



Air Canada (TSX:AC) Is Up 30%: Here Are Two TSX Stocks You Should Be Buying Instead

Description

I wasn't a buyer of **Air Canada** ([TSX:AC](#)) stock before the positive COVID-19 vaccine news was released last week, and I'm still not planning on adding Canada's largest airline to my portfolio anytime soon. Any positive news surrounding the development of a vaccine is definitely good news for Air Canada, but I still firmly believe that there are much [more opportunistic places to invest](#) my money today on the Canadian stock market.

After **Pfizer** released the latest results from its COVID-19 vaccine early last week, Air Canada stock jumped close to 30% in a single day. Air Canada was not the only airline that saw a huge jump in share price. Airline stocks in the U.S., unsurprisingly, saw the same types of bullish reaction when the vaccine news was released.

While I might be bearish on Air Canada stock, I really do believe there's a turnaround story here. I'm just not willing to invest in a company dependent on a vaccine to drive share price growth. Many companies are suffering as a result of this pandemic, but the recent jump in share price shows just how reliant Air Canada is on a vaccine to fuel this turnaround story.

Even with a 30% jump in one day, Air Canada stock is down more than 60% since the beginning of the year.

Toronto-Dominion Bank

Speaking of beaten-down stocks, the [Canadian banks have not had a great year](#) either. They might not be down 60% on the year, but they are trailing the Canadian market's returns.

Canada's second-largest bank, **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)), is down just over 10% on the year. In comparison, the **S&P/TSX Composite Index** is not even 5% below where it began in 2020.

The drop in interest rates this year has been the primary catalyst for the weak performance amongst the major Canadian banks. The Bank of Canada began lowering interest rates earlier this year in an effort to stimulate the Canadian economy while the COVID-19 pandemic brought many businesses and

jobs to an abrupt halt.

The turnaround for the Canadian banks could very well be long and drawn out, similar to that of Air Canada. The difference with the major Canadian banks is that they have a long history of providing stable returns for shareholders, and there's no reason to believe they won't eventually return to providing pre-COVID-19 growth. Not to mention the dividend yield that you can earn from a Canadian bank is near the highest you'll find on the Canadian stock market today.

Lightspeed POS

For investors looking for more of a growth stock, rather than a turnaround story, **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) would be my top pick.

The tech company was once known primarily for selling payment-processing hardware for brick-and-mortar retail stores. Today, the Montreal-headquartered company is a legitimate Software-as-a-Service business offering a wide range of e-commerce solutions to small- and medium-sized businesses. Lightspeed offers its customers solutions for point of sale, delivery, loyalty management, inventory, and accounting software, to name a few examples.

The growth stock is up 40% since the beginning of the year and an incredible 225% since the beginning of April. The pandemic has only accelerated the digitization of many businesses across Canada, and Lightspeed is in a prime position to help those businesses through its digital transformation.

The company is far from cheap, trading at a price-to-sales ratio of close to 25 today. But if you're a long-term investor that can endure the likely volatility the stock will continue to face, you could be sitting on a future multi-bagger here.

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