



What 4 Canadian Stocks Should You Invest in for 2022?

Description

When you invest in stocks, you need to look forward instead of at the present or past. To benefit from the holiday season rally, you need to invest in April. In the fourth quarter, it is time to invest for 2022.

The following four stocks are likely to benefit in the 2022 recovery, assuming there is no other pandemic wave.

- **Air Canada** ([TSX:AC](#))
- **BlackBerry** ([TSX:BB](#))([NYSE:BB](#))
- **Magna International** ([TSX:MG](#))([NYSE:MGA](#))
- **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#))

Let's take one stock at a time to discuss its growth potential.

Air Canada stock

After surging almost 90% between November 2020 and June 2021, Air Canada stock began a downtrend. Even the reopening of international borders and return of leisure travellers couldn't [pull the stock back](#) on the growth path. The dip comes because the government gets a 10% stake in the airline for providing the \$5.9 billion bailout in April.

Air Canada management is working out the math to see if it can avoid drawing too much bailout money and keep the government stake to a minimum. The upcoming earnings on November 2 could bring enthusiasm among investors. If pent-up demand reflects in its earnings or outlook, and the bailout money usage is at a minimum, the airline stock could see a rally.

If not this year, then next year is likely to be a year of recovery for Air Canada. Maybe the stock could repeat the 90% rally not on the back of a recovery. The only price I would suggest buying this high-risk stock at is below \$23-\$24. Only this price can give you satisfactory rewards for the high risk involved.

BlackBerry stock

BlackBerry stock came into the limelight this year when it became the target of Redditors in a game of [short-selling](#). The company has undergone a turnaround from mobile to endpoint security solutions and automotive software. The company's QNX platform is powering the automated driver-assistance dashboard for millions of cars.

The automotive market is gradually picking up volume, but the company's management does not expect growth before 2022. In February 2022, BlackBerry will launch its IVY vehicle data analytics software. The mix of IVY and QNX will set the stage for BlackBerry to tap the automotive market.

BlackBerry stock is a long shot. Either it can begin its fundamental growth or hover around the \$12-\$14 price range next year. If you remain patient, the stock could give triple-digit growth. The growth will come only if its technology is competitive and succeeds in gaining market share. I suggest you keep your cost below \$13 per share, as the stock may not sustain a price above that if things don't pan out as expected.

Magna International stock

Another stock that has a better growth opportunity in the automotive growth cycle is Magna International. Magna used the 2020 and 2021 slowdown to partner with automotive makers and secure design wins. It has partnered with 24 of the top 25 electric vehicles (EV) makers. Research Dive [expects](#) the global EV market to grow at a compounded annual rate of 19.8% from 2021 to 2028.

Magna will be one of the beneficiaries of this growth. This year the stock surged 40% until June but then fell due to a chip supply shortage. The automotive market could see strong growth in the next five years, and so could Magna.

Restaurant Brands International stock

Restaurant Brands International, the owner of Burger King, Tim Hortons, and Popeyes Louisiana Kitchen, is a stock to buy for the short term. If you look at the historic trend, the stock sees strong growth between May and August. During summer, vacationers wake up from hibernation and go on holiday.

Restaurant Brands International stock surged only 11% this summer, as the fourth wave and slow vaccination delayed recovery. The 2022 summer could see higher volumes because of pent-up demand, provided there are no further pandemic waves that lock people in their homes. The stock could see a pre-pandemic surge of over 16%. You could probably sell the stock in September 2022, when it starts correcting. But let's decide on that depending on the growth environment then.

CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. NYSE:MGA (Magna International Inc.)
3. NYSE:QSR (Restaurant Brands International Inc.)
4. TSX:AC (Air Canada)
5. TSX:BB (BlackBerry)
6. TSX:MG (Magna International Inc.)
7. TSX:QSR (Restaurant Brands International Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. kduncombe
2. pujatayal

Category

1. Coronavirus
2. Investing
3. Tech Stocks

Date

2025/08/25

Date Created

2021/10/16

Author

pujatayal

default watermark

default watermark