



## This Must-Own Income Stock Is Ready to Add Today

### Description

After a brief hiatus in market craziness, uncertainty has returned to the market. And as strange as it seems, the central banks of the world seem to be almost as volatile as the markets themselves. How is it that economies can swing back and forth, going from positive outlook to negative, in the blink of an eye? In the fall, practically every bank in the world was positive, hoping rate increases and debt reduction would be coming to us in 2019.

Now, in the space of a couple of months, the world is falling apart. Rates are projected to fall. Economies are no longer strong but are headed into recession. How is an investor supposed to make head or tail of the world order when even our leaders can't seem to figure out what is going on?

The simple answer is that you don't have to. Take a step back. Open your front door and smell the fresh spring air. The only thing that these crazy headlines give you, in reality, is the opportunity to buy excellent stocks at prices that are cheaper than they were a few days or months earlier.

A stock that has recently started pulling back is **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)). If ever there was a stock an investor should buy on a pullback, it is this fertilizer producer. On Friday last week, Nutrien fell almost 5%. China's economic slowdown, trade wars, and the onset of a new bout of market malaise have brought the stock down significantly from its recent highs.

Considering its excellent year-end results, this company should be on many investors' buy lists. [Free cash flow](#), probably the best indicator of a company's profitability, increased a solid 53% over the previous year. Annual retail EBITDA rose 5% over 2017, in spite of a difficult fourth quarter. Potash prices contributed significantly to the overall performance as well, driving EBITDA up 48% as compared to 2017. Since the company was formed only late last year, the results are compared to historical combined financial information from Agrium and Potash Corp, but nevertheless, the performance is quite good.

The [dividend](#) is another great reason to own the stock, and not only because of its size and strength. The yield is quite healthy at 3.14% at the time of this writing, giving investors great income over time. There is not any historical data due to the fact the company is newly formed, but its free cash flow should help power dividend increases over time.

Another great attribute of the dividend is the fact it is paid out in U.S. dollars (USD). You benefit from a lower Canadian dollar or you can choose to receive the dividend in USD if your broker allows you to do so. Given the negative outlook towards the Canadian economy, these USD dividends might come in handy as portfolio diversifiers.

Nutrien is also pretty cheap at the moment, trading at trailing price-to-earnings ratio of 16 times trailing earnings and a price to book of 1.2. Its balance sheet is also in excellent shape. With over US\$2,314 billion in cash and US\$11,662 in combined current assets, it is easily able to cover its US\$629 short-term and US\$7,591 long-term debt obligations.

## This is a stock you can buy now

Nutrien is a stock you should add right now. Since it is focused on food production, its products should be in demand for a long time. It has a great dividend and its financial house is in order. Nutrien is a core holding for any Canadian looking to shield their long-term portfolio from market volatility.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:NTR (Nutrien)
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