



2 Stocks That May Not Rebound After the Pandemic

Description

It's no secret that the coronavirus pandemic has completely crushed life as we know it. Even now, with some restrictions being relaxed, there's nothing that can take away what we have gone through. Not only have we been subject to fear of catching this deadly virus, but we have also been afraid for our livelihoods.

Whether you've been cashing out on investments to support yourself or looking for opportunities during an economic downturn, it's been a struggle, to say the least. The pandemic has left many industries struggling. Within those industries, there are many businesses that frankly may not survive. So, while many stocks look like a bargain at such low share prices, be careful. Those stocks may not last after the pandemic. Here are two to consider.

Air Canada

The airline industry is in a tailspin right now. It's completely unclear when planes will be in the air again with the ability to take passengers rather than cargo. Even when planes are up again, every day that passes means more losses. That means around the world there will be airlines taking on a debt load that may become too much.

Air Canada ([TSX:AC](#)) has been on the brink before. About a decade ago, shares went below \$1. Today, those same shares are hovering around \$15 as of writing. That's well away from \$1, but a huge drop from the \$50 share price the company had only five months ago. If the pandemic continues, the company could see shares sink even lower.

Air Canada is already in trouble. Most recently, the company laid off 20,000 of its workers. Even with some cash on hand and a restructuring of its business in the last few years, the company can't help but take a huge loss. Before the pandemic, Air Canada was reinvesting in its infrastructure, buying up planes that would save costs in the long run. Now, those planes are on the ground, with no way to pay off the debts.

Meanwhile, Air Canada is trying to take on the low-cost carrier market and try to become a global

brand. This is a huge task, and one Air Canada may not be able to achieve once the pandemic is over. With other large airlines still in the mix, with more cash on hand and a global clientele, Air Canada may unfortunately just fall too far down in the coming year.

Aurora Cannabis

The [cannabis industry](#) is another area in free fall. Even with cannabis sales rising amid the pandemic, Canadian cannabis companies haven't been able to produce any more. Production is a huge problem, as the demand is high both in Canada and abroad. The more days go by that companies cannot produce cannabis, the more loss is taken after an already significant investment.

Aurora Cannabis falls straight into this dire category. Even before the pandemic, the company had dropped significantly. While Aurora can still boast the title of second-largest cannabis producer in the world, it doesn't mean much if there aren't any funds to continue production. Aurora has diluted shares to the point that the company recently had to consolidate shares just to stay on the New York Stock Exchange. If the company doesn't get a partnership, and quick, Aurora could be up for grabs.

Bottom line

You'll notice I own shares in both of these companies, so why the hold out? There are two things that can happen for both of these companies. Option one: both make a miraculous turnaround and my shares go back to pre-pandemic prices. Option two: another larger company swoops in and buys up these companies for a pretty penny, saving my shares as well. While it's not ideal, and even a turnaround would take some time, both of these companies have the household name to bring in a [solid buyer](#). Will it happen? Only time will tell.

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