



## Better Recovery Stock: Air Canada (TSX:AC) vs. BlackBerry (TSX:BB)

### Description

The COVID-19 pandemic has given new meaning to the “best laid plans” cliché. There are countless examples in the private and public space. Today, I want to look at two of Canada’s top companies that have been negatively impacted by the pandemic. **Air Canada** ([TSX:AC](#)) and the global airline industry have faced unprecedented challenges due to the pandemic. Meanwhile, **BlackBerry** ([TSX:BB](#)) ([NYSE:BB](#)) has been hurt due to the damage the outbreak has caused in the automotive sector.

Which stock has a better chance of recovery in 2020 and beyond? That’s what I want to explore today. Let’s jump in.

### Air Canada is putting out all the stops to drive a comeback

Last week, I’d discussed the rise of Air Canada in the [final week of August](#). Shares of Air Canada have climbed 13% month over month as of close on September 9. However, the stock fell 2.14% on that same day.

Canada’s top airliner has made headlines with its plan to roll out a revolutionary testing plan. This strategy, it hopes, will convince the federal government to roll back its harsh restrictions on international travellers. Namely, it wants a rethinking of the 14-day quarantine rule. As it currently stands, this rule is a major deterrent for many international travellers. Air Canada’s experiment began this month. The company and travellers will hope that its measures will be able to spur a loosening of restrictions.

Investors in Air Canada will need to be patient to see how this gambit works out in the months ahead. If it does, the company’s rebound could come a lot quicker than it had originally predicted. Moreover, there are hopes for a vaccine before the end of 2020. This could also spark a bounce back for the airline industry in early 2021.

### Why I’m still bullish on BlackBerry in the fall of 2020

In late August, I'd discussed whether BlackBerry could [reward investors this decade](#). Shares of BlackBerry have also dropped 13% over the past month. The stock is down 29% over the previous year.

BlackBerry released its first-quarter fiscal 2021 results on June 24. Non-GAAP revenue fell to \$214 million compared to \$267 million in the prior year. The company elected not to include its outlook for the full fiscal year, primarily due to the uncertainty the global economy still faces. BlackBerry QNX was negatively impacted by macro factors in the quarter, especially in the auto sector. However, CEO John Chen said the company was starting to see signs of a recovery.

On the cybersecurity front, BlackBerry is still a stalwart. It reported good demand from customers in the enterprise space. Its foray into software has been a success largely due to its strong position in the cybersecurity sector. The company should benefit from increased demand in the private and public spheres going forward in 2020.

This stock has been a frustrating hold in the technology sector. Of the two equities covered today, I'm more bullish towards Air Canada due to its growth potential. BlackBerry has promise, but it is still facing a long road ahead when it comes to maximizing its footprint in areas like cybersecurity and automotive software.

## CATEGORY

1. Coronavirus
2. Investing

## TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. TSX:AC (Air Canada)
3. TSX:BB (BlackBerry)

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