



Marijuana Investors: Ditch Cannabis Stocks and Buy This 1 Money Maker Instead!

Description

What's red and black and volatile all over? The answer is **Nutrien's** [\(TSX:NTR\)](#)[\(NYSE:NTR\)](#) share price!

With a chart that looks like the outline of the Rocky Mountains, [Nutrien is a good choice for investors](#) looking to profit from volatility. Before I dive deeper into Nutrien, I want to warn investors that volatility creates opportunities to make more money, but it also exposes investors to greater risk.

The key to investing in a stock such as Nutrien is to time it correctly. Buy at the trough, sell at the peak, and you'll be generously rewarded. Buy at the peak and sell at the trough, and the losses will be substantial.

For those of you with some extra money set aside, I would look into buying Nutrien due to its recent amalgamation and solid cash flows.

Recent amalgamation

In 2018, Agrium Inc. and Potash Corp. merged to form Nutrien. The combined company has a retail network of 1,500 centres with 20,000 employees and operations in 14 countries.

With a merger of this size, it will take many years for the benefits to materialize. I believe that the merger will deliver generous returns for investors, as it allows the company to reduce operational inefficiencies from having two separate entities.

One example of a successful merger in the past is Exxon and Mobil which merged in 1999. At the time, Exxon was the world's largest energy company and Mobil was the second-largest oil and gas company in the United States.

The merger was due to low oil prices, which put pressure on energy companies. The U.S. government approved the deal under the condition that the merged company would sell over 2,400 gas stations

across the country. Given that **ExxonMobil** is now the largest oil company in the U.S., it is safe to say the deal was a success.

The reason I brought this up is because Agrium and Potash Corp. were among the top 10 largest fertilizer companies in the world prior to the merger.

Thus, there is a good chance that Nutrien's [senior management can replicate the success](#) of ExxonMobil by finding operational efficiencies and growing the company.

Solid cash flows

Nutrien's operating cash flow is in excess of \$1.2 billion in each of the past five fiscal years with a high of \$2.3 billion in fiscal 2015 and a low of \$1.2 billion in fiscal 2017.

This solid operating cash flow is a good sign for investors, as it indicates that the company's main line of business is successful. In the case of Nutrien, it indicates a steady demand for fertilizer.

Summary

When it comes to volatility, investors can either gain or lose significant amounts of money. With Nutrien, investors looking to profit from volatility will be thrilled!

The company was formed in 2018 from the merger between Potash Corp and Agrium — two of the top 10 largest fertilizer companies in the world. This merger could lead to significant gains for investors in the future as the success story of ExxonMobil began as a merger between two of the top energy companies in the world.

Nutrien also has solid operating cash flows in excess of \$1.2 billion in each of the past five fiscal years. This is good news for investors, as it shows a steady demand for the company's products and assures investors of Nutrien's ability to repay creditors.

CATEGORY

1. Investing

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