



## Forget Air Canada Stock: 3 Airline Stocks Soaring to New Heights

### Description

If you're a patient investor, **Air Canada** ([TSX:AC](#)) stock is a great option for you today. Shares continue to trade at around \$25 as of writing. That's a 50% decrease from all-time highs. And those heights will be seen again, but not for some time for Air Canada stock.

That's because of one thing and one thing only: the coronavirus. The company took on a massive amount of debt to reinvest in its business strategy. Air Canada stock soared higher, as the company bought fuel-efficient air crafts and Aeroplan and made plans to acquire **Transat A.T.** (TSX:TRZ).

All those plans fell through, however, with COVID-19. The Transat deal was finally cancelled, as flights remained on the ground. The company even entered the cargo space to bring in cash. And it looks like even a \$5.9 billion government aid package won't cover the \$13 billion amassed in debt.

So, while investors wait, there are still deals out there, even in the airline [industry](#). Here are some to consider.

### Cargojet

While Air Canada stock is just entering the cargo space, **Cargojet** ([TSX:CJT](#)) has been amassing a mountain of cash. The company saw revenue skyrocket during the pandemic with the growth in e-commerce. But those that believe the company will suddenly collapse post-pandemic, think again.

Cargojet has plans to expand even further, buying up more aircraft and announcing further routes to support its growth. The company partnered with **Amazon** before the pandemic, and this partnership has been delivering funds for both sides. As e-commerce continues to grow, and it will, Cargojet stock is certain to benefit.

Shares in Cargojet are up 25% in the last year but are experiencing a pullback with other e-commerce-related stocks. That leaves a perfect opportunity for investors to jump in.

## Bombardier stock

There were a few stipulations made when Air Canada stock inked a deal for its bailout. One such stipulation was that Air Canada would have to follow through with its orders for 33 Airbus A220s and 40 additional Boeing 737 Max aircraft. The company had already purchased multiple aircrafts from **Bombardier** ([TSX:BBD.B](#)) during its fleet-renewal program.

So, that's great news on top of other great news for Bombardier stock. The company had a strong year compared to the past few years, seeing an 18% year-over-year increase in business jet revenues and an increase in adjusted EBITDA by 43%! While the company still has a long road ahead, investors may actually see some serious growth once flights are back in the air.

Bombardier stock is up 113% in the last year alone but offers a cheap share price of \$0.89. That's especially considering the near-term future growth potential of this aerospace stock.

## Transat stock

Then, of course, there's Transat stock. Air Canada stock received a government package that took up all the news. But Transat inked its own deal of \$700 million as well. The company certainly doesn't have as much debt to repay as Air Canada, but its future does remain uncertain.

It looks like when the dust settles, Transat will be sold to the highest bidder. That leaves a strong opportunity for investors looking to take advantage of acquisition news. It's true that while these other stocks have risen, Transat stock has sunk 45% in the last year since flights were grounded. There are still other deals on the table, and Transat is a great buy. Its low-cost carrier could mean a purchaser would take over the market share of Canadian flights. So, don't count this company out quite yet.

## Bottom line

If I'm only picking one stock today, however, it's Bombardier stock. Air Canada stock is still a strong long-term investment, but there is so much short-term potential with Bombardier stock. Cargojet remains at high prices, and Transat is too uncertain. Bombardier offers investors willing to take a small stake and wait out the turbulence to potentially see [massive gains](#).

### CATEGORY

1. Coronavirus
2. Investing
3. Personal Finance

### TICKERS GLOBAL

1. TSX:AC (Air Canada)
2. TSX:BBD.B (Bombardier)
3. TSX:CJT (Cargojet Inc.)

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