



Amazon Stock Just Hit \$3,000: Buy This Canadian Company Now!

Description

Amazon ([NASDAQ:AMZN](#)) is one of the best-performing stocks in the history of humanity. In 1997, shares were under \$2. This week, they hit \$3,000. A \$5,000 investment would have become \$8 million!

Here's the thing: the company is just getting [started](#).

Despite the company's \$1.5 trillion market cap, it's still primarily focused on a handful of markets. For Amazon to grow over the next decade and beyond, it will need to become a truly international business. Countries like Canada will be a big part of that push.

"Despite the high rate of internet usage, Canadian consumers aren't embracing online shopping the way Americans have," [reports](#) Buxton, an analytics consultancy. "Further proof of traditional retail's importance is found in the fact that 80% of Canadian shoppers prefer to shop in-store, versus 52% of Americans."

Some of this gap is explained by idiosyncratic characteristics. The shipping market in Canada, for example, has some unique challenges, especially when it comes to remote communities.

Shipping is a major obstacle for Amazon. Its Prime membership promises two-day shipping on millions of products. Consumers have grown to expect rapid delivery times. Within a few years, the company wants to standardize one-day shipping. That's achievable in the U.S., but should prove much harder in Canada and other international markets.

If any online retailer succeeds in Canada, it will be through **Cargojet** ([TSX:CJT](#)).

Amazon wants this stock

With 29 aircraft, Cargojet is Canada's leading provider of time sensitive premium overnight air cargo services. It ships more than eight million pounds of cargo every week, serving 15 major cities, including several international destinations.

According to Fool contributor Jason Phillips, the company is responsible for a vast majority of Canada's overnight deliveries. It simply has a stranglehold on the market.

"As it stands today, this company is the defacto enabler of Amazon Canada's Prime deliver service, capable of reaching close to 90% of the Canadian population in order to help online merchants to fulfill their next-day delivery promises," Phillips writes.

Amazon needs Cargojet to survive. Otherwise, it must build its own logistics network from scratch, using billions of dollars in capital. The easiest route, of course, is simply to own the company. That's exactly what happened last year, when Amazon took a 9.9% stake in Cargojet, with options to increase its ownership even further.

"Cargojet has been a key player in our Canadian middle mile operations for several years," noted the company's vice president 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."

Bet on this growth

Few segments of the economy are growing right now. The COVID-19 crisis has upended dozens of industries. Online shopping, however, continues to take off. Amazon is leading the way, but its path runs directly through Cargojet. Judging by its investment last year, the company is well aware of this fact.

The only thing better than owning a company like Amazon is owning the business that it relies on. With a dominant market share and proven operating model, Cargojet is positioned to succeed.

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1. NASDAQ:AMZN (Amazon.com Inc.)
2. TSX:CJT (Cargojet Inc.)

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