



The Vaccine Will Make These 3 Stocks Surge in 2021!

Description

It's finally here — a vaccine with enough efficacy to promise herd immunity within a short span of time. **Pfizer's** preliminary results are profoundly encouraging, not just for the countless lives it could save, but also for the global economy.

The ongoing crisis has battered some sectors. Stocks in these industries are trading at historically low valuations. That creates an opportunity for contrarian investors to bet on a powerful rebound. Here are the top three stocks I believe will bounce back in 2021, as the vaccine is swiftly deployed across the globe.

Vaccine rebound stock number one

Air Canada ([TSX:AC](#)) is perhaps the best example of a rebound stock. Global air travel has nearly vanished in 2020, as people remained confined to their homes and international borders were shut down. Now, the country's largest airline is staring at the abyss.

If the pandemic had raged on for a few more years, there's little doubt that Air Canada would have been pushed to bankruptcy. This is why the management team has been aggressively pursuing a bailout deal with the federal government. While the bailout seems imminent, news of the vaccine changes the outlook completely.

Now, there's a good chance that Air Canada could win a government bailout and see a recovery in air traffic by the end of 2021. Air Canada stock, unsurprisingly, should bounce back accordingly. It's still trading 62% lower than it was at the start of the year, so there's plenty of room for a rebound. Keep an eye on it.

Vaccine rebound stock number two

It's not just your local mall or restaurant that misses you. Their landlord — **Brookfield Property Partners** ([TSX:BPY.UN](#))(NASDAQ:BPY) — is eager for you to get back, too. Brookfield's real estate portfolio is heavily concentrated on office, mall, leisure and restaurant properties. All of these have been empty pretty much throughout 2020.

A vaccine promises a recovery in foot traffic across Brookfield's properties. To a certain degree, investors seem to have already priced this in. Brookfield stock is up 108% since its March low.

Nonetheless, the stock is still undervalued. It offers a whopping 8.7% dividend yield and trades at a 27% discount to book value per share. Even if you assume that the property portfolio will lose some value over the next few months, Brookfield stock seems attractively priced at current levels.

This could be your one chance to add an iconic basket of assets to your portfolio for a clear bargain.

Vaccine rebound stock number three

The final rebound stock is probably my least favourite — **Cineplex** ([TSX:CGX](#)). Unlike the others on this list, Cineplex's balance sheet and prospects are relatively weaker. The company has barely any revenues this year and \$6.5 in debt for every dollar in equity on its books.

Cash on hand is a mere \$13.8 million. The company needs a rescue package soon if it wants to avoid going bankrupt before the recovery.

However, if you're a contrarian investor with an appetite for risk, Cineplex could promise a larger rebound than most other stocks. At this point, it's a speculative bet for adventurous investors who are optimistic about a swift recovery in 2021.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:AC (Air Canada)
2. TSX:BPY.UN (Brookfield Property Partners)
3. TSX:CGX (Cineplex Inc.)

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Date

2025/08/24

Date Created

2020/11/13

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