



## Canadian National Railway (TSX:CNR): A Top Dividend Stock to Buy Next Year

### Description

After [a remarkable rally](#) in some of the top dividend stocks in the past 12 months, there's a great deal of uncertainty as to whether this segment of the market will continue its upward journey next year.

Many analysts don't believe that dividend stocks have much room to grow because threats to the global economy in the shape of global trade war is subsidizing.

In the past few weeks, investors continued to shift their funds to risky assets, such as high-flying technology stocks, following the news that that trade negotiations between the U.S. and China are going well and could soon produce a deal between the world's two largest economies.

Much of the recent rally has been powered by economically sensitive stocks, such as those of the financial and industrial companies, suggesting that investors are regaining confidence.

Despite this euphoria in the markets, however, I still strongly recommend that you should keep some quality dividend stocks in your portfolio to be prepared for any sudden shock to global growth.

The best way to pursue that strategy is to buy top dividend stocks that are reliable and have strong competitive position to survive in a recession or a major economic slowdown.

### CN Rail: A top pick for 2020

The companies that consistently raise their dividends top of this list. Among them, **Canadian National Railway Co.** ([TSX:CNR](#))([NYSE:CNI](#)) is one such stock that could fit in quite perfectly in this strategy.

It's been very consistent in rewarding its investors by paying regular dividends while pursuing growth.

Over the past 10 years, CNR stock has delivered about 340% growth, including dividends, thereby showing that this bet has proved quite successful for the stock's long-term investors.

One major reason that makes [CN Rail a top stock to buy](#) is that the company provides a crucial link to the expanding North American economy.

CNR runs a 19,600-mile rail network that spans Canada and mid-America, connecting the Atlantic, the Pacific, and the Gulf of Mexico. A week-long CN train operators' strike that ended this week has further highlighted the strength of this stock.

The strike "severed the bonds of Canadian commerce, stalling shipments of fuel, grain and fertilizer," *The Globe and Mail* newspaper said in one of its reports. This wide economic moat makes CNR a stock that has the power to defend its business, while continuing to pursue growth.

Trading at \$122.49 a share at writing, CNR stock is up about 22% in 2019. With an annual dividend yield of 1.78%, the company pays about \$0.54 a share quarterly payout, which has grown about 17% per year during the past five years.

## Bottom line

CN Rail is a dividend stock that long-term investors should consider buying in 2020 to earn growing income with the potential for further growth. The stock is perfectly positioned to provide safety to your portfolio if the economy suffers.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
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