



Why Are Canadians Watching Moderna Stock Right Now?

Description

It's been a roller coaster of a fortnight for **Moderna** ([NASDAQ:MRNA](#)). But what is it about this stock that has the markets so excited?

A rocketing stock for pandemic upside

Sometimes it can be instructive for investors to check out which search terms are trending in Canada. "Moderna stock" was trending on Google midweek, with over 20,000 searches. But what is it about this stock that has Canadians flocking to the internet? And why did this stock fall 3.9%? Let's take a quick look at why this stock is important at the moment, and why there might be better alternatives.

Moderna is inching closer to a vaccine. It's a key part of America's Operation Warp Speed — an initiative driven by the crucial need for a solution to the coronavirus. But it fell this week on news that a rival vaccine could be considerably cheaper. The last time Moderna made headlines with a sizeable drop was on the news of a potential delay in trials.

With other names also in the mix, investors should bet on one thing when it comes to a vaccine: governments are going to diversify. This means that vaccine supply chains are likely to be focused on more than one pharma outfit. As such, investors may want to take a flutter on several leading names. Stocks such as **Pfizer** are relevant here, while **Novavax** is closing in on its own vaccine candidate.

Some strong choices for vaccine stocks

Additionally, **Johnson & Johnson** could supply 100 million shots of its own vaccine in return for a cool US\$1 billion. Per dosage, J&J's vaccine is arguably more budget friendly than Moderna's prospective offering. Other plays focus on different facets of the vaccine rollout. **Corning** is a play for its glassware, for instance, while **Cargojet** is a play for actual physical shipping of time-sensitive materials.

Investors can alternatively eschew the vaccine play entirely and bet on an industrial recovery. Airline stocks, retail, and all things consumer are likely to see upticks in their performance. Energy stocks are

also likely to see some improvement as energy usage increases and the market price of electricity rises.

On the flipside, investors may wish to trim — or excise in their entirety — stocks that have become dangerously overvalued during the pandemic. This includes exemplary names such as **Shopify**. In fact, the online shopping tech giant is a prime example of a stock likely to see a selloff on a [vaccine breakthrough](#). There has even been a trial run of this already. Shopify recently lost 12% on [good news](#) from Moderna.

Investors should not realistically expect a vaccine this year. While this does, of course, put pressure on the markets, it brings opportunities of its own. For instance, further weakness of beaten-up names allows investors to build larger positions in stocks over a longer time period. This time frame will also allow investors to better gauge the true value of names that have been driven higher by the pandemic itself.

CATEGORY

1. Coronavirus
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