3 TSX Stocks Set to Take Off With Summer Travel

Description

The travel industry has enjoyed a significant rebound as the COVID-19 pandemic has moved into the rear-view mirror for most of the developed world. This summer, travel spending is expected to increase significantly from the prior year. Industries that depend on this business have reason to celebrate, but the spike in demand may be overwhelming and chaotic. Today, I want to look at three TSX stocks that are worth snatching up ahead of the big travel season.

Here’s a TSX stock that is set to blow up, as travel has stormed back in 2022

Transat AT (TSX:TRZ) is a Montreal-based company that operates as an integrated international tourism business in the Americas and Europe. Shares of this TSX stock have dropped 12% in 2022 as of late-morning trading on June 28. The stock has plunged 39% in the year-over-year period.

The company released its second-quarter 2022 results on June 9. Transat delivered total revenues of $358 million — up from a paltry $7.56 million in the previous year. Meanwhile, it still posted an adjusted net loss of $111 million, or $2.95 per share, in the second quarter. Investors should still be optimistic as Transat has continued to open its pre-pandemic network routes. It has also unveiled new destinations and new direct flights.

This TSX stock possessed an RSI of 36 at the time of this writing. That puts Transat AT just outside of technically oversold territory.

The return of tourism means a return to form for the North American hotel industry

The COVID-19 pandemic was a disaster for the global hotel industry. Fortunately, this space is also set to bounce back in a big way in 2022. **American Hotel Income Properties REIT** (TSX:HOT.UN) is another enticing TSX stock to target in this environment. This real estate investment trust (REIT) was formed to invest in hotel real estate properties across the United States. Its shares have dropped 9.7% so far in 2022. This presents an enticing buy-low opportunity.

In Q1 2022, this REIT delivered diluted funds from operations (FFO) of $0.05 — up from a net loss of $0.03 in the previous year. Meanwhile, revenue climbed 32% year over year to $61.8 million. Hotel EBITDA was reported at $15.4 million — up from $13.6 million in the previous year.

Investors can count on its monthly dividend of $0.015 per share. That represents a tasty 6.7% yield.

Air Canada is set to ascend as travel heats up this year

Air Canada (TSX:AC) is the largest domestic airliner. It passed through an extremely challenging period over the course of the pandemic, as it was forced to dramatically scale back operations. It has not returned to pre-pandemic levels, but it has recovered nicely in recent months. Now is a great time to consider snatching up this previously explosive TSX stock.

This company unveiled its first-quarter 2022 earnings on April 26. Its operating capacity rose roughly 3.4 times compared to the first quarter of 2021. Passenger revenues shot up to $1.91 billion, more than quadrupling from the prior year. This TSX stock has also traded close to technically oversold levels in recent weeks. Canada’s top airliner still has great growth potential in the remaining years this decade.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:AC (Air Canada)
2. TSX:HOT.UN (American Hotel Income Properties REIT LP)

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. aocallaghan
2. kduncombe

Category

1. Investing

Date
2025/07/08
Date Created
2022/06/28
Author
aocallaghan