



4 Stocks to Buy Today

Description

Today, August 9, is when the Justin Trudeau government [opens Canada's borders](#) to non-essential travel for U.S. citizens after over 16 months of restrictions. You can imagine the level of pent-up demand. Many people postponed their vacations, as borders remained closed. But this leeway is only for vaccinated people. If everything goes as planned, and there is no new threat of mutant virus, the government will open borders to other foreigners from September 7. I expect the ease in travel restrictions to open the gates of growth for four stocks, three of which saw a [correction](#) in July over concerns of Delta variant.

Transat A.T.

International tour operator **Transat A.T.** (TSX:TRZ), which took a hit from the cancellation of its acquisition by **Air Canada** ([TSX:AC](#)), could be up for some growth. The pandemic came as a major blow, as leisure travel halted. The only thing that could save Transat was an acquisition, but regulators didn't favour it. That is when the Canadian government saved the company by giving a \$700 million bailout. The bailout pushed the stock up 44%, but then came the rising cases of Delta variant, putting a dent on the tour operator's plan to return to business in July.

Transat shares corrected 25% from their June high. The question is, have shares bottomed out, or is a decline still coming? What Transat has been waiting for is the go-ahead for non-essential travel. It is seeing pent-up demand, and it can fulfill this demand. The only roadblock is the travel restrictions, and they will be lifted today.

I don't expect the stock to jump immediately. But I also don't expect any significant dips in the stock price this month. From here on, the shares have more reasons to go up than go down. It is time you book your seat before the stock surges.

Air Canada stock

Similar is the case with Air Canada. The stock corrected 16% in the last two months over fears of another pandemic wave delaying the recovery. You can't blame investors, as the airline did stop flights to some Asian countries affected by the Delta variant. The travel demand in the Pacific remains

subdued, as countries worldwide get vaccinated at different paces. But travel demand is seeing a recovery in the United States and Atlantic. And this recovery is enough to pull Air Canada stock from the \$24 pit and push it to the \$40 [recovery](#).

Suncor Energy stock

The travel demand will create a dynamo effect. As Air Canada and Transat fly, the demand for jet fuel will rise. Jet fuel is made using crude oil, and **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) is Canada's largest integrated oil company. The Suncor stock corrected 21% in July, as rising virus cases made oil-producing countries skeptical of increasing production. The stock bottomed out and became oversold.

From August 9, I don't expect any more downside for Suncor and only upside. Suncor will rally alongside Air Canada and Transat, as they consume more fuel and oil prices continue to rise.

Chorus Aviation

Chorus Aviation ([TSX:CHR](#)) has already started seeing a recovery after a 12% dip in the first half of July. Chorus offers aircraft leasing, contract flying services, aircraft maintenance and components to Air Canada and other regional airlines. The recovery in Chorus stock shows that airlines are preparing to take off.

Bottom line

By booking your position in these four stocks, you can get a wholesome benefit of recovery in air travel demand.

CATEGORY

1. Coronavirus
2. Energy Stocks
3. Investing

POST TAG

1. Editor's Choice

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2. TSX:AC (Air Canada)
3. TSX:CHR (Chorus Aviation Inc.)
4. TSX:SU (Suncor Energy Inc.)

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