



Air Canada Stock Could Be a Screaming Buy

Description

Air Canada ([TSX:AC](#)) hasn't just been a ridiculously turbulent ride over the last year-and-a-half. Many investors are probably growing frustrated with the name and its recent bout of relative underperformance. Air Canada stock has fallen behind many of its American peers, some of which are soaring above and beyond their 2020 pre-pandemic highs.

Canada closes down while the U.S. reopens

Canada has suffered through a horrific third wave of COVID-19 cases thanks in part to a slower vaccine rollout, as most of the U.S. is making major strides toward normalcy. Arenas in the U.S. are starting to accept fans just in time for the NHL's Stanley Cup Playoffs. Meanwhile, the four Canadian teams that made the playoffs are facing off in arenas whose seats remain (mostly) unfilled.

As more COVID-19 shots are given in arms, the closer Canada will be toward reaching levels of semi-normalcy enjoyed by the U.S. right now. Some localities are considering ditching mask mandates for those who've been fully vaccinated — something unthinkable in Canada right now, with [restrictions](#) still in place for many provinces.

With a fresh round of financial relief from the federal government, Air Canada has more than enough support to make it through what could be the last few weeks of this third wave. As the nation ramps up its vaccination efforts, there is a chance that Air Canada will be in a spot to spring into summer just in time for peak travel season. But should you start accumulating shares now? Or wait until we're wound down from this third wave?

That's the million-dollar question. If all goes well with the vaccine rollout and people start getting their second doses, Canada could find itself in the type of environment that the U.S. is in right now in just a few months. As the third COVID-19 wave winds down, Air Canada will likely see domestic travel start trending much higher. That said, Air Canada is more of an international airline, and until the world can accelerate its vaccination efforts, I suspect shares of Air Canada won't rally as sharply as their peers to the south did.

Patience is key for those looking to make money in Air Canada stock

If you're not looking to make a quick buck from a V-shaped recovery in AC stock, it makes sense to start accumulating shares in the name today, as long as you're willing to hang on through 2023. Internationally focused airlines like Air Canada face a mild but still bountiful recovery trajectory that could reward those who are willing to hang in through the inevitable turbulence induced by news of COVID-19 variants of concern.

As we head into the summer season, restrictions are likely to be loosened, and much pressure will be taken off Air Canada. That said, don't expect Air Canada to return to pre-pandemic levels of normalcy just yet. As Air Canada looks to meet pent-up air travel demand into the summer, we could witness the first major stride forward for the airline as it looks to slowly and steadily climb back to 2019 levels of business.

Foolish takeaway on Air Canada stock

The more time passes, the more jabs will be given, and the closer we'll be to the end of this pandemic. In essence, Air Canada stock, I believe, will become less risky with time. So, if you're a [long-term](#) investor, I'd say it makes a tonne of sense to start doing a bit of buying here.

While untimely, the worst is now in the rear-view mirror for Air Canada stock and its peers as it continues effectively navigating what (hopefully) could be the last patch of rough waters.

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