



Air Canada vs. Cineplex vs. BlackBerry: Which Is the Top Stock to Buy?

Description

Over the last year, there has been a tonne of opportunities to buy the top stocks on the market for cheap. These days, though, investors need to be a lot more selective with their stock picking. So, it's understandable that there's so much interest around **Air Canada** ([TSX:AC](#)), **Cineplex** ([TSX:CGX](#)) and **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) stocks.

For Air Canada and Cineplex stocks, investors know these are high-quality companies with dominant businesses in their respective industries. However, they've been impacted severely by the pandemic. So, they could offer considerable recovery potential.

However, investors want to know if BlackBerry stock is a buy, as it's been one of the best performers over the last month.

So, here's what to consider for each, and which stock is the top one to buy today.

BlackBerry stock

BlackBerry stock is a top company to consider, as it's one of the biggest Canadian [tech stocks](#) and a leader in the software security space.

Software security is a crucial issue that will continue to grow as technology rolls out, especially with [5G](#) being introduced.

It's understandable why so many analysts and investors are bullish on BlackBerry long term. Currently, though, after the recent speculative trading going on with so-called meme stocks, BlackBerry has become wildly overvalued.

Although it could be a better [long-term investment](#) than Cineplex or Air Canada stock, at this valuation, it's nowhere near the top stock to buy today.

The average target price from analysts is just over \$11. Friday's close was just below \$16. So, rather

than pay a massive 40% premium, I'd put the stock on your watch list and try to buy it over the next couple of months at a much more reasonable price.

Air Canada stock

Air Canada is a stock that's been one of the most popular among investors since the pandemic began. With travel nearly completely halted, the stock tanked at the onset of the pandemic and has never really recovered.

This has many watching the stock, hoping for the opportunity to buy if it can have a big rally when it recovers.

Unfortunately for Air Canada, it's not that simple. The stock has been losing millions of dollars every single day of the pandemic. Over the course of the last year, its business has lost a tonne of value.

This means that although Air Canada may look cheap from a historical standpoint, it actually might have less upside potential than BlackBerry stock or Cineplex over the next few years. Again, it may look attractive, but it's hardly the top stock to buy today.

I don't doubt that Air Canada can see a big recovery when travel can return without restrictions. However, the company has more debt on its balance sheet, and shareholders have been diluted during the pandemic, so it could be a while before Air Canada stock recovers to \$50 a share.

Is Cineplex the top stock to buy today?

Of the three, Cineplex stock would be my top recommendation today. Operationally, the company is in a similar position to Air Canada. Financially, though, it's been able to weather the storm better. And in my view, it looks as though it has more potential to recovery quickly.

Not only will there be pent-up demand to go to the movies and a strong slate of films scheduled to come out. But Cineplex also owns entertainment venues such as Playdium and The Rec Room. Furthermore, it has a digital ad business, all of which can have a strong and rapid recovery as restrictions are lifted.

So, with BlackBerry stock trading massively overvalued and Air Canada trading near its fair value, offering little upside today, Cineplex looks as though it has the most potential of the three to be the top stock to buy today.

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2. TSX:AC (Air Canada)
3. TSX:BB (BlackBerry)

4. TSX:CGX (Cineplex Inc.)

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