Forget Air Canada: This Stock Could Be Your Ticket to Gains in 2021

Description

Air Canada (TSX:AC) has been trading hands rapidly over the past several months, as Canadian investors piled into the reopening stock in anticipation of the great reopening and the Roaring 2020s that could come into effect as soon as late 2021.

In numerous prior pieces, I've stated that Air Canada stock has outshined its U.S. peers, primarily because the federal government was more likely to have its back. Indeed, Air Canada got more federal relief this week. At $5.9 billion, the amount of financial support was not cheap.

Air Canada gets more financial support courtesy of the federal government

Air Canada is burning through millions of dollars a day. If the pandemic drags on for longer than expected, the nearly $6 billion federal package of low-interest loans and equity financing may not get a good return on taxpayers' invested dollars.

As an internationally focused airline, the road to the post-pandemic world definitely seems bumpier than its peers to the south. Regardless, I can't say I'm a huge fan of the risk/reward scenario at this juncture — not with the recent bad news relating to the third wave of COVID-19 cases, the recent pause on **Johnson & Johnson** vaccine, or the mutated variants that could pull ahead in its race with vaccines.

There are plenty of risks with Air Canada, and I think many Canadian investors are discounting them at this critical market crossroads. The vaccine rollout has sparked a wave of optimism. Some investors are upping their risk appetites, and I don't think it will end well should we be in for negative surprises in 2021.

Fast food for fast gains in 2021?

If you seek greater upside and less downside risk, consider shares of fast-food kingpin **Restaurant Brands International** (TSX:QSR)(NYSE:QSR), which has big plans for the post-pandemic environment. For those unfamiliar with the name, it's the firm behind legendary quick-serve restaurants Tim Hortons, Burger King, and Popeyes Louisiana Kitchen. The latter chain, Popeyes, contributes the smallest amount to revenues. Still, it is arguably the most exciting brand, given its menu innovations (that legendary chicken sandwich) and long international growth runway.

Going into the COVID-19 crisis, Restaurant Brands took a major hit to the chin. The stock collapsed, and it's been a tough uphill climb relative to the likes of some of its peers. Sure, Restaurant Brands was not best equipped to deal with a pandemic, given a lot of its drive-thrus aren't up to speed, making the firm was more vulnerable to restrictions like dining room closures. In the case of Tim Hortons, drive-thrus weren't really at the top of mind pre-pandemic.

Restaurant Brands stock has the most to gain as the pandemic ends and restrictions lift (hopefully for good this time). As we march ever so closer to the end of this crisis, count me as unsurprised if QSR stock were to finally make a move to all-time highs, as many of its peers like **McDonald's** already have thanks to its special sauce (ordering tech) that helped it thrive in a pandemic-plagued environment.

In the meantime, the company is investing heavily in modernizing its drive-thrus and restaurant designs. Multiple drive-thru lanes, burger lockers, and other eyebrow-raising features can be expected in the Burger Kings of the future. While Restaurant Brands may be lagging in the fast-food tech front now, I believe it will take the lead on the other side of this pandemic. As such, QSR stock is one of my highest-conviction buys today.

Foolish takeaway on QSR and AC stock

If the pandemic drags on for longer than expected, Restaurant Brands is positioned to improve upon its business, as it makes the investments to modernize. I can't say the same about Air Canada.

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joefrenette