



CN Rail: Top Growth Stock I'd Buy Right Now

Description

Canadian National Railway ([TSX:CNR](#))([NYSE:CNI](#)) has produced [phenomenal returns for shareholders](#) for the last two decades. While investing for growth, the company takes a strategic approach to capital investments that should fuel future growth. Examples of such investments, made or advanced, include CN's investment in a mobile logistics park and the Milton logistics hub, new Richmond terminal, Port of Prince Rupert, new Atlantic intermodal service, and Project Laurentia.

Strengthen the national supply chain

Milton logistics hub is an intermodal facility that will strengthen the national supply chain and allow CN to address increased demand in the Greater Toronto and Hamilton Area through the modal shift of goods from long-haul trucks to rail.

On January 21, 2021, the federal government approved the project subject to compliance with conditions relating to the environment and consultation with Indigenous peoples.

Further, CN also invested in a new Richmond terminal. This terminal is a new multipurpose facility in New Richmond and includes an automotive compound for finished vehicles and [an intermodal terminal](#) to serve shippers and receivers in the metropolitan area of Minneapolis and Saint Paul, Minnesota.

Extensive export capacity

In addition, CN also purchased a controlling interest in a mobile logistics park. This high-tech facility will include a facility for bagging and containerizing plastic pellets with an annual capacity of 25,000 20-foot equivalent units and will provide customers with an extensive export capacity to access Asian, Latin American, and European markets without warehousing costs or requiring double handling.

Exclusively served by CN, the Port of Prince Rupert is a northern deep-water port that offers the shortest route to and from Asia. It benefits from CN's investments in long sidings along CN's Edmonton-to-Prince Rupert corridor, which experienced further growth in 2020 despite the pandemic.

The addition of 18,000 feet of double track continued in 2020 to increase network capacity in support of the construction of two terminals.

Integrated intermodal solutions

Furthermore, CN has forged ahead with the new Atlantic intermodal service. In collaboration with the Halifax Port Authority, stakeholders, ocean carriers, and customers, CN recently began to offer integrated intermodal solutions through the company's Moncton Yard aimed at reducing short-haul trucking in Halifax.

This new service drives value and supports growth in the Atlantic region. The Port of Halifax is another CN-exclusive port with great potential for growth.

Also, Project Laurentia is an example of another high-growth opportunity where CN, Hutchison Ports, and the Port of Quebec are working together to pioneer a new intermodal container terminal. This new state-of-the-art facility is set to become a cornerstone of the deep-water, year-round port.

The new terminal will be exclusively served by CN, with dedicated priority trains to Chicago, Detroit, and Toronto. The opening is scheduled for 2024 but remains subject to regulatory approvals.

Automated rail network

Overall, CN's network of 19,500 route miles of track spans Canada and the United States. CN is the only railroad that connects Canada's Eastern and Western coasts with the southern U.S. The company appears to believe that an automated rail network is key for it to keep moving the economy.

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