



Is Bill Gates Hungry for More Canadian National Railway Company on This Dip?

Description

You're probably well aware that **Canadian National Railway Company** ([TSX:CNR](#))([NYSE:CNI](#)) is a core holding of Bill Gates, the second-richest man on the planet. He's not only a tech genius, but also an investing one.

In a recent wealth and inequality report conducted by Oxfam, Bill Gates is slated to become the world's first trillionaire by 2042. He's over \$900 billion away from this milestone, but through the power of compounding, a trillion-dollar net worth for Bill Gates isn't looking so far-fetched over the next few decades, especially with CN Rail, a dividend-growth king, as one of his major holdings.

Bill Gates was such a fan of CN Rail's stock that he approached his upper limit of how many shares he could own — about 15% of outstanding shares. Canada has since hiked the ownership limit for Gates to 25%. Since then, many investors have been pondering whether or not Gates' investment firm is intending to back up the truck on more shares.

Nobody really knows at this point, so all we can do is speculate; however, given that Gates has loaded up on shares at historical weak points in CN Rail's shares, it wouldn't be too surprising if Gates is carefully looking at the current dip as another potential entry point. Buying CN Rail on dips has been a very profitable strategy that has paid huge dividends to those who had the guts to be greedy when others were fearful.

Ignore the noise — CN Rail is a fantastic buying opportunity on recent weakness

CN Rail stock has been punished by investors over fears that Donald Trump's NAFTA destruction is imminent. Canada has been expecting this, and there really isn't much wiggle room on this side of the border for sweetening the pot. Given that CN Rail is Canada's major cross-border transporter of goods, investors have shunned the stock over political uncertainties.

Warren Buffett has stated that it's a huge mistake to mix politics with investment decisions. NAFTA or not, CN Rail is still one of the widest moat businesses on the planet. These trade war fears with the U.S. will eventually pass, as I don't believe that such extreme protectionist measures will "make America great again."

Bottom line

In a decade from now, this dip in CN Rail stock will be nothing more than a blip — one that would have likely been a fantastic buying opportunity. Thus, I think investors should consider the bigger picture and look beyond NAFTA and the [recent underwhelming earnings report](#).

The dividend yield is slated to chug past 2%, which is much higher than the historical average yield of ~1.5%. That's a huge indication that CN Rail is oversold, so investors may choose to lock the dividend with its higher-than-average yield while they wait for a bounceback.

Personally, I've been loading up on shares on this dip, as they're a gift courtesy of both Donald Trump and Mr. Market. As for Bill Gates, nobody knows. But I wouldn't be surprised if he's also been hitting the "buy" button furiously.

Stay hungry. Stay Foolish.

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