



Bombardier Signs Rail Agreement

Description

Bombardier ([TSX:BBD.B](#)) announced a US\$440 million contract this morning to develop and supply important components for a next generation high-speed rail project in Germany. The trains will be made for Deutsche Bahn under a framework agreement with **Siemens AG** ([NYSE:SI](#)). This contract expands an estimated \$1.8 billion deal that Bombardier already had in place to work on the project.

Bombardier will supply Siemens with the body shells and trailer bogies, which reduce vehicle weight, energy consumption, and noise. BBD will also carry out final assembly of all end coaches and of some intermediate coaches.

Good start to the month

Last week it was Bombardier's aircraft division that supplied the good news as the Quebec government announced it will make C\$1 billion in financing available to buyers of the company's C-Series jet. Joining the Province of Quebec as lenders to would-be C-Series acquirers are Export Development Canada, Great Britain, and China. RBC estimates that approximately \$10 billion in financing is now available from government bodies to support the C-Series program.

The Foolish Takeaway

After taking a drubbing back in February on the back of a lacklustre quarterly release, Bombardier's stock stormed back, only to sell-off once again in recent weeks. While the story appears to have reasonable momentum behind it, historically this has not been a stock for the faint of heart. The business model is prone to hiccups and so is the stock.

Canadian investors deserve to own great businesses and the U.S. market is home to some of the best in the world. We have created a special report that identifies 3 U.S. businesses that are far less prone to Bombardier-esque hiccups and worthy of your hard-earned investment dollars. Simply [click here](#) to receive **"3 U.S. Stocks Every Canadian Should Own"** – FREE!

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Fool contributor Iain Butler does not own shares in any of the companies mentioned in this report at this time. The Motley Fool has no positions in the stocks mentioned above.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:BBD.B (Bombardier)

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