
2 Companies to Track if Omicron Pushes Harder on the Market

## Description

If we judge a wave by the new cases and not the deaths, Omicron is by far the most aggressive for both Canada and the United States. Ontario and Quebec alone reported over 35,000 cases on New Year's Eve, and even though a healthy portion of the population is vaccinated, which is expected to *dampen* the impact of the new variant at least and keep the death toll low, that number is rising as well.



When the fear of the new variant was fresh, the market dipped about 5.9%, but since then, it has managed to hold its position and even grow a little. But the small fluctuations can turn into a sizeable fall if the new variant pushes any harder on the market.

And if that happens, you need to keep an eye on some of the best recovery stocks of the original crash.

## An investment management company

Even though **Onex** (TSX:ONEX) has a well-diversified portfolio of companies and just one airline (WestJet), Onex stock dropped quite far during the first crash. The almost 53% drop was quite hard, but the company proved quite resilient, and the stock reached its pre-pandemic valuation in well under two years.

Thanks to a deep fall, the recovery-fueled growth was quite remarkable as well, and the stock has returned about 136% from its market crash valuation (so far). And thanks to its healthy financials, this powerful uptick in the stock price didn't make the company overvalued.

On the contrary, with a price-to-earnings ratio of just 3.8, it might be one of the most attractively valued stocks of its magnitude. If another dip is around the corner, it would be a good idea to keep an eye on the company and buy just before the recovery pattern is established.

## An aviation company

**Exchange Income Fund** (TSX:EIF) has a much more aggressive and comprehensive exposure to the airline industry. It's an acquisition-oriented company that has brought several aerospace and aviation businesses into the fold, including a few airlines. But the company's primary focus is on companies that deal with or manufacture aerospace equipment.

When the airlines took a nosedive during the pandemic, so did EIF stock. It crashed down to about 63.8% from its pre-pandemic peak. And even though it took about 20 months, the stock finally reached its pre-pandemic valuation. And between its lowest point during the crash to its recovery peak, the stock grew almost 185%.

And if that's not enough incentive to invest in this stock, its dividend potential should be considered. The company is still offering a 5.2% yield, and it was significantly higher during the dip. And since EIF managed to sustain its payouts during an actual crash, you might not need to worry about sustainability during a correction.

## Foolish takeaway

A full-blown market crash seems unlikely, but enough panic and government restrictions that translate to tangible negative impacts to businesses might change that outlook. But even if a small correction is overdue, you might be able to buy the two stocks at much better valuations and, in the case of EIF, lock in a significantly better yield.



**CATEGORY**

1. Coronavirus
2. Investing

**TICKERS GLOBAL**

1. TSX:EIF (Exchange Income Corporation)
2. TSX:ONEX (Onex Corporation)

**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. adamothman
2. kduncombe

**Category**

1. Coronavirus
2. Investing

**Date**
2025/07/17
**Date Created**
2022/01/12
**Author**
adamothman