



CN Rail Stock: 1 Name I'd Buy Now and Hold Forever

Description

Few Canadian stocks are truly worth buying and [holding forever](#). Indeed, disruption has made it difficult to ensure a fundamental thesis can hold up over time. Undoubtedly, growth profiles and moats can erode at the hands of the competition. And many times, such disruptors may not even be on the radars of investors when they're done their homework and are ready to hit that "buy" button.

That's why it's always wise to buy and continue putting in the analysis to ensure one's original thesis still holds up. If positive developments come your way, then feel free to strengthen your thesis and pick up more shares if it's priced at a range below your estimate of its intrinsic value.

Being a stock picker can be time-intensive, but very rewarding, especially in a market environment that offers less in the way of prospective returns. For stock pickers, though, one can improve their odds of beating the markets with a disciplined strategy and a long-term horizon. Undoubtedly, being able to tell the difference between news material to the long-term prospects of a company and news that's mostly noise is an incredible skill that can only be developed with time.

Once a stock picker has such a skill, though, their ability to score solid risk-adjusted returns (that's returns versus risks taken on) can improve noticeably.

Which stocks are worth buying and holding forever?

In this piece, we'll have a look at two wonderful Canadian stocks whose fundamentals are unlikely to change drastically over time because of their incredibly wide moats. Still, disruption is always possible, and there may be potential risks that are not yet on my radar. So, do put in your own homework to ensure a **TSX** stock you intend to buy and hold forever is actually able to protect its slice of economic profits, or better yet, move into new markets for even more economic profits.

Consider **CN Rail** ([TSX:CNR](#))([NYSE:CNI](#)), a top railway firm that is pretty boring. That said, its moat is incredibly wide, thanks to regulatory roadblocks in front of potential competitors and brilliant managers who know how to deliver in the way of returns.

CN Rail

CN Rail stock has been a [turbulent](#) ride for investors this year. If one just held in spite of the volatility, one would be quite happy with their results, as the stock went from laggard to a somewhat decent market performer for 2021. Moving on from Kansas City Southern, CN Rail is poised to experience a big change to its upper management. Undoubtedly, a new CEO and a beefed-up strategic plan could be in the cards. The latter could really excite investors if the Omicron variant isn't as detrimental to the economy as some expect.

In any case, CN has been through tough times before, only to rise out on top, thanks to its incredibly wide moat and top-notch efficiencies. Recently, CN's operating ratio (OR) has sagged, but there is room to turn things around, especially with new leadership in a new year.

With one of the widest moats out there, CN is a buy, as the business is unlikely to change drastically over the next decade and beyond.

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