



## Did Investors Miss This 1 BIG Hint of a Stock Market Recovery?

### Description

It's getting to that time when we look back at the year that just passed with fond recollection — well — with recollection, anyway. So many events have marked 2020 as one for the history books: The time the WHO first used the “P” word, Bill Ackman famously shorting the market, equities plunging off a cliff.

But it's not over yet. With the exception of the pandemic, the biggest event of the year is still to come. The U.S. election is just two weeks away. Whole swathes of the market could bounce, while others could crash. Only volatility is assured. And beyond that, a hope for recovery — a vaccine breakthrough, the end of the pandemic, and a global economic turnaround.

### Watch this space for a stock market rally

**Hertz Global Holdings** (NYSE:HTZ) popped at the weekend, up 150% in just five days. And though the sudden atmospheric upside was short-lived, Monday nevertheless saw investors still buying shares. Up 20% at the start of the week, Hertz was perched precariously atop a volatile market riddled with uncertainty. It's a dangerous place to be. But does this dramatic performance suggest better things to come?

The car loan outfit was a prime example during the summer of what stock market toxicity looks like. That makes the example of its recent breakout performance all the more applicable to other sectors of the economy chewed up by the pandemic. In essence, it shows that transport names demolished by social distancing can have sudden stratospheric upside.

### Two top stocks that could pop

Consider **Air Canada** for instance. They say that a rising tide lifts all boats. Well, looking at Air Canada's lift of 3.6% Monday, there could be some truth to that. **Cineplex** (TSX:CGX), that other reliable bellwether of **TSX** recovery stocks, was up 5% Monday. That made for a +8% boost over five days for the beleaguered movie exhibitor.

Transport is looking up, with passengers beginning to take to the skies once again. A vaccine – or several – hitting markets will provide the ultimate backstop to the pandemic market. And whether it's entirely successful or not, a breakthrough by Big Pharma is likely to [kickstart a buying frenzy](#) in the stock markets. Transport stocks will be front and centre of a boost in consumer sentiment.

But investors should also consider the potential for other sectors to recover. The cinema industry is [liable to bounce back](#), for instance. Cineplex could have huge momentum next year. A recovery rally could turn this stock into a classic multibagger. Look at its current \$5 share price. Even a median price target of \$25 could multiply an investment at today's prices by five times.

Of course, investors looking to Hertz for signs of a recovery will need to broaden their data set beyond a single U.S.-traded stock. It's early days yet, and while contrarians are hugging Hertz to their hearts, this name is still down 80% on average year over year. Still, seeing a stock pop like that should be taken as a good sign for investors eyeing the markets for a broader rally down the line.

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## TICKERS GLOBAL

1. TSX:CGX (Cineplex Inc.)

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vhetherington

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