



## Forget Dogecoin! Even Air Canada (TSX:AC) Stock Could Beat it in the Long Term

### Description

Last week, **Tesla** ([NASDAQ:TSLA](#)) suspended accepting Bitcoin for its car purchases. After the announcement, many crypto investors started speculating that its Tesla CEO Elon Musk might now shift his attention towards Dogecoin. On May 14, the billionaire celebrity [tweeted](#) that he's "working with Doge devs to improve system transaction efficiency. Potentially promising." This gave more confidence to such speculations and triggered a buying spree in Dogecoin.

As the crypto market's volume continues to rise, I find it extremely risky for retail investors to be a part of this insanely volatile market. In my opinion, it's better to invest your money in a struggling company like **Air Canada** ([TSX:AC](#)) right now than trading in cryptocurrencies. Here's why.

### Bitcoin vs. Dogecoin

Most cryptocurrencies have staged a record rally in the last few months. However, it seems extremely difficult for small retail investors to benefit from it. For example, Bitcoin — the largest cryptocurrency by market cap — has lost more than 25% of its value in the last seven days. While many big investors may have a huge risk appetite to digest such losses, most small investors — especially when trading on leverage — may end up losing all their invested money within a few days.

Dogecoin was created by two software engineers seven years ago as a joke. The currency has rallied in 2021, as it's consistently getting Musk's attention on **Twitter** lately. However, it would take only a single critical tweet by him to trigger a massive sell-off in this meme-based cryptocurrency. That's why I find it an absolutely crazy idea for a small investor to trade in cryptocurrencies with their hard-earned money or savings.

### Could Air Canada stock beat Dogecoin?

Air Canada used to be one of my favourite stocks for many years. But since the COVID-19 started taking a big toll on the travel demand globally last year, my outlook for the airline changed. The

company burnt more than \$4.2 billion cash in 2020.

While investors were hoping for some improvements in 2021, the prolonged travel restrictions in Canada due to the pandemic are continuing to take a big toll on Air Canada's operations. That's one reason why it reported an adjusted net loss of more than \$1.2 billion in the first quarter this year.

Air Canada recently finalized its long-awaited financial assistance deal with the government. The deal gives the company access to \$5.9 billion in liquidity. With this, the airline now has enough liquidity to start working towards its financial recovery plan in the coming quarters.

## Foolish takeaway

While I believe that [Air Canada's financial and stock recovery](#) might take a long time, I still find its stock to be a much better investment option than any cryptocurrency — including Dogecoin — at the moment. Nonetheless, a healthy recovery in travel demand could help the airline's stock after massive gains in the coming years. Also, trading in the crypto market exposes small investors to extreme volatility and high risks. That's why investors with a low-risk appetite might want to avoid the temptation of trading in the crypto market and rather invest in fundamentally strong growth stocks for the long term.

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jparashar

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