Delta Variant: Are These TSX Stocks at Risk?

Description

Canada managed to catch up to its peers with its lagging vaccine rollout in the middle of the spring. Now, in the middle of the summer, Canada is one of the biggest success stories as over 50% of its population has been fully vaccinated. Regardless, officials are still warning that the rise of the Delta variant could spur a fourth wave of the pandemic.

Recent polls have shown that talk of the variant has spooked some Canadians who believed the worst was over. Today, I want to look at three **TSX** stocks that may be at risk due to the rise of the Delta variant. Let's jump in.

Will the Delta variant slow the comeback for air travel?

In July, I'd discussed some of the tailwinds for **Air Canada** (TSX:AC) and the broader airline sector. Shares of Air Canada have climbed 9% in 2021 as of early afternoon trading on August 4. The stock has surged 59% in the year-over-year period.

Air Canada and its peers have elected to reopen new international routes since the beginning of the summer. The United States and Canada have also sought to loosen border restrictions, at least before the rise of the Delta variant reignited fears. Fortunately, this TSX stock does have some outs in this environment. Some Canadian officials predict that the country's high vaccination rate will prevent a damaging fourth wave.

I'm still looking to snatch up this TSX stock as it trades in the middle of its 52-week range.

This TSX stock is on track for a big summer

Yesterday, I'd discussed whether the Delta variant had the potential to torpedo the comeback for **Cineplex** (TSX:CGX). Shares of this TSX stock have climbed 39% in the year-to-date period. However, the stock has plunged 24% month over month.

The company had come out strong out of the gate after it was able to resume regular operations in Ontario. Moreover, it has a strong slate of films in the second half of the summer to look forward to. Ontario has continued to report very low COVID-19 cases as it has moved forward with a very positive vaccine rollout. Premier Doug Ford suggests that Ontario will exit Step 3 of the reopening plan by the middle of August, which will see more restrictions lifted.

One more TSX stock that could see growth slow

Restaurants have also moved to celebrate the broader reopening in Canada. **Recipe Unlimited** (TSX:RECP) is a Vaughan-based company that operates restaurant chains and major food distribution facilities. Some of its top brands include East Side Mario's, Harvey's, Swiss Chalet, The Keg, and several others. Fast-casual chains have been some of the hardest hit during the pandemic.

Shares of this TSX stock have climbed 32% in 2021. The stock is up nearly 120% in the year-over-year period. Recipe Unlimited moved back into profitability in 2021.

Canada appears well-equipped to face down the Delta variant at this stage. Because of this, I'm still looking to hang onto these TSX stocks in August and beyond.

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2. TSX:CGX (Cineplex Inc.)
3. TSX:RECP (Recipe Unlimited)

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