



Shake, Rattle, and Roll All the Way to the Bank With These 3 Stocks

Description

Whoever thought that fast-food shakes, rail cars rattling over tracks, and rolled dough could bring such delight to shareholders? Here's what some shakin', rattlin', and rollin' companies are offering investors.

1. McDonald's

Yes, **McDonald's** ([NYSE: MCD](#)) and other fast-food giants have issues to deal with. It's getting more difficult to grow market share and build same-store sales each year. Yes, fast-food employees are calling for substantial wage hikes. These challenges are part of the nature of the fast-food business. Yet McDonald's has weathered recessions, consumer palate penchants for healthier foods, and even movies decrying its offerings. Now, the company's share price is approaching a 52-week high and its dividend yield is 3.10%.

McDonald's continues to transform itself according to what the marketplace wants. It is sticking with its core product offerings that built the company, like milkshakes, the Big Mac, the Egg McMuffin, and fries. But it also continues to innovate with new menu choices, like its McCafe drinks and its wraps.

The company is centering its attention on four priority markets: the U.S., Germany, China, and Australia, due to falling sales in these countries. McDonald's produces approximately 40% of its revenue from the European continent. For Q1 2014, McDonald's did see its comparable store sales in Europe grow by 1.4%.

Overall, global comparable sales increased 1.2% for April 2014. U.S. comparable sales were weak. Europe increased 0.3% for April, and as a whole, Asia/Pacific, Middle East, and Africa grew 2.9%.

This past January, McDonald's board declared a quarterly cash dividend of \$0.81 per share of common stock. The company has boosted its dividend 18 times since 1976.

2. Canadian National Railway

Canadian National Railway ([TSX: CNR](#))([NYSE: CNI](#)) continues to rattle along, and is also approaching a 52-week high in its share price. It consistently ranks as one of Canada's most profitable

companies, and produced record volumes and revenue in 2013. Its full-year 2013 adjusted diluted EPS increased 9% to \$3.06. Canadian National's adjusted 2013 net income was \$2.58 billion. This is in comparison to \$2.46 billion in 2012.

Canadian National Railway is concentrating on building its business at low incremental cost. For the long term, it expects ongoing growth in offshore export markets. This includes metallurgy, thermal coal, and potash. The company is improving train productivity via acquiring more fuel-efficient locomotives. In addition, it is equipping its locomotives with distributed power capability. This permits the company to run longer, more efficient trains.

In April, the company's board of directors approved a Q2 2014 dividend on the company's common shares outstanding of C\$0.25 per common share. Its board earlier approved this increase of 16% to the quarterly dividend to common shareholders, from \$0.215 in 2013.

3. Panera Bread

Panera Bread (NASDAQ: PNRA), with its bakery-cafes continuing to roll dough for fresh-baked goods, saw its Q1 2014 revenue increase by 8% to \$605 million. However, its comparable net bakery-cafe sales growth was slight. In fiscal Q1 2014, company-owned, franchise-operated, and system-wide comparable net bakery-cafe sales each increased 0.1% on a calendar basis, versus fiscal Q1 2013.

As of April 1, 2014, the company had 1,800 bakery-cafes open system-wide. It opened 16 new bakery-cafes in Q1. The company's franchisees opened 11 new bakery-cafes. Panera Bread's goal is 115 to 125 system-wide new bakery-cafe openings for the 2014 fiscal year.

In addition, the company is working on greater efficiency via high-technology ordering. It is merging a number of technologies to accomplish this objective, from store kiosks to online and mobile ordering. Consequently, this will reduce the number of cash registers at most stores. Panera is working to have this transformation finalized in late 2016. Across the country in its stores, ordering kiosks are being phased in.

"Our mission is to never have a customer wait," said Panera Bread founder and CEO Ron Shaich.

At this writing, Panera Bread's shares are in the \$153.00 per share range.

Shake, rattle, and roll all the way to the bank with the above-mentioned stocks. Remember that you're covering a wide expanse of the overall marketplace by investing in quick service restaurants, transportation, and the baking industry. It's a triple play that can add diversification and returns to your stock portfolio.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:MCD (McDonald's Corporation)
3. TSX:CNR (Canadian National Railway Company)

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