



TSX Investors Love This 10-Bagger Stock

Description

The stock market is obsessed with tech stocks these days. It's for good reason — a huge chunk of stock market gains over the last decade came from companies like **Alphabet**, **Netflix**, and **Shopify**.

But tech stocks aren't the only game in town. TSX investors have made more than 1,000% by investing in a \$2 billion transportation company based out of Mississauga, Ontario. Looking ahead, there's reason to believe the stock could double (or even triple) again.

Market domination

Cargojet ([TSX:CJT](#)) is the greatest airline you've never heard of. Why aren't many investors aware of this company? Instead of transporting *people*, Cargojet transports *packages*. This is a great business to be in due to the rise of online shopping. And while everything seems to be purchased online these days, more than 90% of purchases in Canada are still executed at brick-and-mortar stores. That should help online shopping grow at double-digit rates until at least 2025. That's good news for Cargojet shareholders.

Cargojet essentially specializes in delivering packages bought on the internet. That's because it's the nation's largest overnight shipper. If you've been paying attention, you likely know that *speed* is the name of the game right now. The push was started after **Amazon.com** revolutionized the industry by guaranteeing two-day shipping on all Prime orders. Since then, digital retailers have been scrambling to get packages to customers as quickly as possible. Most analysts believe Amazon will eventually push for one-day shipping on all Prime orders, after which it will focus on same-day shipping, so the value placed on speed won't dwindle for years to come.

Here's the proof

Want proof that online retailers will pay big money to increase their shipping speed? Look no further than Amazon. In June, the company announced the expansion of its private air delivery network, Amazon Air. Amazon added more than 20 aircraft to its fleet, which is now expected to surpass 70

planes by 2021. Amazon is so serious about speed that it's willing to cut out the biggest shippers of all: **United Parcel Service** and **FedEx**. In fact, FedEx was so disgruntled by Amazon's efforts that it severed ties with the company earlier this year.

The most exciting news hit this week when Amazon acquired options to purchase a massive amount of Cargojet shares. It now has the right to acquire up to 15% of the company provided Cargojet meets certain growth targets. To help hit those thresholds, Cargojet is adding several new cities to its network in addition to increasing the frequency in which it delivers to its current locations.

"Cargojet has been a key player in our Canadian middle mile operations for several years," commented Amazon's vice president of Global Transportation. "We're thrilled to build a longer-term relationship that will allow us to provide even faster service to Amazon customers in Canada."

Ride the train

With Amazon's involvement, Cargojet moves one huge step forward in absolutely controlling Canada's overnight shipping market. The story demonstrates the importance of getting in early. Whether it's online shopping or 5G technologies, the multi-decade growth runway of tech is often worth the ride. Cargojet now trades at a lofty 110 times forward earnings, but long-term investors know the company is worth the premium valuation.

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Date

2025/08/25

Date Created

2019/08/31

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