



How Will Omicron Reshape the 2022 Market?

Description

A few days ago, Canada recorded over 10,000 new cases in one day. It's one of the highest numbers of new cases recorded. And even though provinces have started putting in stronger restrictive measures, the true panic hasn't properly set yet, but that's only a matter of time.

There are reasons to be optimistic as well. The pandemic's fear might not be as strong this time around. About three-fourths of the population is fully vaccinated, which is bound to keep the death toll in check. Also, even if businesses have to move to a work-from-home model again, the transition will be significantly swifter with a minimal business interruption.

However, some businesses might suffer just because of the nature of their operations and the business model. That includes travel, hospitality, retail, energy (if demand slumps), etc. So, even if the new variant doesn't disrupt and impact the broader market as the original pandemic wave did, *it* will leave its mark on several segments of the market.

An airline stock

Chorus Aviation ([TSX:CHR](#)) is [still suffering](#) from the consequences of the pandemic. The stock is still trading at a price that's 60% lower compared to the pre-pandemic peak. Even at the best of its post-crash recovery, the stock was trading at a 38% slump, and the fear of the new virus might have made things worse for this little, regional airline.

The financials are nowhere near close to true recovery, and despite its smaller fleet, the airline is burning through a lot of cash every day just to stay afloat. And if the new wave-driven by Omicron pushes away the recovery of air travel and casts the same shadow over the coming summer, as COVID did for the summer of 2021, the airline might find it difficult to operate without taking on more debt.

A remote learning stock

The new wave of the pandemic also has the potential to [revitalize stocks](#) like **Docebo** ([TSX:DCBO](#))([NASDAQ:DCBO](#)) and push them up through the roof. The stock is currently going through a correction, which has already placed a 21% discount tag on it. And though it may not offer the same 648% growth as it did after the 2020 crash, it has the potential to easily double your capital if the demand for Docebo's learning platform spikes.

The company has evolved its platform to meet the needs of the corporate world that are rapidly evolving to get around the complications triggered by the pandemic. It can provide a crucial service if another wave of lockdown sweeps the country and a sizeable portion of the world (especially the markets Docebo caters to) and, thus, see its stock rise to new heights.

Foolish takeaway

The chances of Omicron triggering another full-blown [market crash](#) are relatively low. The market might dip, because people would want to sell out on top, but not because people might start panic-selling and unloading too many shares at once in the market. Still, the new variant will at least trigger a lot of market activity.

CATEGORY

1. Investing
2. Tech Stocks

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2. TSX:CHR (Chorus Aviation Inc.)
3. TSX:DCBO (Docebo Inc.)

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Date

2025/08/14

Date Created

2021/12/30

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