



## Why Cargojet Stock Plunged 16% on Monday

### Description

**Cargojet** ([TSX:CJT](#)) shares fell a whopping 16.5% on Monday, as the cargo carrier felt the pressure under higher fuel prices. This came despite an earnings announcement that beat out estimates.

### What happened?

Cargojet stock announced a \$102 million profit for the fourth quarter, with revenue climbing 26.1% year over year. The cargo airline earned \$5.70 per diluted share compared with a \$1.31 loss the year before. Analysts expected \$211.9 million in revenue but instead were treated with \$235.9 million. In the full year, Cargojet achieved \$757.8 million in revenue compared with a \$87.8 million loss the year before.

And yet, it still wasn't good enough for Cargojet stock to see major growth. Or at least, it led to many investors perhaps believing it was time to take their earnings. This came as oil prices surged [higher](#) due to the ongoing war between Russia and Ukraine.

### So what?

The uncertainty in Ukraine and Russia caused oil prices to skyrocket over the weekend, leading to a massive drop in airline share prices. That included Cargojet stock, which saw shares drop 16.5% in a day. The worry is likely that higher prices and more in-store shopping could lead to less need of cargo aircrafts and at higher prices.

Some investors may believe that this is as good as it gets for Cargojet stock. So, why not take earnings? Still, management disagrees. The company stated that Canadians and the world over continue to adopt e-commerce shopping at higher and higher rates. So, this is where the money remains.

## Now what?

Cargojet stock has expanded to a global scale, with a “substantially larger base of business” compared to its pre-pandemic levels, according to Chief Executive Officer Ajay Virmani. The company carries 11 million kilograms of cargo per week, with 31 aircrafts. And that looks like it may only grow higher, along with its destinations.

So, long term, it looks like Cargojet is still a good buy. But right now, there is a lot of uncertainty with this war in Ukraine.

Shares of Cargojet stock were down 16.5% at the end of Monday’s trading and 12% in the last year. It currently has a [target price](#) of \$248.

### CATEGORY

1. Coronavirus
2. Investing

### TICKERS GLOBAL

1. TSX:CJT (Cargojet Inc.)

### PARTNER-FEEDS

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

### PP NOTIFY USER

1. alegatewolf
2. kduncombe

### Category

1. Coronavirus
2. Investing

### Date

2025/08/24

### Date Created

2022/03/08

### Author

alegatewolf

default watermark