



## 2 Top Cyclical Stocks to Buy Now

### Description

Cyclical stocks can deliver massive gains when investors get the timing right.

### Why Nutrien looks like a good stock to buy now

**Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)) is the world's largest supplier of potash. The crop nutrient is used by farmers to boost crop yields. Nutrien expects global potash shipments to match or exceed the 2020 record levels, and the positive trend should continue in the coming years.

The company also has a retail division that sells seed and crop protection products. Nutrien has invested heavily in digital solutions as well, giving farmers tools to make their operations more efficient.

[Crop prices](#) recently hit their highest level in eight years. Demand soared during the pandemic, as people forced to stay at home have rediscovered cooking and baking. At the same time, rising middle-class wealth is boosting the need for food to feed animals that people want to eat. China's corn imports, for example, are at record levels, as the country strives to feed its growing pork industry.

In the Q4 2020 report, Nutrien said it expects American farmers to plant 10 million additional acres in 2021 to meet strong crop demand. Canadian canola farmers are also planning to plant more land. All this bodes well for Nutrien this year and into 2022.

Longer term, the company should benefit from population trends. Another two billion people are expected to inhabit the planet by 2050.

Nutrien already has state-of-the-art facilities that can meet demand growth for its products, so investors don't have to worry about a huge capital program draining cash flow. As commodity prices rise, Nutrien has the potential to be a free cash flow machine.

The stock appears [undervalued](#) right now and offers a 3.3% dividend yield.

## Teck Resources could soar

**Teck Resources** ([TSX:TECK.B](#))([NYSE:TECK](#)) produces metallurgical coal (used for making steel), copper, and zinc. It is also a partner in the Fort Hills oil sands facility.

Teck stock can be volatile, so you want to get in when commodity prices are rising and get out before the market peaks. The share price already had a great run off the 2020 lows, but more upside should be on the way.

Infrastructure projects in the United States and around the world should drive strong demand for steel in the next few years. Green energy projects are also set to ramp up, including solar, wind, and electric vehicles. All three require copper.

Teck is at the halfway point on the construction of its QB2 copper project in Chile. The pandemic set the development back by about six months, but the company expects production to begin in the second half of next year. That might be perfect timing as copper demand and prices are forecast to move higher in the next few years.

Teck reported solid [Q1 2021 results](#). Adjusted earnings came in at \$0.61 per share compared to \$0.17 in the same quarter last year.

## The bottom line on top cyclical stocks

Nutrien and Teck are leaders in their respective industries and should benefit from rising demand and higher prices for commodities. If you have some cash available, these stocks appear attractive right now for a recovery portfolio.

### CATEGORY

1. Investing
2. 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)

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