



The Bull Case for Why Cargojet Stock Could Outperform

Description

The company financials and fundamentals of **Cargojet** ([TSX:CJT](#)) certainly don't seem to be quite bright. Indeed, Cargojet stock is one I've been downright bearish on in the past. And for good reason.

However, there is certainly a bullish argument to be made for this company. As a leading player in the Canadian air cargo space, Cargojet has enjoyed monopoly power for some time. Accordingly, this is a company that has navigated (with relative ease) the turbulence of the pandemic.

Currently, Cargojet stock has approximately doubled from March 2020 lows. This has led many [growth investors](#) to consider the potential for this stock to continue to outperform as the economy reopens.

Let's dive into why Cargojet stock can potentially outperform this year.

Amazon partnership to boost company's long-term growth

Cargojet is a major overnight cargo service provider in Canada. The air cargo player [announced in 2019](#) that it will be entering a strategic partnership with e-commerce giant **Amazon**. Unsurprisingly, since then, this stock has taken off.

Why?

Well, this deal positioned Cargojet stock as a top growth play for long-term investors. Indeed, CJT has lived up to these expectations.

According to this agreement, Amazon became an equity holder of Cargojet stock. The said deal is expected to continue to substantially increase air cargo volumes in the coming years.

With e-commerce maintaining its global demand, even as the pandemic subsides, Cargojet is the only meaningful air freight service provider to turn to in Canada. Needless to say, CJT stock comes with great potential for long term growth.

Moreover, Cargojet has been consistently focusing on developing and upgrading its fleet for the past few years. This will definitely help the company explore new routes for revenue and income growth while expanding its operational efficiency.

Bottom line on Cargojet stock

Analysts remain quite bullish on Cargojet stock for good reason. This is a company that has continued to post impressive growth and a bullish long-term outlook. The strategic partnerships Cargojet has engaged in provide for an impressive long-term growth outlook. Cargojet's robust core business, strong growth potential, and dominance in the e-commerce sector are some of the major factors that should convince long-term investors to dive into this stock.

With operations expanding across 16 Canadian cities, Cargojet provides overnight delivery service to over 90% of Canada's population. The Amazon deal will allow bolstering its international expansion.

Overall, CJT is a stock that could very well outperform in the long run.

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