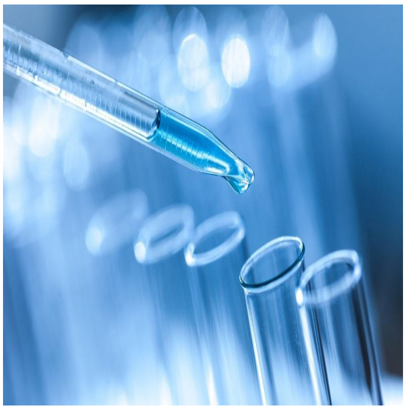

COVID-19 Vaccine: 3 TSX Stocks Have Gained up to 80%

Description

The past week has seen investors buy stocks in beaten-down sectors such as airline, entertainment, and energy. The initial results of the COVID-19 vaccines by **Pfizer** and **Moderna** have been promising, and investors are looking at ways to profit from these developments.

Let's take a look at three such TSX stocks that have gained momentum in the last 10 days.

Cineplex stock is up 80%

Shares of **Cineplex** (TSX:CGX) are trading at $9.72 and are up over 80% since November 9. The Canadian entertainment giant has been hammered amid the pandemic and is making a comeback this month. Despite the recent surge, the stock is trading 70% below its 52-week high.

Cineplex has been plagued by falling sales, rising debt, mounting losses, and a severe decline in customer footfall due to business shutdowns and lockdown restrictions. In Q3, Cineplex sales were down 85% at $61 million. The second wave of the dreaded virus will continue to impact its revenue and profits in the near term.

While Cineplex has implemented several cost-cutting measures, its net loss per share stood at $1.91 compared to earnings of $0.21 in the prior-year quarter. Cineplex stock continues to be a high-risk investment, despite its attractive valuation, not only due to the pandemic but also the shift towards online streaming. This change in consumer behaviour will impact Cineplex's top line in the upcoming decade,

Suncor stock has gained 32%

Shares of Canada's energy giant **Suncor Energy** (TSX:SU)(NYSE:SU) are up 32% since November 9. However, it's still trading 55% below its 52-week high. The energy sector has been hit hard due to global lockdowns that have resulted in lower demand. The oil price war between Saudi Arabia and Russia added fuel to fire, which sent crude oil prices spiraling downwards.

In Q3, Suncor reported an operating loss of $302 million compared to a loss of $1.5 billion in the June quarter. It's clear that the weak demand for oil and refined products due to global lockdowns has impacted the financials of Suncor and its peers.

Suncor might be the perfect contrarian buy for energy investors if oil prices stage a comeback in 2021. Investment bank Citigroup expects oil prices to surpass $60 next year, which means Suncor will be able to produce more oil to meet increased demand and improve its bottom line as well.

Air Canada stock is up 36%

The final stock on the list is **Air Canada** (TSX:AC), which has seen its share price appreciate by 36% in just over a week. Air Canada stock is still trading 60% below its record high. The airline industry has seen a massive decline in revenue over the last two quarters, as global borders were shut and travel came to a standstill.

In the third quarter, its net cash burn rate was $818 million compared to the $1.72 billion figure in the June quarter. The airline industry is a capital-intensive sector, which means Air Canada and its peers will have to focus on improving liquidity and maintaining a strong balance sheet.

Air travel is unlikely to reach pre-COVID-19 levels at least in the next two years, and Air Canada should brace for a series of quarterly losses even in 2021.

The Foolish takeaway

We can see that despite the recent surge in the stock prices of the above companies, these investments carry significant risks. The COVID-19 pandemic will continue to wreak havoc on the airline, energy, and entertainment sectors, as it will take another 12 months for the vaccine to be distributed among the global populace.

CATEGORY

1. Energy Stocks
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TICKERS GLOBAL

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2. TSX:AC (Air Canada)
3. TSX:CGX (Cineplex Inc.)
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araghunath