



## Betting on a Vaccine? 4 Top Stocks to Watch for a Dip

### Description

A vaccine will likely prove to be the backstop for the pandemic-fueled economic crisis. While a recovery is unlikely to be immediate, the rollout of a successful vaccine will signal the beginning of the end of the pandemic. But even before that happens, relief rallies are likely to come after of smaller breakthroughs. So much of the market moves right now are about expectation, after all.

Here are four stocks that are expected to outperform, as the hunt for a vaccine heats up. From supply chains to the vaccine itself and even the glassware it will be transported in, here are four top stocks to buy for a full recovery.

### A duet of infrastructure and treatment stocks

**Cargojet** ([TSX:CJT](#)) ships medical supplies as part of its time-sensitive operations in the cargo-only space. The market has already been rewarding this staunch player in the [essential supply chain industry](#). In fact, this name has seen some of the steepest gains of any TSX stock in the last 12 months, up 94% since this time last year.

**Viemed** ([TSX:VMD](#))([NASDAQ:VMD](#)) might suffer on the markets if investors feel that a vaccine will negate the need for respiratory care. This makes Viemed a key stock to watch for a pullback. However, Viemed is still central to this market, as shown by its massive 83% rally in the last three months. And bear in mind the prevalence of SARS-like virus to emerge periodically. This name is likely to be evergreen.

### Two key pure-play vaccine stocks

**Novavax** ([NASDAQ:NVAX](#)) just got awarded US\$1.6 billion from the Trump Administration's Operation Warp Speed. Its stock is up 20% over the last five days. But this name has already been in American investors' cross-hairs. Novavax has seen massive gains since this time last year. The past three months alone have seen Novavax leap 484%. This top-tier biopharma name could explode if it creates a successful vaccine.

On a slightly more prosaic level, glassware itself could see a bottleneck. This could cause a demand bubble for producers in this specialist field. Glassware stock **Corning** ([NYSE:GLW](#)) is a buy for its vials. This name is another core component of [Operation Warp Speed](#), having been chosen as the packaging provider for COVID-19 vaccines and treatments. Taken together with Novavax, Canadians have here a solid double-whammy for vaccine upside.

Investors should be aware that high-flying names also bring the danger of downside. While it hardly bears thinking about, failure on the part of Operation Warp Speed would see these two names collapse. Canadians looking for lower-risk plays in this space may want to hedge their bets, therefore. Viemed and Cargojet are likely to be evergreen, offering long-term appreciation.

If investors still want to pack Novavax in a portfolio, they should consider building a position incrementally on pullbacks. Nearing its high target of \$106, Novavax is close to maxing out. Corning has further to run, with about 30% upside off its high target price, being a less-obvious play in this space. Cargojet and Viemed are also overbought, making them key stocks to watch for a dip.

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1. Investing
2. Stocks for Beginners

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1. Editor's Choice

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2. NASDAQ:VMD (Viemed Healthcare)
3. NYSE:GLW (Corning Incorporated)
4. TSX:CJT (Cargojet Inc.)
5. TSX:VMD (Viemed Healthcare)

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vhetherington

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