



## A Top TSX Index Stock to Own for 40 Years

### Description

Investors often spend hours of every week hovering over their holdings, fretting about short-term moves in the market or biting their nails every time a worrisome headline comes out that could impact one of the stocks in their [portfolio](#).

Short-term volatility is to be expected, but investors who employ a buy-and-hold approach and own industry-leading stocks with strong businesses and long-term growth opportunities should be able to focus their free time and energy on improving their golf game, rather than scrutinizing their investments.

Let's take a look at one Canadian company that might be an interesting pick right now.

### Nutrien ([TSX:NTR](#))([NYSE:NTR](#))

Nutrien was formed at the beginning of 2018 when fertilizer giants Potash Corp. and Agrium Inc. merged. The marriage between the two Saskatchewan-based companies wasn't a surprise to long-term followers of the industry. A multi-year slump that hit the crop nutrients sector made it clear there would be benefits in creating a global giant and the two companies had already completed major capital programs that positioned them to compete in the international market.

Nutrien achieved run-rate synergies above its 2018 goal of US\$500 million and expects that number to hit US\$600 million this year. Full-year 2019 adjusted earnings are targeted at US\$2.80-3.20 per share. The company earned US\$2.69 per share last year, so management is upbeat about the near-term outlook. Crop nutrient prices are rising in key spot markets and large potash wholesale deals signed with India and China were at higher prices in 2018, so it appears the cycle has turned.

The board raised the [dividend](#) by 7.5% for 2019 and steady annual increases should be on the way.

Longer term, the market outlook for crop nutrients is encouraging. Farmers around the world are trying to meet rising demand for food, while urban expansion gobbles up the land they need to grow crops for both people and livestock. As a result, better yield will be required per square foot of farmland and that should drive an increase in demand for fertilizer.

## Should you buy?

With state-of-the-art facilities already in place, Nutrien is in a position to generate significant free cash flow as potash, nitrogen, and phosphate prices increase. At the moment, the market might not be appreciating the upside potential. The stock currently trades for \$71 per share. It wouldn't be a surprise to see Nutrien top \$100 in the next two years and steadily drift higher in the coming decades.

### CATEGORY

1. Investing
2. Metals and Mining Stocks
3. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:NTR (Nutrien)
2. TSX:NTR (Nutrien)

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