



## CP Stock: Prepare for a Price Drop if Strike Goes Through

### Description

**Canadian Pacific Railway** ([TSX:CP](#))([NYSE:CP](#)) can't seem to keep itself out of the news. While the rest of the world wrapped its head around the purchase of Kansas City Southern, Canada's railway now has another issue on its hands: a strike.

### What happened?

CP stock could see a drop in share price just as shares started [recovering](#) some losses this week. This comes as the company announced on Wednesday it would lock out its employees in 72 hours should they reach no agreement with the union.

While the news doesn't seem to have had any effect on the company's share price thus far, CP stock shareholders should watch out. The potential for a massive disruption amid the pandemic and supply chain problems has many customers incredibly fearful — and shareholders should be, too.

### So what?

CP stock has already started preparing for a work stoppage, planning to wind down Canadian operations should no deal be reached. The main issue at stake is the need to address wages, benefits, and pensions for employees, with 96% of union members favouring a work stoppage. However, any changes were rejected by the union on Wednesday.

That being said, Chief Executive Officer Keith Creel stated that he and his company continue to find a way to put this "uncertainty to an end." And the timing couldn't be worse. Fertilizer companies in particular could seriously struggle. With spring at hand, they need potash and other crop nutrients. Yet now, Belarus and Russia are out of the picture due to the Ukraine crisis. This leaves only Canada left to fill the gap. A gap that would be made even wider with a work stoppage.

## Now what?

If you're a shareholder of CP stock, now is the time to watch carefully. If the union doesn't come to an agreement, there could be a huge decrease in share price. Should they come to an agreement, it's likely to stay the same. So, if you're willing, it may be a good time to take out your returns and wait to see what happens, as you can always buy them back later.

Canada and indeed the world are more dependent than ever on Canadian nutrients thanks to Russia's horrific invasion of Ukraine. So, all this being said, it's likely Creel will reach an [agreement](#). There are far too many issues for the company to consider already. Letting a wage dispute get in the way isn't in anyone's interest.

Shares of CP stock were down 1% on Thursday and up 5% over the last month.

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