



Vaccine Investing: 8 Top Stocks to Buy and Sell

Description

Vaccine investing has already seen big swings in momentum. But this space is likely to be frothy for some time. The pandemic is creating a complex and uneven equities landscape. For instance, there won't just be one vaccine. Most likely, several vaccines will be produced. However, guessing which team cracks the code is going to be next to impossible. Some names have taken significant steps, however.

Stocks to buy for vaccine upside

Up 7.7% in five days, **Cargojet** is a buy for its role in time-sensitive shipping. As such, supply chain operators have become [must-have investments](#) during the pandemic. The shipping of vaccines will rely in part on cargo businesses to reach different areas of international populaces. Cargojet also satisfies the "stay-at-home" aspect, supporting an e-commerce boom that is likely to outrun the pandemic.

Corning is a buy for its glassware, which landed it a spot on the Operation Warp Speed team. A vial bottleneck could be in the making, with the much-needed glassware likely to see a huge spike in demand. A 50% share price leap in the last three months could augur a pullback, however. **Johnson & Johnson** has also reported promising results after testing with monkeys. Human trials are now underway.

Moderna is another partner in Operation Warp Speed. This biopharma outfit also single-handedly triggered a tech selloff when it reported its own good news a couple of weeks ago. While Moderna is spearheading the vaccine drive, this list is far from exhaustive. The markets are also awash with non-pharma stocks that will bounce back once a vaccine is rolled out with any measure of success.

Relatedly, **Air Canada** is a stock that I've been on the fence with. Its cargo-only play was bold, and saw the aviator boost that area of its revenue by 52% in the second quarter. Its move to sell second aisle seats wasn't quite as endearing. Chasing near-term profits in a pandemic is always going to be a bit of a public image imbroglio. However, it's undeniable that a recovery will boost Air Canada's shareprice.

Stocks to trim before a recovery

Anything that was pushed higher by the pandemic is going to be brought lower by a vaccine. Speculative tech stocks like **Shopify** and **Docebo** are [playing chicken with a vaccine](#). These names are solid so long as the pandemic endures. But it's fairly safe to say that most people are in agreement that this would be a bad thing. Even fairly solid names such as **Netflix** will suffer during a return to normal social life.

This is not, of course, a comprehensive list of stocks that will decline upon good news. Investors may wish to scale back on low-risk names that supported a frothy market investment. Gold may see some weakness, as investors migrate back into risk and out of safe havens. The same goes for any classic defensive play, such as consumer staples. However, the latter are perennial assets to hold for the long term, whatever their near-term valuations.

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