Canadian Investors: Where to Put $100 Right Now

Description

Canadian investors seeking an opportunity have one right at their fingertips on Thursday. **Air Canada** (TSX:AC) announced its purchase of 30 electric-hybrid airplanes from Heart Aerospace. And it could be exactly where investors want to put just $100 right now.

What happened?

Air Canada stock announced the purchase of these electric-hybrid regional aircraft that should be in the air by 2028. The new technology is meant to combat the rise of fuel costs and to lower the incredibly high emissions produced by airplanes.

Pressure from both environmental regulators and those seeing the rising price of plane tickets have led global airlines to seek out cleaner options. The new Heart's battery-powered aircraft will be able to hold 30 passengers and generate zero emissions. The aircraft will be able to travel between 200 and 400 kilometres powered by generators, making it available mainly for regional travel.

It's still unclear how much the deal cost for Air Canada stock, but it came with a US$5 million equity stake in the Heart Aerospace startup.

So what?

The news makes Air Canada stock one of the first to announce a zero-emission option for flight travel. And this could mean it's a great time to buy shares, given the price remains so incredibly low.

As a recap, Air Canada stock fell during the early days of the pandemic. The company saw shares collapse from all-time highs with flights immediately grounded. Even with an easing of restrictions, a number of problems remain in the company's way.

While pandemic issues will likely subside eventually, gas prices aren't likely to go down anytime soon. The rising price of oil and gas has led to an increase in airline tickets. A rise that couldn't be at a worse time, with airlines trying to attract business once more.

Air Canada stock remains in a poor place, but the question is, for how long? Given this recent investment, it could be that the company is looking to reduce long-term costs for regional flights to get its business segment running at full steam.

Now what?

Honestly, Air Canada stock is likely to fully recover eventually. Right now, that seems like that's a ways off. But it's not alone in its poor performance within the airline industry. In fact, some analysts believe the peak of airline problems are now behind us, and that could mean a surge in share prices this year.

Why this year? With the poor summer performance now gone, travellers want to start their holiday bookings. That also makes it a perfect time to buy, with the memories of cancelled flights still in the minds of most investors.

So, with AC shares at just $19 and down 10%, it might be a good time to take another look — especially as those shares have climbed 11% in the last week or so.

Bottom line

If you were to purchase Air Canada stock today with just $100, that would get you about five shares. Should those shares then soar back to all-time highs around $50, that would turn your $100 into $250. That eventuality looks likely, even though it may take some time. And with air travel in the right direction, and Air Canada stock making strong moves, now is the best time to get in on the action.

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Date
2025/09/08
Date Created
2022/09/15
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