



1 Stock That's a Better Buy Than Air Canada

Description

There's a lot of activity surrounding shares of **Air Canada** ([TSX:AC](#)) this year. With the stock losing more than half its value this year due to the COVID-19 pandemic, many investors are buying up the stock in the hopes that it could rally and produce significant returns.

It's been hovering around the \$20 mark in recent weeks and it was trading at more than \$50 just earlier this year. It's therefore easy to see why investors may be bullish about the stock doubling in value from where it is today.

But the problem is that much has changed in the world in just a few months. And it'll be a long road back for Air Canada to return to its valuation seen before the March 2020 market crash sent it into a [tailspin](#).

By its own estimates, Air Canada says it may take three years for the airline to get back to the traffic levels witnessed in 2019. That's a long time to wait for the stock to recover — and there's no guarantee that it will.

Why BlackBerry's a better buy

If you're looking for a stock that has similar potential and that isn't nearly as risky, then **BlackBerry Ltd** ([TSX:BB](#))([NYSE:BB](#)) could be a better option for your portfolio. Unlike Air Canada, the company's still operating, and it's a lot more likely that it will recover within the next 12 months than the airline stock will.

Shares of BlackBerry are down around 15% this year, but in the past 12 months, it's declined by more than 30%. Not only will there be demand for the company's cybersecurity products and services during the pandemic, but BlackBerry isn't also saddled with significant overhead like Air Canada is.

The tech company can work remotely and still conduct its business easily. Its business model is much more versatile and adaptable, especially if the COVID-19 pandemic lasts for many more months, perhaps even a year or longer.

That doesn't mean that BlackBerry's immune to the pandemic, however. Customers are scaling back their costs and aren't spending as much. But at the same time, [cybersecurity](#) and protecting assets is not something companies can afford to cut corners around.

BlackBerry's in a great position because it provides valuable services to its clients while also being able to stay flexible.

Investors will get a better glimpse of how the company is doing when BlackBerry releases its first-quarter results of fiscal 2021 on June 24. It'll be the first look into how the company's done since the COVID-19 pandemic.

And if it's able to surprise investors with a decent result, the stock could be rallying a lot sooner than expected.

Bottom line

Both of these stocks have the potential to generate significant returns. However, Air Canada's not only a riskier buy but it'll also take longer for it to realize those potential returns.

BlackBerry needs a good quarter or two to get investors excited about the stock, but once that happens, the stock could be soaring.

CATEGORY

1. Investing

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2. TSX:AC (Air Canada)
3. TSX:BB (BlackBerry)

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