# 3 No-Brainer Stocks to Buy if You Think Travel Will Recover

### Description

At the time of writing this, about 42.7% of the world population has been vaccinated. Over 6.5 billion doses have already been administered, and the vaccination rate is growing at a steady pace.



In Canada, the fourth wave is no longer growing. It proved to be milder compared to previous waves, and thanks to an extensively vaccinated population, the next wave (if one is coming) is expected to be considerably weaker.

This "recovery" indicates a return to pre-pandemic times, including extensive traveling. And if the travel industry is about to see business reach pre-pandemic levels (which would result in considerable growth in revenues/profits), a lot of travel stocks could become significantly more attractive.

## An investment management company

**Onex** (TSX:ONEX) hasn't suffered nearly as much as more travel-oriented stocks have, during the pandemic, thanks to its relatively small exposure to the industry (and the brutal consequences of association). In fact, Onex stock is already above its pre-pandemic levels. But that doesn't mean the stock doesn't have any more upside left to offer.

One of Onex's major subsidiaries is WestJet, an airline on the verge of a strong recovery. WestJet has a decent-sized fleet and caters to a decent variety of local and international destinations. The airline is also projecting a return to business and revenues that it saw in 2013 in the next six months. Just like this subsidiary potentially "weighed" Onex down during the pandemic, it might trigger an opposite trend in the Onex stock.

## A loyalty programs company

If you are looking for a more "spread out" exposure to the travel industry instead of just air travel, Toronto-based **Points International** (TSX:PTS)(NASDAQ:PCOM) might be more to your liking. With a market capitalization of just $318 million, it's a relatively smaller player in the travel industry. But it's not necessarily a bad thing since it might allow the company to grow faster than the heavyweights of the industry.

Points International is all about loyalty programs. It partners with airlines and hotels but also extends to more facets of the travel industry. Currently, it tracks points for nine airline and five hotel partners. It has also partnered with a retail and a travel company. The stock is already on the mend, but it might spike at or right before the next vacation season when its partner businesses experience a serious uptake in demand.

## The largest airline in the country

**Air Canada** (TSX:AC) is so far away from its pre-pandemic levels that if you buy into the airline now, you could double your capital if the stock finally reaches those levels. And the chances of that are quite high. The stock has survived so far while burning through millions of dollars of cash every day, a phenomenon that might continue on for one or two more quarters.

But in the next travel season, if the company starts seeing demand rise and bookings in early 2021, it might boost investor confidence regarding the financial recovery. If too many investors jump on to Air Canada, which used to be one of the best growth stocks on the TSX, you might experience a serious spike in your Air Canada stake. There is also a possibility that investors will take a more cautious approach, which might indicate a more paced recovery.



## Foolish takeaway

The travel industry has seen one of the worst bear markets in history. The financial strain of the pandemic was the secondary trigger this time, and the primary one was a health concern. But now, the pandemic and its fear are reasonably behind us; many travel businesses can enter a successful and, hopefully, long-term bull market.

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