



Pfizer Vaccine Shows Impact on TSX Stocks!

Description

COVID-19 pandemic partially paralyzed the aviation industry and created obstacles in moving the needle from stocks during the dire need of miracles. The aviation sector is experiencing crash landing of stocks, making it difficult for a comeback. For instance, **Air Canada** shares fell by 75% since January. AC, along with other airline stocks, fell over 65% in March 2020 and has not recovered since. The airline continues to build alternates to balance its lost revenue by [makeshift](#) from passenger planes to cargo freights. Their only hope for survival is a vaccine.

Many pharma companies claimed to develop COVID-19 vaccines, but they don't have any concrete results.

Graphs favour Pfizer vaccine

The wait appeared to be over for investors when **Pfizer** ([NYSE:PFE](#)) and **BioNTech** announced the COVID-19 vaccine, promising 90% effectiveness. Pfizer stock surged almost 8%. Even Air Canada and its fuel supplier **Suncor Energy** stocks rose 25% last week.

When the vaccine yielded good results during clinical trials, the Institute of Allergy and Infectious Diseases Director Anthony S. Fauci, said, "The results are really quite good, I mean extraordinary."

Just 10 days after Pfizer's 90% effectiveness announcement, it [announced](#) that it has obtained the safety data milestone it needs to apply for the Food and Drug Administration (FDA) emergency use authorization (EUA). If the company gets the EUA, it will manufacture 50 million doses this year and 1.3 billion doses in 2021. It will end up with 2% higher sales by the fourth quarter.

AC will simultaneously benefit as the Canadian government will transit the vaccine through its converted freight carriers. Pfizer and BioNtech have yet to declare their supply deals with Japan and Canada. At present, Pfizer leads the vaccine trials in the Phase 3 Study. By early 2021 the vaccine development competition will increase as other fellow vaccine makers finish their trials.

Pfizer vaccine turns the tide for the aviation sector

Investors' expectations regarding Pfizer's vaccine sent the stock up 8%. Even the Oracle of Omaha Warren Buffett bought pharma stocks to make money from the COVID-19 vaccine. In the third quarter, he invested in four pharma stocks, around US\$1.8 billion in **AbbVie**, **Merck**, and **Bristol Myers Squibb**, and around US\$136 million in Pfizer.

However, a second thought clicks learning about Pfizer CEO selling 60% stocks on the same day of the announcement. This creates a suspicion about whether he lacked confidence in his own vaccine. Jim Cramer, author and co-founder of TheStreet.com said, "If I were in Pfizer I would sell half right now and then wait till somebody upgrades it tomorrow and then sell the other half, Pfizer should not be up like this." Even Buffett's Pfizer investment was significantly lower than his investments in other pharma stocks.

Pharma or airlines?

The best act at present will be to observe these stocks closely for the next two months. **Moderna's** COVID-19 vaccine trials have shown positive results. Moreover, its vaccine has long-term storage benefit in standard pharmaceutical temperatures that could give Pfizer stiff competition.

What matters is who comes out with winning colours to save investors during this pandemic. Until there is more clarity, take a backseat for now!

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