



## Investors See Growth From Potash

### Description

On Thursday, **Potash** (TSX:POT,NYSE:POT) will release its latest quarterly results. The key to making smart investment decisions on stocks reporting earnings is to anticipate how they'll do *before* they announce results, leaving you fully prepared to respond quickly to whatever inevitable surprises arise. That way, you'll be less likely to make an uninformed knee-jerk reaction to news that turns out to be exactly the wrong move.

Potash rose to prominence in the initial boom of the agricultural industry during 2007 and 2008. After recovering much of the ground it lost due to the financial crisis, competitive pressures within the fertilizer industry have held it back over the past couple of years.

With those pressures now beginning to fade, will the company get back to its winning ways? Let's take a look at what's expected in its quarterly report.

Analyst EPS Estimate	\$0.59
Change From Year-Ago EPS	5.4%
Revenue Estimate	\$1.82 billion
Change From Year-Ago Revenue	11.1%
Earnings Beats in Past 4 Quarters	0

Source: *Yahoo! Finance*.

### Will Potash finally beat expectations?

Analysts have significantly lowered the bar for Potash over the past few months, cutting first-quarter EPS estimates by a dime per share and full-year 2013 consensus figures by almost \$0.20 per share. The stock has been hurt by these downward revisions, falling more than 6% since mid-January.

Much of the pessimism about Potash has been derived from two factors. Slower growth in key fertilizer markets like China and India have caused the commodity price to fall and lower prices for natural gas have encouraged greater use of nitrogen-based fertilizers. Nitrogen-fertilizer producers are benefiting at the expense of Potash.

### **Foolish Takeaway**

In Potash's report, watch for how the company's sales have responded to prices on various crops. By now, reliable figures on spring plantings should give Potash a greater ability to predict demand for the coming season, and that will give investors a better picture of what the immediate future holds for the fertilizer producer.

Potash is just one of a bevy of resources that Canada is endowed with. Uranium is another. While potash will help feed the world, uranium has the potential to be *the* fuel that powers the 21st century. And currently the market is completely ignoring it. [Click here now](#) for instant access to our FREE report titled "**Two Uranium Stocks To Fuel Your Portfolio's Return**". We think you'll be surprised just how bright the future is for uranium, just how far these two Canadian names have fallen, AND **how fast** they could rebound. [Click here now](#) to access this free report, and hop on for the nuclear ride of your life!

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*Fool contributor Iain Butler is short \$40 July 2013 puts on Potash and owns shares in Potash outright. The Motley Fool does not own shares in the companies mentioned.*

*A version of this article, written by Dan Caplinger, originally appeared on Fool.com*

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motley-fool-staff

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