2 Great Overlooked Vaccine Stocks to Buy in December

Description

Vaccine stocks are highly visible at the moment. No longer is Big Pharma the villain of the piece. On the contrary, the markets are now firmly under the command of the lab coat sector. The uncertainty of the pandemic has effectively painted equities into a corner. Upside is now driven by vaccine breakthroughs, which come at regular intervals. But investors might be missing a trick here.

While the vaccines themselves are attracting attention, there's another angle to consider: infrastructure. Supply chain management has been big in 2020. But that thesis, strangely enough, hasn't quite been mapped onto the vaccine space. In theory, this could change. Given a more granular understanding of the nuts and bolts of vaccine delivery, investors could push this thesis front and centre.

Go long on vaccine-adjacent stocks

Indeed, while **Air Canada** may be hogging the aerospace limelight, **Cargojet**'s (TSX:CJT) 12-month record says it all. Up by almost 100% in 12 months, Cargojet has been roaring ahead of other aviators in 2020. The past three months have seen momentum turning into more of a drizzle, though. Positive by 15%, Cargojet might not be super exciting just at the moment, but it could break out if the market catches on to the time-sensitive delivery thesis in the coming months.

Another stock to watch in the vaccine infrastructure space is glassware producer **Corning** (NYSE:GLW). I wrote about Corning back in the summer, saying, "The thesis for snapping up shares rests on a medical vial bottleneck." I said, "As the race for a vaccine gathers pace, the one commodity that may prove in short supply is glass. Corning could break out if the market catches on."

That was back in June. Since then, Corning hasn't moved very much, with even the last three bullish months only adding 16% to its share price. But the vaccine rollout is still very much in its infancy. Itmay be worth stashing a few shares in Corning on the off chance that investors begin to gravitatetowards infrastructure plays. After all, momentum can come from anywhere in this market. And Corningis nothing if not pertinent.

Digging into the data to identify upside

Cargojet's data suggests a buy even on technicalities alone. The aviator's higher-end price targets are encouraging, suggesting almost 60% upside. This is backed up by a deep discount of almost 40% off the stock's fair value. Throw in the potential for earnings growth that could top 50% annually over the next one to three years, and Cargojet is already a compelling pick. Total shareholder returns could be in the 600% zone by mid-decade.

Corning is similarly intriguing. With earnings growth conservatively tipped to hit 120% annually, Corning could prove to be a high-growth pick worthy of even a moderately low-risk stock portfolio. Its standing as both a healthcare and a tech stock (see its collaboration with **Apple**) make Corning a compelling multi-strategy play.

Pairing a glassware stock packing major tech affiliations with a high-growth infrastructure pick could be a winning play in 2021.

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TICKERS GLOBAL

1. NYSE:GLW (Corning Incorporated)
2. TSX:CJT (Cargojet Inc.)

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