



Is Nutrien Stock a Buy Ahead of Earnings?

Description

With **Nutrien's** ([TSX:NTR](#))([NYSE:NTR](#)) earnings report expected August 10, bullish investors have a window of opportunity to buy cheap shares in the next few days. While its Q2 is likely to be mixed, upside could be in the pipeline if the report hews close to expectations. Nutrien investors should expect some volatility, though, and get ready to build their positions on weakness.

Nutrien stock is a long-term play for growth

Expectation is key when it comes to timing plays based on earnings reports. For instance, it's fairly likely that Nutrien shipped lower-than-expected levels of potash during this year's second quarter. Earnings are expected to be down year on year. In fact, Nutrien itself expected as much when it released its disappointing first-quarter report. But so long as its Q2 report reflects expectations, Nutrien could see some improvement in its share price.

Back in May, Nutrien tweaked its full-year global shipments forecast by approximately one million tonnes. The agricultural input giant cut its expected output to around 65-67 million tonnes. Eagle-eyed shareholders will be watching the data for any deviation from this projection. However, bullish investors may expect little change from a company whose very raison d'être revolves around precision.

This should also mean that value investors looking for a further dip are unlikely to see any profound negative change in share price after earnings. From declining potash prices to lower corn demand, it's been a challenging year for Nutrien. However, this is a rare forever stock in the materials space, mixing value and safety with growth potential. On the contrary, investors may even expect an upswing in terms of share price appreciation, since its Q1 was followed by a sustained rally.

Nutrien could rally this summer

Indeed, would-be shareholders may want to take a quick look back at Nutrien's Q1 with a view to [upside potential](#). The month of May saw a vast improvement in Nutrien's fortunes, as the market caught onto its combination of consumer staples safety and attractive price ratios. August could very

well see a repeat play of this sudden updraft in share price. In this scenario, that makes pre-earnings a good time to buy some shares.

Growth potential is sometimes left out of appraisals of Nutrien's future. But there is a [growing trend](#) towards precision farming that supports a Nutrien play. With the twin stressors of climate change and the return of protectionist trade, precision matters when it comes to farming. With an emphasis on nutrient inputs, harvest maximization, and waste reduction, Nutrien is in an excellent position to capitalize.

In short, investors may want to begin or build a position in Nutrien while its shares are relatively cheap. This advice should hold for subsequent quarters this year. Earnings seasons are usually characterized by frothiness, handing investors multiple opportunities to either build or trim their positions as the market dictates. However, a Nutrien position is one that the long-term investor should add to whenever its shares are discounted.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/08/24

Date Created

2020/08/05

Author

vhetherington

default watermark

default watermark