



The Dow Tumbled 473 Points Yesterday but These 2 Companies Still Delivered the Goods for Investors

Description

Shareholders in **Canadian Pacific Railway** ([TSX:CP](#))([NYSE:CP](#)) continue to reap the rewards sown by former CEO Hunter Harrison when he was at the helm.

While rival **Canadian National Railway** will often be the one that gets the lion's share of the attention when discussion turns to talk of the Canadian railways, it's actually, the smaller CP Rail whose shares have outperformed over the past decade.

Stock in CNR is up more than 500% granted, over the past 10 years, but CP stock has fared even better, if you can believe it — up more than more than 800% from its 2009 lows.

CNR stock has long been heralded for its superior balance sheet, operating margins, and rail network, but thanks to the late Harrison's work in turning CP's operations around, Canada's second-largest railway has made up a lot of ground.

While CP stock has definitely been [where you've wanted to be](#) over the past 10 years, there's certainly reason to believe that trend may not change any time soon, evidenced by the board's recent decision to increase the company's quarterly dividend payout by 27.7% to \$0.83 per share.

Mind you, CP shares still yield just 1.1%, even after the double-digit hike — less than two-thirds the current yield being offered by CNR shares. Neither stock, at less than 2%, is really a true yield play at this point, and the momentum CP currently has behind it certainly makes for a compelling investment thesis.

WestJet Airlines (TSX:WJA), meanwhile, reported an exceptionally strong quarter of financial performance on Tuesday, showing a 33.4% increase in its earnings per share compared to the first quarter of last year.

Higher sales for the quarter were enough to offset higher fuel and salary expenses. WestJet's shareholders also got the benefit of gains from foreign exchange and a \$15 million one-time profit on the sale of certain company's assets.

Taking the opposite approach of buying the momentum currently behind CP Rail, the performance of WestJet stock has lagged that of its larger rival **Air Canada** for most of the current market cycle.

I like the relative value offered in WJA stock right now versus that of Air Canada as we head into the [peak phase](#) of the current economic cycle, and wouldn't be surprised at all if the more conservative approach taken by WestJet's management won't end up paying off for the company's shareholders throughout the coming months.

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