



Air Canada vs. BlackBerry Stock

Description

Throughout 2021, two of the most popular stocks among Canadian investors continue to be **Air Canada** ([TSX:AC](#)) and **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)). And although Air Canada and BlackBerry are well known among investors, the two stocks couldn't be more different when it comes to their popularity.

Ever since the pandemic hit, and Air Canada stock fell from more than \$50 a share, investors have been watching the stock for signs of a major recovery.

Today, it trades at just about \$25 a share. So, if it could recover to its pre-pandemic price, investors know they could double their money.

BlackBerry stock has a big following among investors for a different reason. The company has been referred to as a [meme stock](#) and pumped on Reddit by millions of retail investors.

This saw the stock skyrocket not once but twice already this year, gaining a tonne of value in a short period of time.

Both of these stocks and the situations surrounding them have understandably caught the attention of numerous investors.

So, you may be wondering which is the better stock to buy today:, BlackBerry or Air Canada stock?

BlackBerry stock

BlackBerry is a company that's well known — not just among investors but many Canadians. The former phone maker is now predominantly a software security stock — a business that was always BlackBerry's bread and butter.

Since its second major rally ended at the start of June, over the last six weeks, the stock is down 30%. This shouldn't be surprising anyone. Me and a number of my fellow Fools have been advising investors

to [avoid BlackBerry](#) the entire time.

Any time a stock rises on pure speculation, it's best to stay away — even more so when the stock price rises to more than two times than consensus analysts target price.

BlackBerry stock was never a bad business, though. And it wasn't impacted by the pandemic anywhere close to Air Canada stock.

However, much of its potential is long term, so it never made sense to buy the stock at an inflated price today.

At roughly \$13 a share, it's not only down 30% from its June high but also more than 60% off its 52-week high. Still, though, at this valuation, the stock seems pricey.

Air Canada stock

Air Canada stock is not as overvalued as BlackBerry. Some would even say it's slightly [undervalued](#).

The difference is that Air Canada has a lot less certainty than BlackBerry, especially in the short term. This is highly crucial, because after a year of being impacted so badly, Air Canada needs to recover, and it needs to recover fast.

The company can't afford to lose any more value while its planes sit idle. However, it can hardly control its own destiny in the matter, which is why it's still such a high-risk investment.

Air Canada may be able to recapture its domestic routes and see some increased travel to well-vaccinated countries like the United States.

But the fact that the pandemic is a global event, and the virus continues to mutate, causing different travel restrictions and requirements everywhere, is a big headwind the company has to face.

Bottom line

Given that BlackBerry is still overpriced, I'd have to say Air Canada stock is the better investment today of the two. However, just be aware that if you do decide to buy Air Canada, it still has a significant amount of risk.

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