



## Savvy Investors: 2 Oversold Stocks I'd Buy With \$5,000 Today

### Description

Stocks that missed out on the initial rebound off the March [market crash](#) are now beginning to bounce. Most of the easy money was already made, but a few industry leaders with great long-term opportunities still appear cheap.

Let's take a look at two top Canadian stocks that might be interesting picks for a contrarian portfolio right now.

### Nutrien

The merger of Agrium and Potash Corp. created a global crop nutrients powerhouse. The company, now called **Nutrien** ([TSX:NTR](#)) ([NYSE:NTR](#)), is the planet's leading supplier of potash. The fertilizer giant also sells nitrogen and phosphate. The three products are key to helping farmers maximize yields on their fields.

In addition, Nutrien has a large retail business that provides roughly half a million farmers around the globe with seed and crop protection products. Within that business unit, a growing digital solutions division helps growers manage all aspects of their business.

Digital disruption in the farming industry is in its early stages and Nutrien has the client connections to be a leader in this growing segment.

The stock picked up a nice tailwind in the past two weeks, rising from \$44 to \$51 per share. Contrarian investors might be moving in to take advantage of expectations for a better 2021 in the crop nutrients industry.

Near-term volatility is expected across all markets, but Nutrien's long-term prospects remain positive. Global demand for food is expected to rise significantly, as population growth takes the world population from roughly 7.8 billion in 2020 to 10 billion by 2050.

Reduced farmland due to urban expansion puts more pressure on farmers to improve yields. This

bodes well for Nutrien in the coming decades.

The stock pays a solid dividend that should be safe through the recession. At the time of writing, investors can pick up a 4.75% [yield](#). The shares traded as high as \$69 in the past 12 months, so there is decent upside opportunity for patient investors.

## Teck Resources

**Teck Resources** ([TSX:TECK.B](#))([NYSE:TECK](#)) produces metallurgical coal (steel-making coal), copper, and zinc. Canada's largest diversified mining company is also a partner in the Fort Hills oil sands facility.

Teck has a history of delivering spectacular gains and frightening losses, as commodity prices run through cycles. The secret to making money on the stock is to catch it in the early stages of a new commodity rebound. That is likely where the market sits today.

Stimulus measures from central banks and governments around the world should drive a new boom in demand for base metals and metallurgical coal. Massive infrastructure projects help boost the economy and tend to lead to rising prices for Teck's core products.

Copper prices already rose from just above US\$2 per pound at the March low to nearly US\$3 in July. The rally took a break in recent weeks but should continue through 2021.

Teck trades near \$15 per share. It hit a March low near \$8 and traded for \$38 at the top of the last cycle. A quick look at the long-term chart gives investors good idea of how large the gains can be when you time the entry point correctly.

It wouldn't be a surprise to see Teck hit \$30 in the next 18 months.

## The bottom line

Nutrien and Teck Resources are leaders in their respective industries. The stocks appear oversold today, giving investors a chance to participate in a global recovery in commodity markets that is anticipated over the next few years.

If you have some cash available right now, these stocks deserve to be on your radar.

### CATEGORY

1. Coronavirus
2. Investing
3. Metals and Mining Stocks

### TICKERS GLOBAL

1. NYSE:NTR (Nutrien)
2. NYSE:TECK (Teck Resources Limited)
3. TSX:NTR (Nutrien)

4. TSX:TECK.B (Teck Resources Limited)

## **PARTNER-FEEDS**

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

## **Category**

1. Coronavirus
2. Investing
3. Metals and Mining Stocks

## **Date**

2025/08/18

## **Date Created**

2020/08/13

## **Author**

aswalker

default watermark

default watermark