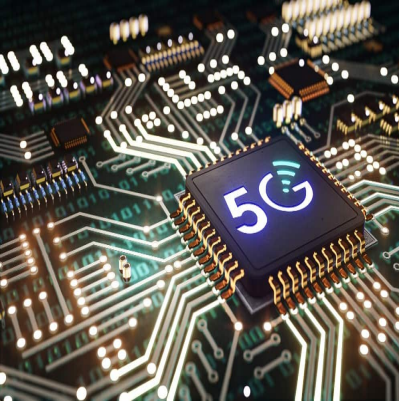




Buy This Top TSX Tech Stock Before Investing in Air Canada (TSX:AC)

Description

Canada's largest airline, **Air Canada** ([TSX:AC](#)), has been one of the most talked-about **TSX** stocks since the pandemic first hit. Airline stocks across the world have unsurprisingly been hit very hard this year as air travel came to an abrupt halt due to the COVID-19 pandemic.

Air Canada stock dropped close to 70% from mid-February to the end of March earlier this year. After trading flat for roughly the next seven months, the stock exploded in November. Positive vaccine news sent the share price surging more than 60% in the month of November alone.

Even with the recent 60% jump, Air Canada stock is still down about 50% on the year.

Is Air Canada stock a value trap or value play?

The reason why Air Canada is receiving so much attention this year is that investors seem to have a hard stance toward whether they think the stock is a value play or a value trap.

Long-term value investors may see the drop in price as an overreaction, and happily pick up shares of the country's largest airline at a serious discount. Others, including myself, are not remotely interested in owning a company in the commercial air travel industry.

I certainly do believe that Air Canada will survive this pandemic. The company will also likely still be Canada's largest airline in five years' time. The reason why I'm bearish is that I believe there is too much uncertainty in the commercial air travel industry right now.

Even world-renown investor, Warren Buffett, sold off his positions of U.S. airline stocks earlier this year. Buffett began adding shares of four different major airline stocks in 2017.

When the pandemic hit, it didn't take long for Buffett to sell off his positions of airline stocks. Anyone could see that the airline industry was going to be negatively impacted by the pandemic, at least in the short term. What was interesting about Buffett selling off his stocks is that he is a world-renown long-term value investor, and even he didn't see value in holding those companies through this pandemic.

I've covered a [top TSX stock](#) that long-term investors should be digging into instead of Air Canada.

Docebo

Technology has been one of the strongest performing sectors in 2020. The dramatic rise of employees working from home this year has only increased the dependence on technology for business across the globe. As a result, we're seeing a list of [top tech stocks](#) putting up record years of growth this year.

Docebo ([TSX:DCBO](#)) is a tech stock that has witnessed a massive surge in demand for its products and services this year. The rise in demand is a direct result of the recent shift to a work-from-home culture.

The \$2 billion company provides cloud-based Software-as-a-Service learning platforms for its customers across the globe. Two primary objectives of Docebo's learning platforms are to centralize the training materials, as well as create a personalized learning experience for each user. The personalization of each user's training sessions is powered by market-leading artificial-intelligence capabilities.

Docebo is definitely not a value stock

Year to date, the stock is up more than 250%. If you were able to scoop up shares when the market bottomed out at the end of March, you'd be sitting on gains of close to 500%.

Growth like that doesn't come at a price, though. Docebo trades at an extremely high valuation today. Investors are expecting that the revenue growth won't be slowing down any time soon. The stock trades at a price-to-sales ratio of 35.

While Docebo is by no means value stock, the tech company is trading at a slight discount right now. The stock is down more than 10% since the beginning of December.

At valuation levels like this, it's likely going to be a bumpy ride for Docebo shareholders in the short-term. Luckily for us long-term investors, we don't need to sweat the short-term volatility. If you can stomach the short-term volatility, this is one market-leading tech company you'll want to have in your portfolio.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

1. AC stock
2. air canada
3. air canada stock
4. DCBO
5. Docebo
6. docebo stock
7. tech stocks
8. technology
9. technology stocks
10. work-from-home stocks

TICKERS GLOBAL

1. TSX:AC (Air Canada)
2. TSX:DCBO (Docebo Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

default watermark

Category

1. Investing
2. Tech Stocks

Tags

1. AC stock
2. air canada
3. air canada stock
4. DCBO
5. Docebo
6. docebo stock
7. tech stocks
8. technology
9. technology stocks
10. work-from-home stocks

Date

2025/09/29

Date Created

2020/12/11

Author

ndobroruka

default watermark

default watermark