



## Looking for the Ultimate Defensive Investment?

### Description

Inflation, the crisis in Ukraine, and global supply issues continue to cause havoc on the market. This has more than a few investors thinking that a longer downturn could be on the horizon. To counter that looming recession, prospective investors should seek out the ultimate defensive investment.

### Why buy now?

With the market in retreat, the obvious question from [new investors](#) is, why now? The answer to that comes down to opportunity. As Warren Buffet famously professed, “be fearful when others are greedy, and greedy when others are fearful.”

And given everything that’s going on, there’s plenty of fear on the market right now. That opportunity comes in the form of an ultimate defensive investment that trades at a 9% discount right now.

### What is the ultimate defensive investment to buy now?

That investment is **Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)). Railroads are incredibly defensive investments, with plenty of long-term appeal. Part of the reason for that is the vital role that railroads play in the economy.

Canadian National is the largest railway in Canada, with over 32,000 km of track extending from coast to coast and then down through the U.S. Midwest to the Gulf Coast. That extensive network means that Canadian National is the only railroad on the continent that connects three separate coastlines.

One of the big misconceptions about railroads is that they are low-tech remnants of the last century. This couldn’t be further from the truth. Railroads remain one of the most critical parts of the supply chain. In short, they connect factories, refineries, and warehouses to ports across the continent.

Canadian National hauls \$250 billion worth of goods each year across that network. Those products could be anything from automotive components, chemicals, raw materials, wheat, or even crude oil.

It's no wonder then why railroads are often referred to as the arterial veins of the entire North American economy. But that's only part of the reason why Canadian National is the ultimate defensive investment.

Railroad networks are vast and incredibly expensive to build. Many of those tracks were planned out and built decades ago. As a result, communities and cities developed around those high-traffic railroad corridors.

From a competition standpoint, the notion of another railroad entering the market to counter Canadian National seems unheard of. The track construction alone would cost tens of billions of dollars and require a decade or longer of construction.

In other words, that massive, immovable moat makes Canadian National the ultimate defensive investment.

## Canadian National is a great option with something for everyone

The defensive appeal of Canadian National as a long-term investment is off the scale. But there's still one more reason to consider investing in Canada's largest railroad: the dividend.

Canadian National offers investors a quarterly dividend that boasts a yield of 2.08%. While that's not the highest yield on the market, it is well covered, stable, and, most importantly, growing.

Canadian National has provided investors with juicy annual upticks to that dividend going back well over two decades. This factor alone makes Canadian National a great buy-and-forget option for your portfolio.

In my opinion, Canadian National is a great investment that should be part of every well-diversified portfolio.

### CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:CNI (Canadian National Railway Company)
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