



Did You Miss Your Shot to Buy Air Canada (TSX:AC) Stock?

Description

At the time of writing this, **Air Canada** ([TSX:AC](#)) is trading at \$17.05 per share. That's still 67% down from its yearly highest valuation. Ever since the fall in March, even at its best, the company's stock price hasn't recovered beyond \$21.6 a share. This downward trend is also likely to continue into the next quarter.

It doesn't seem likely that Air Canada stock is going to rally anytime soon. It's still hard to say whether the stock has hit its lowest point. If it has, and there's a strong possibility of recovery, then investors that haven't made a move on this dirt-cheap stock yet may have lost a valuable chance.

A missed opportunity?

Did you miss your shot at buying one of the best growth stocks on **TSX**? The answer might be yes, but for that to happen, a few "ifs" have to come true. *If* the stock isn't declining any further, *if* the stock is recovering soon, and *if* investing in Air Canada (at the risk of losing it all) is within your personal risk metrics.

There is still a strong possibility that another market crash might be one the way. Even if it's not as abrupt and steep as the previous one, the long-term implications would be the same for Air Canada.

Also, the airline's prospects are more tightly tied with the fear of travelling in public. It's slowly evaporating, but a second wave, even if it isn't as devastating, could rekindle that fear.

A dodged bullet?

If the worst is yet to come, and as predicted, most major airlines might default by the end of May unless governments intervene, then you didn't miss an opportunity; you dodged a bullet. There is still a lot of uncertainty in the market.

The fact that Air Canada didn't follow the [market's path](#) to recovery and Warren Buffett bailed on

airlines might be indicators that it's a very risky investment right now.

Air Canada's current cash and short-term investments might be in better shape than most airlines, but no amount of liquidation will be able to keep the company going with a dried-up customer-based. If the [fear of flying](#) and partial lockdowns remain in place throughout the year, then even a government bailout would not be able to kickstart its recovery.

Foolish takeaway

It might just be optimism, but relatively few experts believe that Air Canada will go bankrupt. But there is little doubt that the company recovery will take time. Air Canada itself claimed that it would take about three years for the company's earnings to return to 2019 levels.

The company has taken some strong budget cut initiatives, and it's also building up its cargo fleet. Steps and measures like these indicate that the management hasn't given up yet.

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