



2 TSX Stocks That Will Skyrocket With a Vaccine

Description

Most investors would agree that after the last few months of rapid recovery in financial markets, almost every **TSX** stock is now fairly valued. Investors have had time to digest the uncertainty, the risks, and each company's response to the pandemic.

Naturally, some of the best performers have been high-quality, blue-chip stocks. All of the high-quality, defensive businesses and blue-chip TSX stocks are now back either just off their highs or, in some cases, above their pre-pandemic highs.

So while most stocks stay rangebound, this is a perfect opportunity for value investors to find cheap stocks.

Some stocks have been able to manage this crisis with only minimal impacts on business. For others, however, due to the nature of the industry, they will just have to ride out the storm.

Naturally, these stocks are trading at massive discounts since there is so much uncertainty around the names. However, these are also the same stocks that would see the biggest boom from a vaccine made available sooner than expected.

Here are the top two TSX stocks to consider buying today.

TSX airline stock

There's no question that a stock like **Air Canada** ([TSX:AC](#)) would be one of the biggest gainers from the news of a vaccine. Air travel has been one of the most impacted businesses of the entire pandemic.

Plus, not only are the companies suffering from extremely low volumes, but the running costs of owning airlines can be substantial, leading to huge amounts of cash being burned every day these companies can't operate at full capacity.

Not only are fewer people flying because of the fears over coronavirus, but with international travel

severely limited, Air Canada will be dealing with lower sales for the foreseeable future.

These lower passenger volumes will continue to remain impacted until we can get a vaccine, so obviously, the sooner a vaccine comes, the better for both Air Canada and its investors.

As of Tuesday's close, Air Canada was trading roughly \$16.75, nearly 70% off its 52-week high.

I wouldn't buy Air Canada just yet, but I would definitely watch it carefully. Investing in Air Canada is a tough decision because it will likely underperform most companies in the short-term while we wait for a vaccine. However, once a vaccine is ready, Air Canada will likely be one of the biggest gainers of all TSX stocks and could potentially [triple your money](#).

TSX energy stock

In addition to a major airline stock like Air Canada, you could also consider a top energy producer such as **Suncor Energy Inc** ([TSX:SU](#))([NYSE:SU](#)).

Energy companies have also felt the brunt of the pandemic. Although you could look at oil prices and see they have recovered quite a bit from their lows, this is due to major curtailments from producers across the board.

Thus, not only are oil prices still lower than they were pre-pandemic, but companies are also producing less of it, which has muted the recovery in the sector.

A ready vaccine that allows the world to get back to normal would be great news for oil companies. Plus, a lot of that lost demand would come back online, allowing these companies to start to increase their production levels again.

This would increase the recovery effort rapidly and allow a vertically integrated TSX stock like Suncor to return to the most efficient operations.

Today Suncor trades more than 50% off its pre-pandemic high, offering an [absurdly cheap](#) entry point for investors. Plus, because of its refinery assets and retail locations helping to insulate its operations, you can be comfortable taking a position now at these low prices.

Suncor is more than stable enough to ride out the storm. And when a vaccine finally does come, look for a major jump in the share price.

Bottom line

There's no doubt these two TSX stocks will have heightened risk in the short term. But if we can get a vaccine before the end of the year, these stocks offer some of the most significant upside potential.

CATEGORY

1. Coronavirus
2. Investing

TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:AC (Air Canada)
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