



Sept. 2021 Vaccination: 2 COVID-Battered Stocks This Could Impact the Most

Description

We are approaching the end of 2020, and there is increasing positive news regarding the COVID-19 pandemic. The pandemic and ensuing lockdowns devastated the entire economy. Barring some [high-quality picks](#), most stocks fell like flies in the February and March 2020 sell-off.

Most stocks have recovered since the initial panic, but several stocks remain battered due to lockdowns, making it next to impossible for the underlying companies to generate revenue. There is more tangible good news regarding vaccinations against the disease, which could help return two severely beaten-down stocks to relative normalcy.

Vaccination plans in Canada

Countries worldwide have been flooding money into the development of viable vaccines against the new respiratory illness. Unlike other vaccines in the past, the COVID-19 vaccines have not had several years of development to prove their long-term effectiveness.

There has been a rise in viable prospects for vaccines in recent weeks, and Canada is on track to ensure inoculations for Canadians.

Prime Minister Justin Trudeau recently announced that his government is confident that it will help most Canadians get inoculated with the most effective vaccines by September 2021. The government has faced criticism because it might not begin vaccinations as early as the U.S. or the U.K. However, the government is adamant about sticking to its current plan to do everything right.

With increasing clarity on the vaccine timeline, it is more realistic to talk about an end to COVID-19. Now let's take a look at what that means for two of the most battered Canadian stocks.

Cineplex could explode

Businesses like **Cineplex** ([TSX:CGX](#)) have the most to gain if people can be less fearful about

watching movies in crowded theaters again. It might still be several quarters until we can see Cineplex make a recovery to pre-pandemic valuations despite all the good news. However, the stock could undoubtedly begin seeing an improvement once the rollout of vaccines begins.

The cinema operator has been facing issues due to the lockdowns, and it is facing stiff competition due to numerous streaming services. However, several big releases have been delayed by film studios that could be yearning to release in cinemas as early as possible.

While it might take some time for business to return to normal for Cineplex, Canadians are unlikely to be flush with cash and eager to spend on entertainment. Going to the movies is an all-time favourite for people of all ages.

Air Canada might start soaring

Air Canada ([TSX:AC](#)) might never become a stock without a fair share of risks. The [battered and bruised Canadian airline stock](#) suffered a lot due to the lockdowns and travel restrictions. Unlike Cineplex, Air Canada still managed to secure some income through limited operations and an emphasis on its cargo transportation.

However, the airline's troubles were problematic since before the pandemic. The onset of a global health crisis just worsened its ordeal. Regardless of its financial position before the pandemic, Air Canada is a favorite recovery pick for many investors with a vaccine's rollout.

Whether or not people return to watching movies in cinemas, they will want to travel again.

With the vaccination plans set with a realistic timeline, global air traffic could soon return to relative normalcy. More flight operations could help AC capitalize on its recent investments in a more efficient operational structure. Air Canada could also be in line for a government bailout that could make the picture more positive for the airline.

Foolish takeaway

Cineplex is trading for \$9.82 per share, and Air Canada is trading for \$27.25 per share at writing. The stocks are down 71% and 45.50%, respectively, on a year-to-date basis.

A successful rollout of the COVID-19 vaccine in 2021 could lead to recoveries for both underlying companies. Investors with shares in Cineplex and Air Canada could be in for major recovery bets.

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