



Forget Air Canada (TSX:AC): This Stock Could Double in 2021

Description

Air Canada ([TSX:AC](#)) stock still remains largely up in the air, if you'll pardon the awful pun. But it's the truth. There's been a lot of optimism surrounding the airline, with Motley Fool writers (me included) speaking to how shares in Air Canada stock could double in 2021.

But a few points have come to light in the last month or so. While these points don't necessarily mean that Air Canada stock *won't* double in 2021, it could mean that investors may need to be a bit more careful in their investment.

More bad news

Investors were *not* happy to hear recently that \$10 million in bonuses were awarded to top-level employees at Air Canada during a pandemic, when thousands of people lost their jobs. On top of that, the government scolded the company, considering it just handed out a \$5.9 billion in funding.

These bonuses also came on the back of [five consecutive quarters of losses](#). Air Canada stock stated it continues to lose around \$14 million a day from grounded flights. Even with cargo in use, and the company expecting to double available seats over the summer, things don't look great.

But the future looks a bit brighter. By September, Air Canada stock hopes the government will ramp up tourism for the holiday travel season. Motley Fool writer [Adam Othman](#) also cited the use of a "vaccination passport." The sooner we can travel normally again, the better, and should we reach pre-pandemic flights, this stock could double in 2021.

But this one is far more likely.

Invest in guaranteed income

Brookfield Renewable Partners ([TSX:BEP.UN](#))([NYSE:BEP](#)) is a renewable energy company with a diverse range of assets all over the world. Whereas competitors have focused on one type of energy

assets, Brookfield is like buying up a portfolio of energy assets, thus diversifying your future investments.

Unlike Air Canada stock, Brookfield has managed to deliver consistently incredible returns — not just over the last few years, but over the last few *decades*.

The company recently reported strong first-quarter results. The company generated \$242 million in funds from operations (FFO) — a 21% increase from the same time last year! It progressed 6,000 megawatts of energy through construction and added 4,500 megawatts in development. It invested \$1.6 billion in several projects, all while still retaining a robust balance sheet of \$3.4 billion.

The company continues to capitalize in the growth of clean energy development. Over the next decade, analysts predict that \$10 trillion in investment into clean energy will occur around the world. Given the size and footprint of Brookfield, this stock is likely to be a huge benefactor of this process — all while Air Canada stock remains in recovery.

Yet after massive growth in the beginning of 2021, shares are down 23% from those highs. This correction was sorely needed, and now this growth stock has gotten back some of that original momentum for shareholders. Shares are up 13% in the last month alone.

Then there's the company's "guaranteed" income from its dividends. Investors can currently pick up the stock for \$47.33 with a dividend yield of 2.57%. A \$5,000 investment would bring in \$159 per year in dividends. As a comparison, that same investment would only bring in \$120 a few months ago.

But given all the future investments and strong performance, this correction won't last long. This stock could double in 2021 thanks to this correction. While it's cheaper than Air Canada stock, frankly, this growth stock just has a far stronger future ahead.

Foolish takeaway

Air Canada stock continues to trade around \$25 per share, as it has for months. Investors continue to wait, missing out on opportunities our Motley Fool writers recommend all the time. Such a stock would be Brookfield, and this stock could double in 2021 and for decades, thanks to investment.

While Air Canada stock continues to struggle, Brookfield will continue bringing in guaranteed revenue and income for investors. Given the emerging trend of investment into clean energy, this stock could be one of the top Motley Fool recommendations to see your investments double this year and beyond.

While **Cargojet** also operates a fleet of aircraft, its focus on catering to industrial clients and the increasing need to prevent supply chain disruptions could lead to significant demand for the stock.

CATEGORY

1. Coronavirus
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TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:AC (Air Canada)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)

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