



Why 2015 Will be a Blockbuster Year for Canadian Pacific Railway Limited

Description

Canadian Pacific Railway Limited's ([TSX:CP](#))([NYSE:CP](#)) stock has been on a consistent upward trajectory for some time now, leading some analysts to wonder if the stock is overbought. Recent events however could lead to more gains for the company.

Canadian Pacific Railway Limited's winning streak has been aided by an improving bottom line, as well as the company's ambitious future growth targets. This fall, COO Keith Creel said that the company plans to double its earnings per share by 2018 and achieve revenue of \$10 billion compared to this year's \$6.6 billion.

So how does the company expect to achieve these lofty goals? Increased transport of crude by rail will be one major component, with the company expecting that one-third of its revenue will come from its crude-transport business. The good news is, this business line just got another leg-up.

Delayed Keystone XL good news for Canadian Pacific Railway

The sentiment recently seemed to be that finally, after years of red tape, the Keystone XL pipeline would finally get its stamp of approval from the U.S. government. That all came crashing down earlier this week after Senate Democrats rejected efforts to force a vote approving the Keystone XL pipeline.

It is another major setback for the pipeline's construction, and following many delays, the sentiment is spreading that the pipeline will never be built at all. The continued gridlock for the Keystone XL pipeline will help CP achieve this growth objective, perhaps in an even shorter timeline.

Positive factors adding up

Another positive factor, is the Canadian Dollar. Now that the U.S. has officially ended its bond-buying program the greenback has returned to strength, and the Canadian dollar is relatively weak. A weak Canadian Dollar is also good for CP's bottom line.

These two major factors, both indirectly thanks to our neighbours to the south, could mean that for CP are going to continue to roll and that 2015 could very easily be another blockbuster year.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:CP (Canadian Pacific Railway)
2. TSX:CP (Canadian Pacific Railway)

Category

1. Investing

Date

2025/07/02

Date Created

2014/11/21

Author

Iklingel

default watermark

default watermark