# 2 Travel-Trend Stocks Ready to Be Set in Motion

### Description

The coronavirus was bad for some industries and worse for others, including the travel industry. It may take airline stocks and some hospitality businesses a couple of years (at least) before they see revenues and similar numbers rise to the pre-pandemic level. However, a few companies may be classified under "travel" that may rise ahead of schedule. And two of them are worth keeping an eye on.



## A cargo company

The first is a cargo company, which, ironically, shouldn't have suffered during the pandemic as e-commerce businesses and, consequently, cargo and freight boomed during the pandemic. But **Cargojet** (TSX:CJT) has been falling relatively steadily since its peak in October 2020 and, so far, has slipped down 51% from that peak.

One possible reason for this fall would be the robust growth after the 2020 crash. But the correction has been brutal enough and has "corrected" the stock down to its pre-pandemic levels (2.8% lower, actually).

Despite a protracted slump, we must recognize the strengths of the stock. Cargojet is still Canada's most potent overnight cargo company, with a sizable fleet of aircraft covering multiple international destinations. And even though **Air Canada** is now emerging as a serious competitor, Cargojet is still the leader in the time-sensitive cargo that needs to be transported by air.

It was an exceptional growth stock before the pandemic and rose over 1,200% between Feb. 2011 and Feb. 2020. Assuming it offers similar growth in the future, consider buying it at a discounted price. Its current undervaluation may be considered an indication that the stock might be on the verge of starting its recovery and a long-term bullish run.

## An EV company

A more mainstream form of travel is by road, where mass-transit electric vehicle (EV) companies like **Lion Electric**

(TSX:LEV) might be ready to make some waves. This relatively new stock has only gone downhill since its inception in May 2021, and even though the current stock direction is still down, the EV market is rapidly going up.

Sooner or later, Lion Electric will catch on, especially considering its advantages over most other EV stocks in Canada. The first would be its product line, which consists of buses (mostly school buses) and trucks, covering two separate domains — mass transportation and cargo.

Another advantage is the company’s service portfolio, which includes complementary businesses like charging infrastructure and financial services for entities seeking EV solutions.

The stock is almost 90% down from its peak, and if you buy now and the stock reaches or exceeds its former peak, you might easily see eight times capital growth.

## Foolish takeaway

Both small-cap stocks fall at or near the extremes of the small-cap asset pool. Lion Electric is close to the lower end ($300 million), and Cargojet is at the high end ($2 billion). But that may not remain the case in the next five years, as the two stocks will likely be at a much higher value level after a solid bullish phase.



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**Date**
2025/08/13
**Date Created**
2022/12/24
**Author**
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