



Got \$1,000? Here Are 3 TSX Stocks That Could Skyrocket Post-Pandemic

Description

The pandemic has substantially dented businesses and economies this year. While some **TSX** stocks have managed to recover fully, some are still notably down. But when we talk about this virus maybe five years from now, markets will be at new heights, and the pandemic will just be like a bad dream. Here are my picks for that day.

Air Canada

Air Canada ([TSX:AC](#)) stock has fallen approximately 65% this year. The country's biggest airline, which once seemed indestructible, continues to lose money at a fast pace amid its minimal operations.

Investors should note that Air Canada's second-quarter earnings were notably weaker than the earlier quarter. However, the stock maintained its \$15-\$16 levels, indicating that the worst could already be over for Air Canada.

Besides, authorities will likely ease some travel restrictions within Canada in the next few months. Many airlines have been demanding to relax travel and quarantine restrictions for flyers, which has notably hampered their businesses. Any addition of routes will bring the much-needed cash from operations for companies like Air Canada.

Although air traffic might take years to reach its pre-pandemic levels, Air Canada's competitive advantages like scale and fleet will likely help it emerge stronger from the crisis. Its operational efficiency and a leading market share will also play a big role in its comeback in the post-pandemic world.

Suncor Energy

Investors are increasingly shunning TSX energy stocks due to increasing uncertainty and volatility. However, some of them will certainly reach respectable levels post-pandemic. Canadian energy titan **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) could be one of them.

The country's biggest oil and gas company has posted a loss of more than \$4 billion in the first half of the year. The stock has already halved so far in 2020. Importantly, the entire energy sector globally is reeling under pressure amid the pandemic.

However, Suncor will likely make a strong comeback on the back of its large downstream operations. It owns and operates more than 1,500 retail and wholesale fuel outlets in North America. Once the pandemic wanes and business activities normalize, Suncor's downstream sales will uplift its financials.

Suncor stock is trading 50% lower to its pre-pandemic levels and looks attractive from the valuation standpoint. Also, the stock pays a handsome dividend that yields 3.7%.

Legendary investor Warren Buffett-led **Berkshire Hathaway** [increased](#) its stake in Suncor Energy during the second quarter of 2020.

Toronto-Dominion Bank

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) is the second-biggest bank in Canada valued at around \$113 billion. Canadian bank stocks have largely been muted in the last few months, driven by expected higher defaults and global economic weakness.

However, Toronto-Dominion looks comparatively strong and well placed for a relatively faster recovery. It has a [strong balance sheet](#) and asset quality, which will likely make up for the lost time. Its diversified earnings base and plans to grow the U.S. footprint will likely accelerate growth in the next few years.

TD stock yields more than 5% at the moment, higher than TSX stocks at large. It has been paying dividends for the last 163 consecutive years.

Interestingly, TD stock is trading at a price-to-book value ratio of 1.3 times, relatively cheaper against peer bank stocks.

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2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:AC (Air Canada)
4. TSX:SU (Suncor Energy Inc.)
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