



Can a COVID-19 Vaccine Help Air Canada (TSX:AC) Escape the Quarantine?

Description

Air Canada ([TSX:AC](#)) is constantly looking for healthier ideas to get back on the runway in full swing. Earlier, it favoured the adoption of rational, science-based measures with regards to COVID-19. AC's hopes will multiply after learning about the new vaccine development. Yes, **Pfizer** and **BioNTech** have developed a vaccine for COVID-19, and they [claim](#) it to be 90% more effective.

What's this new COVID-19 vaccine?

The two pharma companies derived the phase-three vaccine outcome from interim analysis on 94 confirmed cases of COVID-19. The trial began in July with 43,538 candidates. However, the two companies will observe the candidates for continual and longstanding health security for another two years after their second and final dose.

The vaccine developing companies expect to bring out 50 million vaccine doses in 2020 and up to 1.3 billion in 2021. This is good news for airline stocks if it proves to be a promising vaccine in the future.

Air Canada stock rallies alongside U.S. airline stocks

The airline industry, which is crawling slowly towards normalcy by downsizing operations, will now see a silver lining in dark clouds. AC's business has gone down drastically since the pandemic. The demand from business class passengers doesn't seem likely to return for the next two to five years. This has left AC's stock price stranded in the past few months.

Hence, the news of a potential COVID-19 vaccine sent AC stock streaming upwards by 28%. Even U.S. airline stocks jumped on vaccine news. **American Airlines** stock price shot up 17%, **Delta Airlines** stock rose 17%, **United Airlines** stock ascended 20%, and **Southwest Airlines** stock escalated 11%.

The new vaccine may push the stocks upwards if it works. Will this vaccine help AC resume more routes and other operations that it suspended during the pandemic?

Air Canada partners with Toronto Pearson to fight COVID-19

Even if Pfizer's vaccine is approved, it will take at least a year for the COVID-19 vaccine to be distributed worldwide. Until then, AC is leaving no stone unturned in getting back to commencing a safe journey for its passengers. Earlier in May, AC brought a program to guide people with regards to biosafety initiatives during their entire journey. It has also partnered with McMaster HealthLabs and Greater Toronto Airports Authority to study results of COVID-19 tests. It is undertaking this study to tone down travel restrictions and ease the quarantine needs.

This Toronto Pearson study in September showed that 99% of people had tested negative, while 1% had shown signs of COVID-19. AC president and CEO Calin Rovinescu learned about a few business headmen who are on the edge of their seats to witness the quarantine needs being cut down cautiously.

Although COVID-19 has taken a toll on the global airline industry, AC's new partnership is a small step to rebuild Canadian airline structure and operations without any harsh restrictions. It will also be beneficial for the passengers who may get little relaxation from the mandatory 14-day quarantine.

Keeping an eye on the moving economy, AC has raised \$6 billion of [incremental liquidity](#) under the COVID-19 Mitigation and Recovery Plan. AC has also applied a series of significant cuts in the fleet size, capacity, network, and manpower to preserve cash.

Should you buy Air Canada stock?

AC is making its moves wisely, so comparatively, they will be creeping slowly towards the growth. You can invest in this stock on the condition that the returns should not be expected in a click. The growth journey may take time, at least two to three years.

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