cash for investors for decades to come. These pipelines, once built, will see share prices soar. But in the short term, the dividend yield and stock price should continue upwards thanks to the company's long-term secured contracts.

This brings in guaranteed cash to keep the company afloat while it builds these pipelines. If there's one top stock out there that's a solid buy, it has to be Pembina.

## Restaurant Brands

A less obvious choice is **Restaurant Brands Inc.** (TSX:QSR)(NYSE:QSR). Restaurant Brands is in a struggling industry just like Air Canada. People can no longer go to the company's restaurant chains Popeyes Louisiana Kitchen, Burger King and Tim Hortons and eat in house. Instead, the company has had to come up with any possible way to bring clients food.



Luckily, Restaurant Brands is ahead of the curve when it comes to these solutions. Its digital platforms have made it easy for clients to keep buying food with minimal interaction. These solutions aren't being rolled out during the pandemic, but have been in place for quite some time, so there are no kinks to be worked out.

Restaurant Brands has a heck of a potential upside. As of writing, the company trades at about $74 per share, with a potential upside of 35% to reach pre-crash prices and fair value. It also offers an incredible 4.03% dividend yield, perfect to own while you continue to see this top stock rise.

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**TICKERS GLOBAL**

1. NYSE:PBA (Pembina Pipeline Corporation)
2. NYSE:QSR (Restaurant Brands International Inc.)
3. TSX:AC (Air Canada)
4. TSX:PPL (Pembina Pipeline Corporation)
5. TSX:QSR (Restaurant Brands International Inc.)

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