



Better Buy: BlackBerry or Air Canada Stock?

Description

In the ultimate Canadian popular stock showdown, investors continue to chart **Air Canada** ([TSX:AC](#)) and **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) at the top of the list. These companies have become immensely popular in the last year, as share prices continue to remain low, with the possibility of a soaring rebound.

It's no secret that both stocks have the chance to deliver huge returns to investors. However, both are incredibly risky at this stage. That's why it's incredibly important to do your homework and dig into both stocks, even talking to your financial advisor before making a decision.

For the purposes of this article, however, let's see which stock I would consider is the better buy between BlackBerry and Air Canada stock.

BlackBerry stock

Considered by many to be the most popular tech stock right now, BlackBerry stock has become widely known as the future of software security. This especially includes in autonomous vehicles, where its QNX software and IVY platform have become widely recognized. This industry is growing by the day, so the growth potential of BlackBerry stock is arguably a better opportunity for investors than Air Canada stock.

Software security will continue to be a necessity in the years to come, but BlackBerry stock also has a lot of competition. It will have to prove that it can take on **Microsoft**, **Apple**, and **Alphabet**, which are all involved in cybersecurity as well as creating their own autonomous vehicles.

As electronic vehicles (EV) become the primary option in the next decade, BlackBerry will have to prove its [software](#) is the best for these new vehicles. Meanwhile, it's unclear when this revenue will be delivered, so investors may question today's valuation. It's more likely to be the receiver of popularity and attention and could be overhyped. This is why the rally in 2021 went so high, only to drop off almost to where it started.

I wouldn't say count out BlackBerry stock, but keep an eye on it. It still has a price-to-book (P/B) ratio of 3.2, making it cheap, but I'd like its price-to-sales (P/S) ratio of 6.6 to come down a bit before I'd buy in.

Air Canada stock

Between the two of them, Air Canada's P/S ratio definitely stands out at 1.7, and its P/B ratio of 4.9 isn't anything to ignore. What matters here is how long you're willing to wait to see a rebound in Air Canada stock, and if the company will crash again before the pandemic fully recovers.

Right now, Air Canada stock remains highly volatile. The stock will dip and dive with earnings, but once a government bailout is signed, shares should be on the way up. Right now, the share price is a bit too high for me to consider, but in a downturn, I would take a larger stake.

But I have to be honest, I'm a millennial, so I have time on my side. This stock will reach all-time highs in the \$50-per-share range again. It has plenty of assets available to pay down debt, it invested in cost-effective means of running operations, and has a market share of the Canadian airline industry. So, it will bounce back, but when?

So, because of this short-term volatility, investors will want to be careful. You could lose a tonne of cash in the short term with any type of bad news. Just look at the year to date for consideration. After climbing 5%, the stock dropped 13%, then climbed 32%, then fell 5%, and then climbed another 18%. It's all over the place and incredibly reactionary to headlines. This is simply just not what you want as a short-term investor.

Bottom line

Between these two stocks, I'd have to choose Air Canada stock today. Now, again, that's because I'm a long-term investor looking at its valuation as a sure sign of valuable [recovery](#). However, until that time I have blinders on. If you want to get your money out in the next decade as the EV market explodes, then BlackBerry stock may be a better bet. But at today's hyped levels, you're not getting the deal you are with Air Canada stock.

CATEGORY

1. Coronavirus
2. Investing
3. Personal Finance

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. TSX:AC (Air Canada)
3. TSX:BB (BlackBerry)

PARTNER-FEEDS

1. Business Insider

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

Category

1. Coronavirus
2. Investing
3. Personal Finance

Date

2025/09/12

Date Created

2021/03/19

Author

alegatewolfe

default watermark

default watermark