



Air Canada vs. BlackBerry: Which Is the Better Buy?

Description

Canadians have been justifiably frustrated by the pace of the domestic vaccine rollout. Coming into 2021, there were hopes that we would be in the swing of a strong economic rebound by the spring. However, Ontario entered its third lockdown in late March. Its case load is more severe than at any time during the pandemic. Investors continue to be challenged in this environment. Today, I want to compare two top TSX stocks that have started well in 2021: **Air Canada** ([TSX:AC](#)) and **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)). Which is the better buy today? Let's dive in.

Why Air Canada is worth snatching up on the dip

Air Canada's business has been throttled during the pandemic. There are few industries that have suffered more than airline travel over the past year. Regardless, its shares have climbed 16% in 2021 as of close on April 26. The stock is up 37% from the prior year. Last week, I'd suggested that investors should [buy the dip](#) in Air Canada stock.

The top airliner managed to strike a \$5.9 billion bailout with the federal government in the middle of April. This deal was long awaited by investors. As agreed upon beforehand, the package included a stipulation that Air Canada would refund its customers for lost flights due to the COVID-19 pandemic. The airline will also restore flights on nearly all suspended regional routes.

Investors should give the domestic and global airline industry some leeway, as it seeks to recover from the brutal pandemic. However, looking long, this is still a very promising market. I'm still betting on Air Canada for the long term. Its stock briefly fell into technically oversold territory early last week.

BlackBerry has made progress, but investors are growing impatient

BlackBerry is another household name in Canada that has put together an interesting year. The Waterloo-based company has moved deftly into [software](#) after being muscled out of the hardware

space. It has established a solid footprint in the [bustling cybersecurity sector](#) and in automotive software development. Unfortunately, the auto sector took a major hit during the pandemic.

Shares of BlackBerry have climbed 33% in 2021. Its stock soared to \$36 in late January, as it was impacted by the social media frenzy surrounding **GameStop**. BlackBerry first gained momentum in early December after it was announced that it would collaborate with **Amazon** Web Services to develop automobile software. The fruits of this collaboration should appear by 2023.

The company released its fourth-quarter and full-year fiscal 2021 results on March 30. It was a big year for the former hardware giant. BlackBerry reported design wins with 23 of the world's top 25 Electric Vehicle OEMs. It also expanded its partnership with **Baidu**, bolstering its position in the very promising autonomous vehicle space.

Which stock is the better buy?

BlackBerry holds promise for the long term, but it is still a middleweight compared to some of the heavy hitters in cybersecurity and automobile software development. Meanwhile, Air Canada remains a powerhouse on the domestic front. The negotiated bailout will provide some relief in the near term. Moreover, Canada is on pace to catch up with its vaccine rollout in the summer. With luck, we will see some return to normalcy by the end of 2021. This will open the door for a strong return to form for Air Canada.

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