# 1 High-Flying Stock That Isn't Air Canada (TSX:AC)

## Description

Is your portfolio diversified with growth and income-producing investments? Finding that perfect mix can be a trying task at times. Fortunately, there's no shortage of viable investments on the market to pick from. Growth stocks in particular can be lucrative long-term options. Today let's take a look at one high-flying stock that is not **Air Canada** (TSX:AC).



## Here's the deal with Air Canada

Prior to the pandemic, Air Canada was one of the best, if not the best investment on the market. Record-breaking profits were a staple of quarterly earnings statements, and the stock was up over 450% in the prior decade.

Unfortunately, when travel ground to a halt in the spring of 2020, so did Air Canada's revenue stream. The company was forced to shutter routes, lay off staff, and report a series of dismal quarterly updates. Speaking of quarterly updates, in the most recent update, Air Canada reported revenues of $729 million. That's a massive drop of $2.993 billion from what was reported in the same period last year.

Collectively, the airline posted an operating loss of $1.049 billion in the quarter. To put it another way, the company burned through nearly $14 million each day in the quarter. Ouch.

That said, markets *are* beginning to reopen and that can only mean that travel will resume…eventually. Those factors will help Canada return to some sense of its former self. Worth noting however is that any recovery of Air Canada needs to be taken with *a lot* of patience.

Why? There are still unvaccinated people as well as vaccinated people that are unwilling to fly. Further to that, Air Canada's lucrative international routes can only reopen when both Canada and the arriving country open their borders. Some of those factors are within Air Canada's control, but most of those aren't.

In short, any turnaround for Air Canada could be several months following an official opening, and financial results may not be reflected for several quarters later. That's not exactly a shining example of a stellar growth stock, right? Fortunately, there is another option.

## Meet Cargojet

In case you haven't heard of the company before, **Cargojet** (TSX:CJT) is a stock that should be on your radar. As the name implies, Cargojet operates an air cargo network that blankets Canada and connects to international hubs.

Because Cargojet doesn't haul passengers, it remained unscathed from the slowdown in domestic and international travel last year. Instead, the freight-focused carrier realized a massive bump in its traffic, fuelled by online shoppers and medical needs.

The airline even caught the attention of the internet commerce behemoth **Amazon**, leading to a lucrative investment in Cargojet.

That agreement has only grown in recent months and will likely continue to grow in the months and years ahead. While we are seeing a slow resumption of normalcy in the economy, the shift to online commerce is only going to continue. In other words, despite a recent dip in the stock price, Cargojet remains a stellar long-term option.

## What's *your* high-flying stock?



Cargojet fits the description perfectly of a high-flying stock. The company has lucrative growth prospects which extend beyond the current pandemic. The airline is also in an advantageous position given its dominance in the Canadian market. Throw in a lucrative and maturing deal with Amazon and you have a long-term recipe for success.

That's not to say that Air Canada won't recover, however. Canada's flag carrier has weathered a myriad of financial issues in the past, always emerging stronger. There's little reason to doubt the same won't happen now, but that recovery could be a year or two out.

In other words, Cargojet is the high-flying stock for investors to buy right now. Buy it, hold it, and let it grow.

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dafxentiou