



Could Air Canada (TSX:AC) Stock Recover Sooner Rather Than Later?

Description

Air Canada's ([TSX:AC](#)) stock is down more than 60% this year as the coronavirus pandemic has dealt airline companies a big blow. People are staying indoors and air travel across the country is minimal, and international travel is rare. Air Canada previously said it could take up to three years for it to recover from the pandemic. However, that doesn't mean that it will take the stock that many years to return to levels witnessed before the outbreak of COVID-19.

There's promising news that could help Air Canada stock rally a whole lot sooner than investors may have been expecting.

Air Canada is allowing people to book adjacent seats again

To keep the spread of COVID-19 down, Air Canada previously put in place social distancing policies that prevented customers in economy class from booking adjacent seats. But effective July 1, that restriction is no longer in place, paving the way for the airline to allow more passengers onto its planes. And there couldn't be a better time to lift the restriction as the peak summer travel season is already here.

Europe opens its borders to Canadians

Another positive development is that the European Union will allow Canadians and travelers from 13 other countries inside its borders. That could lead to some additional international flights in the near future for Air Canada and other carriers that fly between the two continents.

Any news that involves more potential flights is great news for Air Canada. The more places the airline can fly passengers to and the more people on board its flights, the better the company will do at minimizing the losses it's incurring due to the pandemic.

Should you buy shares of Air Canada today?

While the recent travel news is encouraging, investors shouldn't read too much into it just yet. The airline still has a long and difficult road ahead. Unless investors are willing to hold the stock for at least a couple of years, it's likely too [risky](#) of an investment to hold.

There's potential for the stock to [double in value](#), but that's not likely to happen in just a few months. However, if Air Canada reports progress and fuller flights, the stock could start to gain some traction later this year.

But before that happens, I'd expect shares of the company to hit new lows (or come close) when Air Canada releases its quarterly results for April to June, when the pandemic was in full force and keeping many people at home. And that's when it may be a good time for investors to secure a cheap price for the stock.

Over the long term, Air Canada looks like it could be in okay shape, especially given the progress Canada's been making in containing the spread of COVID-19.

A full recovery for the stock may not take three years, but investors will require a lot of patience if they want to earn a good return from investing in Air Canada.

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