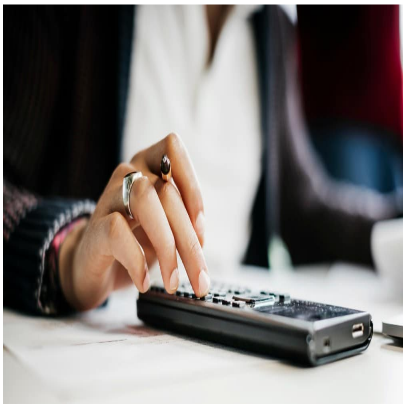

2 Canadian Stocks to Buy After Strong Earnings

### Description

Motley Fool investors, and the market in general, were hungry to buy the dip this week. After a weak start, with the **TSX** dropping due to the COVID-19 variant spread, the market quickly rebounded thanks to these investors. This especially happened in the material and energy sectors but also with stocks reporting strong earnings. So, here are two Canadian stocks that came out strong this week for Motley Fool investors to consider.



## CNR

**Canadian National Railway** (TSX:CNR)(NYSE:CNI) saw profit nearly double during the second quarter, with the country's largest railroad believing we are on the way to a full recovery from COVID-19. Management stands behind its full-year guidance, believing that vaccinations will help a recovery but the recent strain does put the timing into question.

CNR stock saw profit climb to $1 billion for the quarter ending June 30. This was up from $545 million at the same time last year, and revenue rose a further 12% to $3.6 billion. Shares of Canadian stocks and CNR stock included rallied a bit at the news, but nothing major. And it's not just because of the COVID-19 variant putting a strain on a rebound. Wildfires in Western Canada and northern Ontario have also damaged rail lines, creating a backlog that threatens shipments. Still, shipments for CNR stock and Canadian rail in general are up 8% but behind the U.S.'s 13%.

Then, of course, there's the **Kansas City Southern** deal to consider. The US$29.8 billion takeover is still waiting for a U.S. regulator to make a ruling. It's likely to be in CNR stock management's favour. So, investors would do well to consider buying now before a serious rebound. Shares are up just 3% in the last year for CNR stock, providing a bumpy ride for recent investors. But that could all change when a ruling comes down.

## Rogers Communications

**Rogers Communications** (TSX:RCI.B)(NYSE:RCI) also came ahead of analyst predictions this recent quarter. The stock reported a total revenue of $3.58 billion for the quarter ending on June 30. This was above analyst estimates of around $3.56 billion. This likely came from the company laying even more cable, as Canadians shifted to a work-from-home economy. This helped the company, and Canadian stocks in telecommunication in general, pick up the slack from its slowly recovering wireless business.

But Rogers also saw a boost from the return of live sports during the last quarter. Now all that remains is the rollout of 5G. But Rogers aims to double down on this effort by buying **Shaw Communications** for $20 billion back in March.

Shares in Rogers have risen by 25% in the last year, but it remains a strong long-term investment for Motley Fool investors. Over the last decade, shares have risen by 156% for a compound annual growth rate (CAGR) of 9.87%. You also get a nice 2.98% dividend yield as of writing. With analysts predicting an average potential upside of about 8% in the next year, this remains a solid stock to add to your portfolio.

## Bottom line

As the economy recovers, CNR stock and Rogers stock are two solid Canadian stocks to add to any portfolio. While recent short-term investment hasn't been fantastic for either, both are strong long-term options. They are titans in their respective industries and are likely to continue providing returns and dividends for decades to come.



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