



## Air Canada Stock Jumps 5% Today: Could Air Canada Soar in 2022?

### Description

The COVID-19 pandemic battered the travel industry, putting tremendous pressure on what was an incredible cash flow-producing gem of a sector, just two years ago. Investors in **Air Canada** ([TSX:AC](#)) stock have certainly felt the pain the pandemic has provided.

Fortunately for airlines in particular, the government has viewed these businesses as economically necessary. A range of fiscal support measures have been provided to airlines to keep them afloat. Indeed, the knowledge that the government will be there to backstop a given investment is a good thing.

Now, as we move toward (hopefully) the end of this pandemic, let's take a look at Air Canada's outlook for 2022. Will Air Canada Stock soar or continue to stagnate? If today's price action is any indication, things are looking up for Air Canada. The company's stock is [currently up approximately 5%](#) in early-morning trading.

### Air Canada exits federal aid

A recent press release from Air Canada's management team certainly seems to shed a positive light on this airline's future. In this press release, Canada's biggest airline stated it was walking away from the \$5.375 billion government support program. To date, Air Canada had used \$1.2 billion of this credit facility.

Accordingly, Air Canada signaled to the market that the airline wasn't in need of \$4 billion of the earmarked funds. The \$1.2 billion utilized were tied to ticket refunds tied to the onset of the pandemic.

The reason Air Canada decided to forego this financing? The airline has ample liquidity.

Air Canada has reported the airline currently has more than \$14 billion in unrestricted liquidity to be used. Air Canada was able to raise approximately half of this via going to market in Q3. Accordingly, investors seem to like how Air Canada stock is positioned right now.

## Air Canada stock buoyed by stronger fundamentals

Liquidity is just one factor investors may be considering with Air Canada stock today. Indeed, liquidity is an important factor to consider, particularly in Air Canada's case. But it's just one factor.

An improved financial outlook across the board has investors piling into Air Canada stock today. The company is recalling laid-off employees and adding routes. Refunds have been extended to most customers who have had flights cancelled as a result of the pandemic. And the company's balance sheet is in (reasonably) good shape.

These factors, along with a [growth-focused](#), risk-on mindset in the market today, are providing a strong uptrend for Air Canada. Can this trend continue? Time will tell. However, this is certainly a good start to 2022 for Canada's main airline.

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