Market Crash Alert: 1 Crucial Stock to Buy Right Now

Description

As another week rolls in, the economy doesn't appear to be improving. The COVID-19 pandemic is not letting up and continues to move forward on full steam. The increasing number of cases caused by the novel coronavirus each day is increasing fears of a potentially lengthy recession.

I certainly loathe the extended economic shutdown as much as you do; I wouldn't be surprised if you're afraid for the safety of your capital as much as you are about your health. Still, I believe Warren Buffett's words about being fearful when others are greedy and being greedy only when others are fearful are something you should take to heart.

Now is the time to consider buying shares of high-quality stocks that would otherwise be too expensive. You need to find income-generating assets that can continue to perform well, even amid a challenging economic environment. A company that can guarantee robust cash flow during this time can also boost your overall wealth through the recession.

To this end, the **Canadian National Railway** (TSX:CNR)(NYSE:CNI) could be an ideal stock to consider.

An essential business

It's safe to say that in a time like this. Canadian National Railway is a cornerstone of the North American economy. The most viable method of transporting large quantities of freight is through the railway, and CNR has the most extensive railway network across North America.

Businesses in both the United States and Canada rely on CNR to transport goods for them. CNR enjoys a unique position in the transportation sector due to substantial barriers to entry. It enjoys a monopoly, unlike any other. Any competitor would require significant capital to build a railway network that can compete with CNR.

The trucking industry also transports substantial goods, but the railway is a better option, as it never congests highway traffic and is environmentally friendlier.

On average, a freight train operating on the CNR network can transport a ton of goods for more than 450 miles using one gallon of fuel. No truck can transport that volume of products on one gallon of fuel, which should put things in perspective.

A consistently well-performing company

CNR has a reputation for fantastic earnings, boasting a free cash flow of $2 billion and an operating margin of 62.5% in 2019. The stock generated a compounded average growth rate on revenue of 6% in the last seven years and has continually managed to get a return of 16% on invested capital.

With financials as healthy as these, it comes as no surprise that CNR outpaced the **Toronto Stock Exchange** by more than 300%.

Canadian National Railways also enjoys a positive debt rating from **Moody's**, a top investment rating agency. A high grade from top-rated investment rating agencies can make it easier for companies to receive loans or debt at low interest rates. It means that CNR can acquire debt at incredibly low rates.

Foolish takeaway

Keep in mind that CNR is not entirely immune to the effects of the pandemic-fueled market crash. Still, it's performing much better than the broader market.

At writing, CNR is trading for $111.19 per share, which is down by just 6.70% from the start of the year. The **S&P/TSX Composite Index**, on the other hand, is down 17.15% in the same period.

The stock markets will recover when there's a vaccine or the pandemic subsides. Until then, you can rely on CNR to deliver its payouts at a decent 2.07% dividend yield.

Once the economy recovers, it can present you with the opportunity to leverage substantial capital gains.

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Author
adamothman