



## Buying Air Canada Stock? Here's How Long it May Take for it to Recover

### Description

**Air Canada** ([TSX:AC](#)) reported its latest quarterly results on Friday, and the numbers were dreadful. With revenue down 89% year over year and a net loss of \$1.75 billion, there's little reason for optimism from investors. And given that the coronavirus pandemic continues to be a problem for many countries around the world, including Canada, that means air travel's going to remain limited for the foreseeable future, and the bad results are going to keep on coming.

However, I'm still optimistic that over the long term, the stock can and will recover. It just won't happen anytime soon.

### Here's when air travel may get back to where it was before the pandemic

According to the International Air Transport Association (IATA), it may not be until 2024 before the industry's recovered and air travel is back to normal. Initially, the IATA was expecting the recovery to happen one year earlier, but given the challenges containing the spread of COVID-19, particularly in the U.S., it's had to scale back those projections. And if there's another wave of COVID-19 or cases continue to climb, then the recovery will take even longer.

The IATA stated that "there is little sign of virus containment in many important emerging economies, which in combination with the U.S., represent around 40% of global air travel markets."

### What does this mean for investors?

The IATA's projections are when air travel is close to 100% and back to where it was before COVID-19. However, even if it gets to 80%, or there are signs that things are on the right path, it could result in a resurgence of Air Canada's stock. That would likely happen before 2024, but it still wouldn't be anytime soon. COVID-19 plays a big role in determining how long the downturn will last, and until it's over, it's anyone's guess as to when the stock may recover.

The economy will still need to recover itself from the effects of COVID-19 before there's the strong economic activity needed for businesses and consumers to be travelling as frequently as they were before the pandemic. Ultimately, it's going to be a long road back, and investors shouldn't be too set on a date, as all it takes is another setback for these estimates to get pushed even further back.

## Is now a good time to buy Air Canada stock?

Although Air Canada reported an abysmal performance in Q2, shares of the airline company didn't go over a cliff on Friday. That's likely because investors knew it was going to be an awful period for the company. In a sense, it's a good sign as it could suggest that the share price is stable, [at least for now](#).

Whether you buy Air Canada today or three or six months from now, it's going to be a risky buy. It can certainly [double your money](#) if you wait long enough for the stock to recover, but that's going to require lots of patience. Air Canada definitely isn't a great buy based on its latest results, but it's also not any worse of a buy, either. If you're okay with the risk and waiting for years for the airline industry to recover, then now could be as good a time as any to buy shares of Air Canada.

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