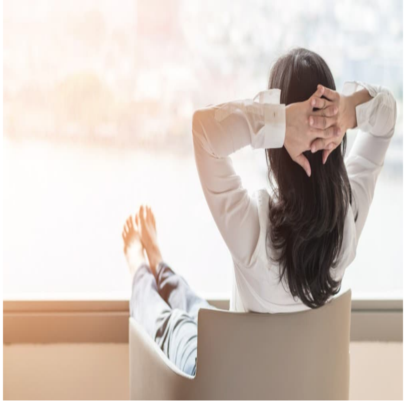

Passive-Income Seekers: The Most Stable Stock to Buy Now!

Description

If you want a safe stock these days, you need to look at a safe industry. There is safety in numbers, so you want a company that has plenty of numbers to fall back on. When it comes to seeking passive income, that couldn't be more true. A strong company means strong dividends, and that means you won't see your dividends be cut any time soon.

When it comes to a safe stock, that has years of stability behind and ahead of it, you have to consider **Canadian Pacific Railway** (TSX:CP)(NYSE:CP).

The rearview

Looking back, CP Rail has had quite the history. The company took a dip after the last recession. It needed reinvigorating, and received that in spades with a new chief executive officer. The new CEO made the necessary cuts and reinvested in company infrastructure. Soon, the rail line was running better than ever, and so was its share price.

That hasn't changed in the last decade. In fact, since 2012 when this all happened, the company has seen its share price rise over 500%! In the past year alone, that share price has come up 50%. Meanwhile, its compound annual growth rate during that last five years has been an incredible 25%!

The future

The company may have had the exciting stuff behind it, but it now has stability to look forward to. This safe stock will continue to remain safe for investors for decades to come. That comes from two reasons.

The first reason this is a safe stock now and years from now is due to its industry. Remember? A safe industry means a safe stock. Rail lines couldn't be safer. It would take an immense investment to come anywhere near the amount of rail that CP has. When the company put down those lines, there weren't immense cities sprawling across the country. Now, other competitors cannot touch the company and its partner in the duopoly.

It’s also safe because the cuts have already happened. Management sought out inefficiencies and got rid of them. So, now, the company is running as efficiently as possible. On top of that, it ships out every product imaginable. It ships grain, crude oil, vehicles, lumber, and practically everything in between. While one area might be down, another will surely pick up the pace. That’s especially the case for oil, as the glut continues.

The dividend

All this means is that passive-income seekers can look no further. The company may have had a drop in revenue due to the virus this year, but that’s likely to change very soon. In fact, while the company has set estimates on the low end of expectations, analysts believe investors are in for yet another surprise when earnings come out on Oct. 20.

This could mean you should be investing now if you want to lock in the company’s dividend of 0.92% as of writing. That dividend has grown steadily by a 19% CAGR over the last five years from this safe stock! So, investors should look forward to even more growth from that $3.80 per share dividend in the very near future.

CATEGORY

1. Coronavirus
2. Investing

TICKERS GLOBAL

1. NYSE:CP (Canadian Pacific Railway)
2. TSX:CP (Canadian Pacific Railway)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Coronavirus
2. Investing

Date
2025/08/25
Date Created
2020/10/16
Author

alegatewolfe