3 TSX Stocks That Soared Over 20% After Pfizer Announced Vaccine Results

Description

Investors have been waiting patiently for the COVID-19 pandemic to end and the world to return to normalcy. At the start of 2020, it became quite clear that only an effective vaccine is a long-term solution to fight the dreaded virus.

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Yesterday, market participants cheered after **Pfizer** and **BioNTech** released the latest results from their Phase 3 study of the COVID-19 vaccine. Results showed the vaccine had an efficacy rate of over 90% and this drove broader markets to record highs, primarily on investor optimism.

Let's take a look at three stocks on the **TSX t**hat gained over 20% on November 9.

Air Canada stock gained 28.6%

Shares of **Air Canada** (TSX:AC) gained 28.6% in a single session to close trading at $20.35. Despite this rally, Air Canada stock is still trading 61% below its 52-week high. The airline sector was one of the worst-performing ones in 2020 as travel came to a standstill in Q2. Further, the capital-intensive nature of this business meant Air Canada and peers were posting massive losses amid falling sales.

In the September quarter, Air Canada stock reported a net loss of $690 million and ended the quarter with $8.2 billion in liquidity. The company operated at a passenger capacity of just 20% but managed to increase sales by 44% on a sequential basis to $757 million.

International travel restrictions will continue to impact Air Canada stock in the near-term as will a sluggish global economy. However, Air Canada's focus on reducing costs and a strong cash position should help it tide over these uncertain times and avoid bankruptcy.

Cineplex stock surged 32%

Shares of **Cineplex** (TSX:CGX) gained 32% overnight to close trading at $7.05. Similar to airlines, entertainment avenues such as movie halls also saw a significant decline in customer footfall due to economic shutdowns.

Cineplex stock fell to a multi-year low of $4.32 last month due to weak fundamentals, rising debt, and the delay of movie releases. The second wave of coronavirus infections also impacted the stock in the last few trading sessions.

Further, the competition from the streaming players did not help either. There is a good chance that traffic footfall in movie theatres will remain tepid in the next year, which does not bode well for Cineplex and is a high-risk high-reward stock. However, Cineplex may continue to underperform the broader market in the upcoming decade.

Suncor stock rose 25%

Stocks in the energy sector also gained momentum on November 9. Shares of **Suncor** (TSX:SU)(NYSE:SU) rose by 25% to close trading at $19.05. Suncor is an integrated oil producer and a diversified energy giant.

The demand for oil plateaued in early 2020 as countries all over the world announced lockdowns to combat the deadly virus. This meant drilling for oil was unprofitable and losses for energy companies resulted in dividend cuts or suspension.

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Suncor also cut its dividend by 55% in April to boost liquidity. The company announced a slew of cost-cutting measures and delayed capital expenditures to offset falling revenue.

Suncor remains better poised than most as it is an integrated company and owns the entire value chain. So, in times of lower oil prices, margins in the refinery segment move higher. And as Suncor owns refineries, it has more control over pricing as well. It also owns pipelines to transport the commodity, making it one of the top stocks to own on a rebound.

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araghunath

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