



Forget Air Canada (TSX:AC): This TSX Stock Could Make You Rich

Description

Air Canada ([TSX:AC](#)), like many other travel-related companies this year, has taken a beating. Year to date, the stock is down by more than 60%.

However, like the rest of the Canadian stock market, Air Canada had a very strong showing in April. The **S&P/TSX 60** saw a nice gain of 13% in April after a disastrous March, while Air Canada saw a very impressive 40% gain in April.

Even with the 40% gain in April, the Canadian airline is still down by more than 60% from all-time-highs earlier this year. There are plenty of headwinds that airline companies are dealing with across the globe, as travel has come to almost a complete halt due to this pandemic.

The Oracle of Omaha is bearish on airline stocks

Warren Buffett spoke over the weekend during the first-ever virtual **Berkshire Hathaway** annual meeting. The renowned investor announced that Berkshire Hathaway had sold the company's entire positions in all four major airlines it owned. Although Air Canada was not one of the four airlines being sold, it was evident that Buffett is not bullish on the future of the airline industry.

Buffett went out to provide details on why the company had sold the airline positions at a massive loss. He explained that he believes the airline industry has completely changed due to this pandemic, and the effects will be long term.

"I don't know that three, four years from now people will fly as many passenger miles as they did last year," Buffett warned. "You've got too many planes."

Patient value investors may see Air Canada as a tempting buy today, but I believe that are plenty of other top TSX stocks now trading below all-time highs. Let's take a deeper look at this Canadian company and see why it has the potential to make long-term investors rich.

Constellation Software

Constellation Software ([TSX:CSU](#)) has been [one of the top-performing TSX stocks](#) over the past decade. The \$28 billion market cap company operates vertical software companies that provide client-specific applications and programs.

If you haven't heard of this company before, it's most likely due to the reason that [the company builds business-specific software](#) not intended for individual consumers.

The company generates more than half of its revenue from government-related customers. Constellation Software might be serving other industries that are facing a slowdown in business due to this pandemic, but the government-related customers should continue to generate revenue for the time being.

Constellation Software has been a serial acquirer in the past, and that may continue during this economic downturn. With many companies now trading at beaten-down valuations, Constellation Software may be looking to make an acquisition before the market returns to an all-time high.

The software giant is set to report its first-quarter earnings this Thursday, May 7. The company is expected to report strong results after seeing steady growth over the past several quarters. Analysts are expecting strong growth to continue through 2020 and 2021.

Foolish takeaway

Air Canada may be an interesting investment for long-term value investors, but I believe there are many more attractive deals trading on the market today.

Constellation Software has been one of the top TSX stocks over the past decade and isn't showing any signs of slowing down, even amid this pandemic. If the next 10 years are anywhere close to as strong as the last 10 for Constellation Software, investors buying this stock today could soon be on the path to being rich.

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1. Investing

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2. airline stocks
3. Editor's Choice

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1. TSX:CSU (Constellation Software Inc.)

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