



2 Top Canadian Stocks to Buy Before Air Canada (TSX:AC)

Description

Air Canada ([TSX:AC](#)) was one of the most beaten-down **TSX** stocks in 2020. The major airline saw an understandable massive drop in demand, as the pandemic wreaked havoc across the globe for most of last year.

Some investors saw the drop in share price as an opportunistic, long-term value play. Others, including me, aren't sold on the idea of buying Air Canada stock. Even though the \$8 billion airline is still trading roughly 50% below where it was right before the COVID-19 market crash, I'm not buying shares anytime soon.

The main reason I'm bearish on Air Canada stock is the uncertainty of the future of air travel. We all know there's plenty of pent-up consumer demand for travel and vacation, but it's still very unclear as to what that air travel experience will look like. Any long-term changes to the flying experience could result in increases in expenses.

The reality is, we don't know what the flying experience will look like in five years' time. That's the uncertainty that makes me bearish on Air Canada stock.

For investors with a long-term horizon that are also bearish on Air Canada stock, here are two other [top Canadian stocks](#) to add to your watch list today.

This is one sector you'll want exposure to

Travel was one of the weakest industries in 2020, whereas renewable energy was one of the top performers. Green energy stocks were on fire through most of last year and ended with a bang when Joe Biden was elected U.S. president in late 2020.

I'm not just bullish on the renewable energy sector because it had a great 2020. I'm bullish because the long-term tailwinds are quite clear for renewable energy companies. Businesses and consumers across the globe are becoming increasingly more environmentally conscious, which is resulting in an increase in demand for renewable energy.

When looking at the charts for some of the top TSX green energy stocks, the rise over the past five years is evident.

One of my top picks in this fast-growing sector is **Northland Power** ([TSX:NPI](#)). The company operates energy facilities across a wide range of renewable energy sources, it pays a respectable dividend yield of 2.8%, and it's got [market-beating growth potential](#).

In 2020 alone, shares of Northland Power were up more than 60%. In comparison, the **S&P/TSX Composite Index** was barely positive.

Taking advantage of an economic rebound

We might not be out of the woods just yet from this pandemic, but I'm banking on the idea that the worst is behind us. If that is indeed the case, we may witness a strong economic rebound this year. If you're looking to take advantage of that, this is one Canadian stock you should consider.

goeasy ([TSX:GSY](#)) is a consumer-focused financial services company. Home and auto loans, credit monitoring services, and even home furniture leasing are all services that goeasy offers its customers.

Shares of the \$2 billion company were up close to 40% in 2020. Considering that many Canadians were focusing on preserving cash instead of spending it last year, growth of 40% is definitely impressive. Over the past five years, growth is now up over 500% for the Canadian stock.

Gains of another 500% over the next five years may be a lot to ask, but I'd bet on goeasy to at least continue to outperform the market. And if we see a strong turnaround in the economy this year, we may just see the company blow past the 40% growth it drove last year.

Shares of goeasy are already up 30% year to date. If you're thinking like me, and anticipate a strong economic rebound this year, you'll want to add this Canadian stock to your portfolio very soon.

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3. TSX:NPI (Northland Power Inc.)

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