



## Better Buy: Air Canada (TSX:AC) or WELL Health (TSX:WELL) Stock?

### Description

2020 has been one of the most opportunistic years for investors. There have been opportunities to buy some of the top **TSX** stocks for cheap such as **Air Canada** ([TSX:AC](#)). Then, there have been opportunities to buy top growth stocks with huge momentum, such as **WELL Health Technologies** ([TSX:WELL](#)).

But which is the better investment? Should investors focus on buying a distressed business or one with momentum? This is one of the tough questions that investors grapple with on a daily basis.

In theory, you should have a bit of both in your portfolio. You can't have only high-growth momentum stocks. At the same time, you'll probably want to own more than just distressed value stocks.

Having said that, though, if I had to choose one over the other, here's how I would decide.

### Air Canada stock

Coming into 2020, Air Canada was one of the top investments you could make. The stock had just gained 93% in 2019 and was increasing its profitability and growing its business extremely well.

Then, of course, the pandemic hit, and air travel has been one of the most impact industries. However, Air Canada is still doing everything it can to weather the storm.

At the moment, the stock has significant liquidity. The problem with Air Canada is when you look to the future. Right now, there are no catalysts for airline stocks to rally. This is going to be crucial to make these stocks investable.

There is potential for a relief package for the government. However, it's unclear what that would look like or how much it would help out Air Canada and its shareholders.

While the stock is undoubtedly cheap trading [more than 70% off its 52-week high](#), making an investment today is extremely difficult.

This is because without knowing how long the pandemic might last or how Air Canada will fare in 2021, it's impossible to put a value on the company.

## WELL Health stock

WELL Health is another popular TSX stock in 2020. The company has seen a massive increase in value in large part due to the coronavirus pandemic.

For the last few years, WELL has been one of the highest growth stocks in Canada. After years of this incredible performance, the company was promoted from the Venture exchange to the TSX, where it continues to outperform.

WELL has the perfect mix of businesses. It has physical clinics that help bring in cash flow and several digital and technology businesses, which give it so much long-term growth potential.

So, there is no wonder why the company got a major tailwind from the pandemic. Not only have most healthcare stocks performed strongly in the pandemic, but WELL's technology businesses, such as telehealth, have been crucial while we try and limit the spread of COVID-19.

In total, WELL stock is now [up more than 365% this year](#). The stock is attractive, but if you want to buy it today, you'll have to pay a significant premium. The question is whether it's still worth it to buy WELL, even with its significant price premium.

## Bottom line

Choosing between these two top companies can be extremely difficult. While Air Canada could offer investors significant value, it's impossible to know when it will recover. And since the stock is bleeding money on a daily basis, each day the pandemic continues, Air Canada loses more and more value.

Because of that, I would stick with an investment in a business such as WELL today. The stock has a tonne of momentum, and its business has great potential. While the stock does trade at a premium, that shouldn't matter to long-term investors.

If you think WELL is an attractive stock, it should be for the long term. Therefore, what happens to WELL in the short term shouldn't matter. It's the perfect stock for investors to buy and forget.

### CATEGORY

1. Coronavirus
2. Investing

### TICKERS GLOBAL

1. TSX:AC (Air Canada)

2. TSX:WELL (WELL Health Technologies Corp.)

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