



## Forget Air Canada: 2 Canadian Stocks You Should Buy Instead

### Description

Heading into 2021, much of the focus from investors is on the recovery of the economy. With so many companies still struggling and trading at significant bargains to their share prices 12 months ago, there are ample opportunities for investors to play the reopening. Despite many attractive options, however, most investors are focused on popular stocks like **Air Canada** ([TSX:AC](#)).

Don't get me wrong, Air Canada can offer investors a tonne of upside in 2021. The company is the leader in Canadian air travel. Plus, with it being such a popular stock among investors, you can be sure that when its business starts to recover, the stock will rally rapidly.

Although, if you want to maximize your returns, especially for the risk you have to take on investing in this uncertain environment, you might want to find stocks with even more potential than Air Canada.

There's always the risk, of course, that the recovery doesn't go as planned. Vaccinations could take longer than expected, or new variants of the virus can complicate efforts to curve the spread.

However, with hope on the way and the chances of overcoming the virus in 2021 greater than not, investors should be positioning themselves for the recovery in stocks. At the same time, though, it's crucial to remain aware of the risks that persist.

With all that in mind, here are two Canadian stocks I would strongly consider instead of Air Canada.

### A better recovery stock than Air Canada

**Cineplex Inc** ([TSX:CGX](#)) is another popular stock among investors these days due to its significant discount. The stock is a lot like Air Canada, a great long-term business that has been completely impacted by the coronavirus pandemic.

Both companies have done what they can to reduce the impacts as much as possible, but until the pandemic is actually in the rear-view mirror, these stocks will be significantly impacted.

If I had to choose between Air Canada and [Cineplex](#), though, there's no question I would choose the latter. At current market prices, the stock has more upside than Air Canada. At the same time, it has less long-term risk.

Both companies have seen their revenue drop off almost completely. However, Cineplex has been able to utilize more cost-saving measures, which has helped it retain shareholder value better.

It's also had to raise far less cash than Air Canada through the pandemic, which is one of the main reasons why it looks more attractive as a long-term investment focused on the reopening.

The stock currently trades below \$10 a share and down more than 70% off its 52-week high, making Cineplex a much better option for investors today.

## Energy stocks have huge potential in 2021

Another great option to consider for 2021 rather than Air Canada are energy stocks. Energy has been one of the hardest-hit industries in the pandemic. Although revenues haven't been impacted to the same degree as Air Canada, energy company share prices have declined considerably in the pandemic.

This is not at all surprising. Commodity companies tend to be highly volatile, especially when the underlying commodities prices are falling rapidly. On the flip side, though, as prices recover and these stocks gain momentum, there is incredible upside opportunity for investors.

There will be several high-quality energy stocks to consider rather than Air Canada. One of the top recommendations I would make today would be **Suncor Energy Inc** ([TSX:SU](#))([NYSE:SU](#)).

Suncor is one of the leading Canadian energy companies. Its incredible operations offer investors a top company to own through a recovery. Plus, you own one of the most resilient energy stocks in case of unforeseen risks with the reopening.

As lockdowns ease and the price of oil continues to gain upside momentum, [energy stocks](#) will be primed for a massive rally. Therefore, with much more upside and a lot less risk than Air Canada, Suncor is one of the top stocks to buy today.

## Bottom line

Air Canada continues to be one of the most popular stocks that investors are betting on for a 2021 recovery. And although there is strong potential that it can recover substantially this year; there are several stocks that are far more compelling today.

### CATEGORY

1. Coronavirus
2. Energy Stocks
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## TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:AC (Air Canada)
3. TSX:CGX (Cineplex Inc.)
4. TSX:SU (Suncor Energy Inc.)

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