



1 Top-Notch Commodities Play to Consider Today

Description

With stock markets sitting at record levels, finding pockets of growth-at-a-reasonable-price today is difficult. However, certain commodities plays provide nice upside.

Indeed, as a [key global player](#) in the fertilizer market, **Nutrien Ltd.** ([TSX:NTR](#))([NYSE:NTR](#)) is a great way to play the commodities boom. With excellent recent returns, Nutrien has proven its worth among investors seeking defensiveness. This stock also happens to be a great way to add diversification to one's portfolio.

For those as bullish on commodities as I am, here's why this company is on my radar right now.

Much better earnings spur positive outlook

With the incorporation of new technologies and rising fertilizer prices, Saskatoon-based Nutrien sees itself positioned favorably in the current market.

In the company's recent earnings call, Nutrien increased its dividend and launched a new share buyback program. The company cited healthy operational growth as a key driving factor behind these decisions. This marks Nutrien's third dividend raise in three years, and this company plans to buy back at least 5% of its shares in the coming year.

Financial data firm Refinitiv expected Nutrien's earnings to come in at US\$81 million, or US\$0.15 per share. However, Nutrien posted blow-away earnings of US\$316 million or US\$0.55 per share. It posted a loss of US\$48 million or US\$0.08 in the same period last year. Additionally, Nutrien saw EBITDA balloon year over year, as increased agricultural demand has bolstered Nutrien's bottom line.

Supply shortages related to unexpected cold weather in the U.S. has resulted in several nitrogen fertilizer firms being shut down, which could further drive up commodity prices, benefiting Nutrien shareholders in the near term.

It's ready for a new direction with a new CEO

Nutrien CEO Chuck Magro recently stepped down from his CEO role. Reports indicate that Nutrien has appointed Chairman Mayo Schmidt as the new CEO. Unlike other corporate step-downs, this one appears to be friendly in nature. However, investors seem to be a little spooked by the news, with Nutrien shares trading down since the news two days ago.

That said, for long-term investors who believe in Nutrien's business model, this may be a great buying opportunity.

After all, the company's new CEO is one many think could take this company in an even better direction. Mr. Schmidt brings over his 30-year experience in the agricultural business and is a remarkable leader in this industry. His goals align well with company objectives. The board is confident that the company will build further on this year's strong earnings and create shareholder value.

Schmidt is one of the best persons to take over this role as he firmly believes in Nutrien's business outlook. He can firmly implement this firm's business strategies and make this company an industry leader in various segments.

Accordingly, I remain bullish on Nutrien, and look at this recent dip as a buying opportunity today.

CATEGORY

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TICKERS GLOBAL

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