



2 TSX Stocks Headed for All-Time Highs

Description

The **S&P/TSX Composite Index** continues to ride high, up 18% year to date and 7% since before the earnings boom. That earnings boom sent a whole new wave of **TSX** stocks climbing higher, some in industries related to strength from other stocks.

As the economy reopens, with vaccination rates increasing and pandemic restrictions easing, 2022 could certainly be filled with more gains. However, there are a few companies Motley Fool investors should consider with a higher chance of making those gains ahead of others. In fact, there are two that could hit all-time highs in 2022 and climb higher beyond.

Both remain disrupted by present events that are short-term issues. So let's dig into two TSX stocks that could certainly reach all-time highs in the new year.

Air Canada

Let's first start with an obvious candidate. **Air Canada** ([TSX:AC](#)) has been stagnant at around \$24 per share for some time now. This comes from the pandemic causing the grounding of its airplanes even to this day. However, there are several signs that prove Air Canada stock may be one of the TSX stocks to even double next year.

After shares of Air Canada stock fell 70% during the pandemic, there was a climb to today's share price. Year to date, however, shares remain where they were almost to the *cent* back in January. But analysts believe this should be ending soon.

Air Canada stock recently reported earnings with several pieces of good news. Operating revenue increased to \$2.1 billion, almost *three times* 2020 revenue, though still down by about half of 2019 levels. Furthermore, its operating loss was cut by more than half compared to the same time the year before. It increased its flight capacity, with seating capacity up 87% year over year, and now 66% lower than 2019 levels.

Furthermore, the company ended its government aid agreement with the Canadian government. After

using \$1.4 billion of the \$5.375 billion aid package, the remaining was returned to the government with no penalties. In its place is \$7.1 billion in financing over the next several years. This means the government no longer has 6% control of Air Canada stock.

Finally, of the TSX stocks out there with the most to gain, Air Canada stock has to be at the top. It no longer will be providing cash burn numbers, prompting some Motley Fool investors to get on the company now. So yes, it [continues](#) to trade at around \$24 per share. But as more positive signs erupt, Air Canada stock could certainly double in size in 2022.

Magna International

Another area receiving a downturn due to short-term difficulties is the [electronic vehicle](#) (EV) industry. TSX stocks in this area continue to be hampered by supply-chain demands. **Magna International** ([TSX:MG](#))([NYSE:MGA](#)) included. The company lost some share gains after announcing supply chain demands will likely affect its year-end goals.

However, these short-term issues mean Motley Fool investors can get a deal on potentially one of the best long-term picks out there. Magna stock provides car parts to the automotive industry. That includes ICE vehicles, but also the future of EVs. As car manufacturers move towards this new type of vehicle, Magna stock will be there to provide the parts.

Yet shares of Magna stock are up just 10% in the last year, coming down 16% from 52-week highs. It's now in value range, with a price-to-earnings ratio of just 14.26 as of writing, and EV/EBITDA of just eight. Furthermore, you can pick up a solid [dividend](#) yield of 2.03% as of writing.

As the company makes further partnerships and brings new clients on board, Magna stock is one of the top TSX stocks for 2022 I would choose for a rebound. In fact, its growth story may just be beginning.

CATEGORY

1. Coronavirus
2. Investing

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2. TSX:AC (Air Canada)
3. TSX:MG (Magna International Inc.)

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Author

alegatwolfe

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