



Can't Wait to Travel? Buy Air Canada Stock in the Meantime

Description

Last year was a [horrible time](#) for travel enthusiasts. Domestic and international lockdowns forced everyone inside. Indeed, even as these lockdowns are relaxed and airports open up, there are several restrictions, including rapid testing, quarantine, and associated measures travelers will be hit with. Accordingly, the amount of pent-up demand via vacationers who can't wait to get out there and travel without these restrictive measures in place is nearing all-time highs.

In this context, it's no surprise **Air Canada** ([TSX:AC](#)) stock is booming right now. Here's why I think this is indeed one of the best [pandemic reopening plays](#) today.

Vacation travel likely to see a once-in-a-lifetime boom

I think we can all agree that we have been cooped up a bit too long. Domestic and international travel restrictions have made it nearly impossible for us to visit our favorite destinations. Indeed, many believe this level of pent-up demand for vacation travel could be unlike anything we've seen before. A wave of travellers will likely overwhelm the industry in a few months (or investors hope). Airlines will have more trouble keeping up with the surge in demand and getting capacity online than anything else.

That's a pretty bullish view. However, this is certainly the view the market is taking right now. Indeed, with vaccines rollouts accelerating this year, there's reason to be bullish. Many believe it's only a matter of time before normal activities resume and these travel restrictions are lifted. Investors are banking on the pandemic reopening, making airlines such as Air Canada top reopening picks.

Even the airline itself is banking on the post-pandemic travel boom, as evident in its recent acquisition. Air Canada completed its \$190 million acquisition of leisure airline **Air Transat** at a reported 70% discount from its initial price offering. This move cements its position as the market leader and keeps investors interested in a lucrative long-term growth stock.

Bankruptcy was never an option for Air Canada

In addition to a pandemic reopening, investors are increasingly getting excited about a potential bailout on the horizon for Air Canada.

Air Canada has remained the country's top player in the Canadian airlines duopoly alongside WestJet, commanding around 80% of the industry's traffic. Moreover, it has remained a safe bet for the government, helping the country work its way through previous crises. Simply put, Canada can't allow its key airlines to fail.

The government has proven time and again there's always sector-specific support for airlines. In times of trouble the government has been there to bail out Air Canada in the past. Thinking this time will be any different doesn't make sense.

Accordingly, these two catalysts are enough to drive continued investment in Air Canada for some time.

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