

Happy 150th Birthday, Canada: Here's the Stock You Should Buy to Celebrate

Description

Since the early days of fur trapping and exploration, Canada has been a capitalist success story. Since Canada was founded in 1867, many great companies have been built in this country. While some had their day in the sun and have since gone into the history books, there are others that are still here many years (or decades) later.

Around the turn of the century, the way business was conducted changed dramatically as the railway was introduced and businesses in different cities could transact with each other. The ability to ship continuously between cities changed everything.

Fast forward 100 years or so, and the internet became the new railroad. What previously prevented domestic business from having a global footprint, communication, was no longer an issue. Some of Canada's biggest companies had the opportunity to establish a global footprint. Businesses expanded yet again, and profits for many companies increased as a result of the overseas expansion.

For investors considering a period of 150 years, what is the security that will still be there and still be profitable in 150 years?

The top pick for the next 150 years is Canadian National Railway Company (TSX:CNR)(NYSE:CNI).

With a footprint across the country (and in the United States) which cannot be replicated, investors have an incredible opportunity to purchase shares of a unique company with a very long track record of growth. As the population of the country increases, more goods will be bought and sold, and moved on the railway. Transporting goods by rail is currently less expensive than moving goods by truck. Canadians depend on the railroad to stock the shelves at their local retail stores, and we still move a lot of natural resources by rail.

Canadian National was originally a crown corporation, but it became a public company in 1995. Over the past decade, the company has increased by over 675% in addition to the dividends paid to shareholders. Taking the past five years into consideration, shares have risen by 400% while continuing to pay quarterly dividends. Currently offering Canadians a dividend yield of approximately 1.5%, shares have been on a bull run for the past year, increasing by over 40%. Clearly, many

investors believe in the company which acted as the foundation for trade through many decades.

Although most investors do not look at investments with a time frame of 150 years, it is important to consider the staying power of a company. While most young adults have an investment time frame of no more than 50 years, we can rest assured that at least one of our holdings will stand the test of time for at least the next generation.

Happy Canada Day.

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